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# Kenai Peninsula Borough

## *Assembly Meeting Minutes*

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March 13, 2012

Regular Meeting - Soldotna, Alaska

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### **CALL TO ORDER**

A Regular Meeting of the Kenai Peninsula Borough Assembly was held on March 13, 2012, 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  
Hal Smalley  
Bill Smith  
Ray Tauriainen

comprising a quorum of the assembly.

### **Absent:**

Charlie Pierce (excused)

### **Also in attendance were:**

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

### **COMMITTEE REPORTS**

*(07:02:12)*

President Knopp said the Assembly met in a Work Session and discussed its agenda items. He noted that a portion of the Work Session included Members of the Central Kenai Peninsula Hospital Service Area Board and the Central Peninsula General Hospital, Inc. Board.

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 items. He noted the committee participated in a teleconference with some of the Borough's Legislative delegation in Juneau.

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

## **APPROVAL OF THE AGENDA AND CONSENT AGENDA**

(07:18:08)

MOTION TO APPROVE AGENDA: Murphy 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:

- Resolution 2012-016: Authorizing the Mayor to Execute an Amendment to the Central Peninsula Hospital Lease and Operating Agreement to Authorize Central Peninsula General Hospital, Inc. to Sublease a Portion of the Facility for Oncology Services (Mayor) (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.

- February 28, 2012 Regular Assembly Meeting Minutes
- Resolution 2012-017: Approving the Memorandum of Understanding from the Alaska Department of Military and Veterans Affairs, Division of Homeland Security and Emergency Management to Conduct a Security Vulnerability Assessment (Mayor) (Referred to Policies and Procedures Committee)
- Ordinance 2011-19-78: Appropriating \$625,000 in the Borough's School Revenue Capital Project Funds for Improvements to School Facilities (Mayor) (Shortened Hearing on 04/03/12) (Referred to Finance Committee)

*[Clerk's Note: A technical amendment was made to Ordinance 2011-19-78 amending the hearing date from April 17, 2012 to a shortened hearing on April 3, 2012.]*

- Ordinance 2011-19-79: Appropriating Commercial Passenger Vessel Tax Proceeds Received from the State of Alaska in the Amount of \$357,552.50 and Allocating \$324,865 to the City of Seward and \$32,687.50 to the City of Homer (Mayor) (Hearing on 04/17/12) (Referred to Finance Committee)

- Ordinance 2011-19-80: Appropriating \$1,400,000 from the Road Service Area Operating Fund Balance for Additional Snow Removal (Mayor) (Shortened Hearing on 04/03/12) (Referred to Finance Committee)
- Ordinance 2011-19-81: Accepting and Appropriating a Grant in the amount of \$230,220 from the State of Alaska Division of Homeland Security and Emergency Management to Complete a Local Hazard Mitigation Plan Annex in the Seward Bear Creek Flood Service Area (Mayor) (Hearing on 04/17/12) (Referred to Finance Committee)
- Ordinance 2012-07: Amending KPB Title 16 Service Areas to Provide that All Kenai Peninsula Borough Service Area Boards are Appointed Instead of Elected (Murphy) (Hearings on 04/03/12 and 04/17/12) (Referred to Policies and Procedures Committee)
- Requesting a Formal Assembly Protest to the Renewal of the Following Liquor Licenses Due to Unpaid Taxes (Referred to Finance Committee)

<u>Business Name</u>	<u>Location</u>
Starvin Marvin's Pizza	Homer, Alaska
AK Supperclub.com	Ninilchik, Alaska

*[Clerk's Note: The protest to the renewal of Moose Pass Inn liquor license was withdrawn as Moose Pass Inn brought their tax delinquency in compliance on March 13, 2012.]*

President Knopp called for public comment.

The following person spoke in opposition to Ordinance 2012-07:

**George Pierce**, PO Box 80, Kasilof

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**

(07:26:05)

Kenai Peninsula Borough School District Superintendent **Dr. Steve Atwater** and Kenai Peninsula Borough Board of Education President **Joe Arness** gave a quarterly report.

South Peninsula Hospital Chief Executive Officer **Robert Letson** and Chief Financial Officer **Alan Barnes**, presented a quarterly report for the period ending December 2011.

**PUBLIC COMMENTS ON ITEMS NOT APPEARING ON THE AGENDA**

*(07:51:47)*

President Knopp called for public comment with none being offered.

**MAYOR’S REPORT**

*(07:52:02)*

- 1. Assembly Requests/Responses - None.
- 2. Agreements and Contracts
  - a. Authorization to Award Contract for Banking Services to First National Bank Alaska
  - b. Multispectral Imagery and Professional Services, Scope of Work Modification for Aero Metric Inc.
- 3. Other
  - a. Letter from James Greeley, Sate Petroleum Property Assessor, Regarding Total Assessed Value of Oil and Gas Properties within the Kenai Peninsula Borough

**ITEMS NOT COMPLETED FROM PRIOR AGENDA - None.**

**PUBLIC HEARING ON ORDINANCES**

*(08:07:02)*

**Ordinance 2011-19-68: Appropriating Supplemental Funding of \$29,750 for the Purchase of Limited Liability Reports (Mayor) (Referred to Finance Committee)**

MOTION: Smith moved to enact Ordinance 2011-19-68.

President Knopp called for public comment with none being offered.

VOTE ON MOTION TO ENACT:

Yes: Haggerty, Johnson, McClure, Murphy, Smalley, Smith, Tauriainen, Knopp

No: None

Absent: Pierce

MOTION TO ENACT PASSED: 8 Yes, 0 No, 1 Absent

*(08:08:34)*

**Ordinance 2011-19-70: Appropriating \$200,000 to Hire a Consultant to Assist the Borough in Determining the Course of Action to Pursue Regarding Curtailing Health Care Costs (Mayor) (Referred to Finance Committee)**

MOTION: Smith moved to enact Ordinance 2011-19-70.

President Knopp called for public comment.

The following person spoke in opposition to Ordinance 2011-19-70:

**Diana Zirul**, 220 Spur View Drive, Kenai

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

VOTE ON MOTION TO ENACT:

Yes:	Haggerty, Johnson, McClure, Murphy, Smalley, Smith, Tauriainen, Knopp
No:	None
Absent:	Pierce
MOTION TO ENACT PASSED:	8 Yes, 0 No, 1 Absent

(08:15:10)

**Ordinance 2011-19-72: Appropriating \$4,700,000 for the Purpose of Constructing a Radiation Oncology Facility at Central Peninsula Hospital (Mayor) (Referred to Finance Committee)**

MOTION: Smith moved to enact Ordinance 2011-19-72.

President Knopp called for public comment.

The following people spoke in support of Ordinance 2011-19-72:

**Rick Davis**, Chief Executive Officer of Central Peninsula Hospital  
**Loren Weimer**, President of Central Peninsula General Hospital Board  
**Vicki Daman**, PO Box 435, Kasilof  
**Dayne Clark**, PO Box 2620, Soldotna  
**Sonya Larson**, 48395 Johns Road, Soldotna

The following people spoke in opposition to Ordinance 2011-19-72:

**Dr. John Halligan**, 1001 E. Street, Suite 6, Anchorage  
**Dr. Jim Zirul**, 220 Spur View Drive, Kenai  
**Marvin Park**, 5183 K-Beach Road, Soldotna  
**Dan Moore**, 198 Katmai Avenue, Soldotna  
**Diane Zirul**, 220 Spur View Drive, Kenai  
**George Pierce**, PO Box 80, Kasilof

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

MOTION: Smith moved to amend Ordinance 2011-19-72 as follows:

(09:11:52)

The tenth whereas to read, “the CKPHSA Board, at its March 12, 2012 meeting considered the hospital’s request for construction of a radiation oncology facility on the hospital’s campus and recommended approval by unanimous consent ;”

MOTION TO AMEND PASSED: Without objection.

Assembly Member Smith, Smalley and Johnson spoke in support of Ordinance 2011-19-72.

Assembly President Knopp spoke in support of Ordinance 2012-19-72.

VOTE ON MOTION TO ENACT AS AMENDED:

Yes: Haggerty, Johnson, McClure, Murphy, Smalley, Smith, Tauriainen, Knopp

No: None

Absent: Pierce

MOTION TO ENACT AS AMENDED PASSED: 8 Yes, 0 No, 1 Absent

(09:22:06)

**Ordinance 2011-19-73: Appropriating \$569,292 from the Equipment Replacement Fund for the Purchase of New Sales Tax Software (Mayor)**  
**(Referred to Finance Committee)**

MOTION: Smith moved to enact Ordinance 2011-19-73.

President Knopp called for public comment with none being offered.

VOTE ON MOTION TO ENACT:

Yes: Haggerty, Johnson, McClure, Murphy, Smalley, Smith, Tauriainen, Knopp

No: None

Absent: Pierce

MOTION TO ENACT PASSED: 8 Yes, 0 No, 1 Absent

(09:24:11)

**Ordinance 2011-19-75: Accepting and Appropriating \$30,500 from the Alaska Department of Military and Veterans Affairs, Division of Homeland Security and Emergency Management to Purchase a Portable Generator (Mayor)**  
**(Referred to Finance Committee)**

MOTION: Smith moved to enact Ordinance 2011-19-75.

President Knopp called for public comment with none being offered.

VOTE ON MOTION TO ENACT:

Yes: Haggerty, Johnson, McClure, Murphy,  
Smalley, Smith, Tauriainen, Knopp  
No: None  
Absent: Pierce  
MOTION TO ENACT PASSED: 8 Yes, 0 No, 1 Absent

(09:25:24)

**Ordinance 2012-02: Decertifying Approximately 350 Feet of Strawberry Road Extending Beyond the Easterly End of Dedicated Borough Right-of-Way (Mayor) (Referred to Policies and Procedures Committee)**

MOTION: Haggerty moved to enact Ordinance 2012-02.

President Knopp called for public comment with none being offered.

VOTE ON MOTION TO ENACT:

Yes: Haggerty, Johnson, McClure, Murphy,  
Smalley, Smith, Tauriainen, Knopp  
No: None  
Absent: Pierce  
MOTION TO ENACT PASSED: 8 Yes, 0 No, 1 Absent

(09:26:55)

**Ordinance 2012-03: Confirming the Assessment Roll for the Poppy Ridge Road Improvement Assessment District (Mayor) (Referred to Finance Committee)**

MOTION: Smith moved to enact Ordinance 2012-03.

President Knopp called for public comment with none being offered.

VOTE ON MOTION TO ENACT:

Yes: Haggerty, Johnson, McClure, Murphy,  
Smalley, Smith, Tauriainen, Knopp  
No: None  
Absent: Pierce  
MOTION TO ENACT PASSED: 8 Yes, 0 No, 1 Absent

(09:28:22)

**Ordinance 2012-04: Authorizing Revised Community Revenue Sharing Program Expenditures for Unincorporated Communities and Approving the Use of Funds by Voznesenka and Razdolna (Mayor) (Referred to Finance Committee)**

MOTION: Smith moved to enact Ordinance 2012-04.

President Knopp called for public comment with none being offered.

VOTE ON MOTION TO ENACT:

Yes: Haggerty, Johnson, McClure, Murphy,  
Smalley, Smith, Tauriainen, Knopp  
No: None  
Absent: Pierce  
MOTION TO ENACT PASSED: 8 Yes, 0 No, 1 Absent

UNFINISHED BUSINESS - Postponed Items

(09:50:04)

**Resolution 2012-012: Approving a Mutual Aid Agreement and the Initial Operational Plan Between the Anchor Point Fire and Emergency Medical Service Area (APFEMSA) and the City of Homer on Behalf of the Homer Volunteer Fire Department and Ninilchik Emergency Services (Mayor) (Referred to Policies and Procedures Committee)**

*[Clerk's Note: Motion to adopt Resolution 2012-012 was on the floor from the February 28, 2012 meeting.]*

President Knopp called for public comment with none being offered.

MOTION: Haggerty moved to postpone Resolution 2012-012 until April 3, 2012.

VOTE ON MOTION TO POSTPONE:

Yes: Haggerty, Johnson, McClure, Murphy,  
Smalley, Smith, Tauriainen, Knopp  
No: None  
Absent: Pierce  
MOTION TO POSTPONE PASSED: 8 Yes, 0 No, 1 Absent

(09:52:05)

**Resolution 2012-015: Supporting Governor Parnell's FY2013 Budget Request of \$1,813,000 for a Kenai River King Salmon Assessment Program (Johnson) (Referred to Legislative Committee)**

**Resolution 2012-015 (Johnson/Mayor) Substitute: Supporting Governor Parnell's FY2013 Budget Request of \$1,813,000 for a Kenai River King Salmon Assessment Program (Johnson, Mayor) (Referred to Legislative Committee)**

*[Clerk's Note: Motion to adopt Resolution 2012-015 was on the floor from the February 28, 2012 meeting.]*

President Knopp called for public comment with none being offered.

MOTION: Smalley moved to amend Resolution 2012-015 by substitution.



VOTE MOTION TO AMEND  
BY SUBSTITUTION:

Yes: Haggerty, Johnson, McClure, Murphy,  
Smalley, Smith, Tauriainen, Knopp

No: None

Absent: Pierce

MOTION TO AMEND  
BY SUBSTITUTION PASSED:

8 Yes, 0 No, 1 Absent

MOTION:

Smalley moved to amend Resolution 2012-015 (Johnson/Mayor) Substitute as follows:

(09:58:52)

Insert a new Section 4 to read, "That this resolution takes effect immediately upon its adoption."

MOTION TO AMEND PASSED:

Without objection.

VOTE ON MOTION TO ADOPT SUBSTITUTE  
AS AMENDED:

Yes: Haggerty, Johnson, McClure, Murphy,  
Smalley, Smith, Tauriainen, Knopp

No: None

Absent: Pierce

MOTION TO ADOPT SUBSTITUTE  
AS AMENDED PASSED:

8 Yes, 0 No, 1 Absent

NEW BUSINESS

**Resolution 2012-016: Authorizing the Mayor to Execute an Amendment to the Central Peninsula Hospital Lease and Operating Agreement to Authorize Central Peninsula General Hospital, Inc. to Sublease a Portion of the Facility for Oncology Services (Mayor) (Referred to Policies and Procedures Committee)**

(09:59:58)

MOTION: Haggerty moved to adopt Resolution 2012-016.

President Knopp called for public comment.

The following people spoke in opposition to Resolution 2012-016:

**Dan Moore**, 198 Katmai Ave., Soldotna

**Diana Zirul**, 220 Spur View Dr., Kenai

The following person spoke in support of Resolution 2012-016:

**Rick Davis**, Central Peninsula Hospital Chief Executive Officer

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

(10:07:53)

MOTION:

Haggerty moved to amend Resolution 2012-16 as follows:

The seventh whereas to read, “it is anticipated that the oncologists will invest significant funds for supplies and equipment, and accordingly will need [AT LEAST A TEN YEAR] up to a fifteen-year sublease to recover such costs; and”

Section 1 to read, “The Assembly finds that the CKPHSA's best interests are served by authorizing CPGHI to sublease a portion of the medical facilities to radiation oncologists for purposes of providing cancer treatment on the CPH campus for a period of up to [10] 15 years.”

Section 2 to read, “That the mayor is authorized to execute an amendment to the lease and operating agreement authorizing CPGHI to sublease a portion of the hospital campus to a sublease who is qualified to provide radiation oncology medical services and that the term of the sublease may extend for a period of up to [TEN] fifteen years. Further, if the lease and operating agreement between the Borough and CPGHI is not renewed or is otherwise terminated before the expiration of [THAT TEN YEAR] the lease period then the Borough or the Borough's designee shall assume management of the sublease agreement.”

(10:10:44)

MOTION TO AMEND (SECONDARY):

Johnson moved to amend the main motion to amend as follows:

The seventh whereas to read, “it is anticipated that the oncologists will invest significant funds for supplies and equipment, and accordingly will need up to a [FIFTEEN] twenty-year sublease to recover such costs;

and”

Section 1 to read, “The Assembly finds that the CKPHSA's best interests are served by authorizing CPGHI to sublease a portion of the medical facilities to radiation oncologists for purposes of providing cancer treatment on the CPH campus for a period of up to [15] 20 years.”

Section 2 to read, “That the mayor is authorized to execute an amendment to the lease and operating agreement authorizing CPGHI to sublease a portion of the hospital campus to a sublease who is qualified to provide radiation oncology medical services and that the term of the sublease may extend for a period of up to [FIFTEEN] twenty years. Further, if the lease and operating agreement between the Borough and CPGHI is not renewed or is otherwise terminated before the expiration of the lease period then the Borough or the Borough's designee shall assume management of the sublease agreement.”

Assembly Members Murphy and Smith spoke in support of the secondary amendment.

SECONDARY AMENDMENT PASSED: Without objection.

MAIN MOTION TO AMEND  
AS AMENDED PASSED: Without objection.

VOTE ON MOTION TO ADOPT AS AMENDED:  
Yes: Haggerty, Johnson, McClure, Murphy,  
Smalley, Smith, Tauriainen, Knopp  
No: None  
Absent: Pierce  
MOTION TO ADOPT AS AMENDED PASSED: 8 Yes, 0 No, 1 Absent

### **PUBLIC COMMENTS AND PUBLIC PRESENTATIONS**

*(10:20:39)*

President Knopp called for public comment.

**George Pierce**, PO Box 80, Kasilof, reminded everyone to drive carefully and spoke in opposition to Resolution 2012-016.

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

## **ASSEMBLY MEETING AND HEARING ANNOUNCEMENTS**

(10:22:23)

The next meeting of the Kenai Peninsula Borough Assembly was scheduled for April 3, 2012, at 7:00 p.m. in the Borough Assembly Chambers, Soldotna, Alaska.

## **ASSEMBLY COMMENTS**

(10:22:31)

Assembly Member Haggerty noted his excitement during “March Madness.” He said that in order to have effective health care in our area the different agencies had to work together, and stated his appreciation for all the doctors and healthcare workers on the Peninsula.

Assembly Member Johnson agreed with Mr. Haggerty regarding the doctors and healthcare workers on the Peninsula. He congratulated Fred West of Tustumena Smokehouse for being the recipient of the 2012 Alaska Symphony of Seafood, Grand Prize Winner for their Salmon Bacon product.

Assembly Member McClure noted that when the Central Peninsula Hospital Oncology Center opened the residents of Seward would have the option of traveling to Soldotna or Anchorage for treatment. She invited everyone to come to Seward for the Annual Spring Break Up Festival on March 16 - 18, 2012. She congratulated Dan Seavey in regards to his grandson Dallas Seavey winning the 2012 Iditarod, and noted that Dan Seavey was her highschool government teacher.

Assembly Member Tauriainen said he enjoyed the history and science lesson given by Assembly Member Johnson regarding Sockeye and King Salmon during committee.

Assembly Member Smith addressed comments heard during the meeting regarding the ever increasing taxes, stating in the last year and a half, the earning rate of leave and vacation for employees was adjusted to make a more balanced policy, healthcare costs to the individual employee was increased in 2011, and the borough was looking into options to address the overall increase in healthcare costs. He stated that the number of borough employees has not kept pace with the growth in borough population, and there had been a lot of work put into containing costs as reasonably as possible. He said twelve years ago there was a two percent sales tax collected year round and nine mill property tax compared to the current four and a half mill property tax, he noted that the mill rate had remained at four and a half mills for the last three years. He congratulated West Homer Elementary for their nomination as a “Blue Ribbon School.”

Assembly Member Murphy stated she was happy with the outcome of Ordinance 2011-19-72 and Resolution 2012-016. She congratulated Dallas Seavey for winning the 2012 Iditarod, noting he was the youngest winner ever. She agreed with Assembly Member Smith, stating that the Kenai Peninsula was not overly taxed, four and a half mills was a fair tax levy for the services provided by the borough. She felt borough staff was very competent and not overpaid.

Assembly Member Smalley said the discussions today regarding Ordinance 2011-19-72 and Resolution 2012-016 were successful. He congratulated Dallas Seavey for winning the 2012 Iditarod as well as all other participants in the race, stating it was a tremendous task. He congratulated

Borough Clerk Johni Blankenship for her evaluation, and stated it was a reflection of in his opinion the best Clerk's department in the state, second to none.

President Knopp said in regards to Borough Clerk Johni Blankenship, its pretty easy to do a good job every other day; however, she does it consistently every time, year after year, and when you walk into the Clerk's Office your going to get the same response from the staff as well. He said when the Williams administration shifted the tax burden to sales tax and off of the mill rate it was a good thing. He noted that the low mill rate was also a reflection of the increased property values in the borough. He noted that thanks also needed to be extended to Senator Wagoner due to the increased activity in the oil and gas industry, which brought increasing values to the borough.

### ADJOURNMENT

With no further business to come before the assembly, President Knopp adjourned the meeting at 10:34 p.m.

I certify the above represents accurate minutes of the Kenai Peninsula Borough Assembly meeting of March 13, 2012.

  
Johni Blankenship, MMC, Borough Clerk

Approved by Assembly: April 3, 2012

