MAYOR'S REPORT TO THE ASSEMBLY

TO:  

Milli Martin, Assembly President
Kenai Peninsula Borough Assembly Members

FROM:  

David R. Carey, Kenai Peninsula Borough Mayor

DATE:  

February 5, 2009

Assembly Requests/ Responses
a. None

Agreements and Contracts
a. Approval of contract with HiSpeed Gear, Inc to provide 2009 Assessment Notice Print/Assembly/ Mailing
b. Approval of formal bid waiver request, Soldotna High School lockers

Other
a. KPB Grantees Mid-Year Reports from Bonnie Golden
b. Mayor’s Weekly Reports 14 and 15

DRC/ cr
CONTRACTOR WILL PROVIDE THE KENAI PENINSULA BOROUGH THE FOLLOWING SERVICE(S)

Per specifications in attached Request for Quotes, Contractor will:

Print 50,000 assessment notices (duplex) 8 1/2 x 11 black and white

Design and print 55,000 supplemental brochures (duplex) 11x17 black and white duplex. Deliver 5,000 brochures to KPB Assessor no later than 2/23/2009.

Assemble mailing to include one each notice/brochure in window envelopes provided by KPB, sorted according to USPS mailing standards for bulk mailing, to include 5-digit, 3-digit, Basic and Pre-sort bulk mailing rates.

Deliver complete mailing to the USPO Soldotna for mailing on 2/27/2009.

ACCOUNT DISTRIBUTION: 100-11510-00000-43011
DEPARTMENT/SERVICE AREA: Assessing Administration

Contractor's compensation will be:
$12,859.00 paid upon completion of project
Not to exceed $12,859.00

Insurance, if required: Auto $ N/A CGL $ N/A E & O $ N/A

Time schedule for performance will be according to dates included in attached request for quote, with final delivery of complete product to USPS Soldotna 2/27/2009.

The following attachments are incorporated herein by reference:
KPB Assessor's Request for Quote; HiSpeed Gear Inc Bid Request Quote

CONTRACTOR SIGNATURE

CONTRACTOR ADDRESS & PHONE NUMBER:
HiSpeed Gear, Inc. (907) 283-5136
11599 Kenai Spur Highway
Kenai, AK 99611

ACCEPTANCE BY KENAI PENINSULA BOROUGH:
PURCHASE ORDER NO.

MAYOR OR DESIGNATED OFFICIAL:
MARK FOWLER
PURCHASING & CONTRACTING

REV: 7/21/06
DATE: January 30, 2009

TO: David R. Carey, Borough Mayor

FROM: Shane Horan, Director of Assessing

SUBJECT: Fulfilling the Requests of the Assembly through the Recommendations of the Equitable Assessment Methodology Task Force

Recommendations of the Equitable Assessment Methodology Task Force were presented in the form of Resolution 2008-083 during the Assembly meeting of October 28, 2008. The following were outstanding issues required of me which, I believe, have been sufficiently addressed:

1) In Section 1 of the Resolution, the Assembly supported assessing seek supplemental funding to retain contract services to assist in land modeling. I have determined that this is not necessary. The consultant that critiqued our progress during the week of December 8-11 indicated trending the land values was adequate, appropriate, and supportable in keeping in compliance with State Statute. Additionally, he indicated that the Land appraisers are well on their way in understanding and implementing the land modeling concepts. His report is enclosed within this Assembly packet. In summary, there is no need to incur any additional expense for contractual help.

2) In Section 2 of the Resolution, you will find the Assembly supports an educational pamphlet be annually disseminated with the assessment notices (@ 60,000) explaining the assessing function and budgetary process of the borough – subject to the availability and appropriation of funds. This has been accomplished for the 2009 assessment year in the amount of $12,859 through the consummated contract you will find within your packet.
January 23, 2009

To: Mr. Shane Horan, Director of Assessing, Kenai Peninsula Borough
From: W. Darcy Maag, Appraisal Consultant, Highland Appraisal Inc.

RE: Follow up visit of December 2008.

Dear Shane,

Thank you for giving me the opportunity in December to provide additional instruction and to review the progress your land appraisers have made in setting up the value structures of S. Kachemak Bay, Soldotna, Kenai and Neighborhood 160 (Sterling) and the plan for trending the remaining land values for the 2009 assessment roll.

The first and foremost question I was to answer, as a result of my visit, was to determine if trending would be an option for the remaining land updates to be in compliance with Alaska State Statute for the upcoming 2009 assessment roll as opposed to touching all land parcels or to enlist contractual help to update the values. Trending is a reliable form of valuation if the existing values were arrived at by using a uniform appraisal methodology in the past. The accompanying map is a graphical depiction of value increases in neighborhood 160 after the reappraisal for the 2009 roll. The map indicates that the previous values were consistent with a few areas of very sharp increases as indicated by red and dark red. The map can be deceiving because most of the parcels that have increased by over 100% (red and dark red) are parcels that were valued very low, between $200 and $3000, before reappraisal and were revalued for 2009 between $500 and $9000 respectively. If the same type of map is generated depicting sales in the remaining areas, values can be trended by value range and accomplish almost the same uniformity as a full reappraisal. That being said, if further study indicates the uniformity is poor in an area or the neighborhood to be trended, you will need to review all parcels in that area as if it were a regular reappraisal area.

In conclusion, the remaining neighborhoods not modeled or not valued in the 2009 reappraisal area can be trended to market value for 2009 without the loss of uniformity if trends are tested and sales ratios are completed after the trend.

The second reason for my visit in December was to meet with the land appraisers to review their progress and discuss different ways to set up the next reappraisal area land schema/model. Since my last visit, Paul Knight and Brandon McElrea have completed the valuation of Neighborhood 160. I spent several days with Paul and Brandon reviewing and testing their land models against recent sales. My conclusion is that Paul and Brandon have done a good job of designing efficient land models for Neighborhood 160 for the 2009 roll. The modeling techniques being used will be effective in valuing the other neighborhoods in the Borough.

Once again, I appreciate all of the help and cooperation of your talented staff that went out of their way to assist me - Connie Wheat with her spreadsheets and help with Crystal Reports, Paul and Brandon with their tireless answers to all of my questions, and Jeff Dale of GIS with his help developing the map that accompanies this letter.

Thank you,

W. Darcy Maag
President, Highland Appraisal Inc.
The Information depicted hereon is for graphical representation only of existing sources. The Kenai Peninsula Borough assumes no responsibility for any errors on this map.
January 21, 2009

TO: Mayor Dave Carey
THROUGH: Mark Fowler, Purchasing Officer
THROUGH: Dave Tressler, Maintenance Director
FROM: Pat Malone, Projects Manager, Maintenance Department

SUBJECT: Formal bid waiver request, Soldotna High School lockers

At my request, the Purchasing Division solicited quotes from three different suppliers for 147 replacement wall lockers at Soldotna High School. The quotes requested include shipping to the Kenai Peninsula Borough Maintenance Shop, 47140 E. Poppy Lane, Soldotna. Copies of the quotes received are attached.

The prices received were as follows:

- Centar Industries, Ellisville MO $16,320.00
- Lang Equipment Company, Randolph, NJ $20,185.37
- Decker Equipment, Rochester MI $21,604.19

Please consider this memorandum a request for your approval of formal bid waiver procedures and subsequent purchase from Centar Industries.

Please feel free to contact me if you have any questions.

David R. Carey, Mayor

Date

FINANCE DEPARTMENT
FUNDS VERIFIED

ACT: 40073052 08855
BY: Cren DATE: 112709
Recipients of Borough grants are required to file semi-annual reports; once in January and again in July. The reports include a financial report as well as an activity report. There is no standard form that the recipients must use for reporting; they are allowed to submit their reports in the format they deem most appropriate. Attached are the mid-year reports for January 2009 from:

- Central Area Rural Transit System (CARTS)

- Kenai Peninsula Economic Development District (EDD). Copies of the reports that EDD is required to submit to the Economic Development Administration (EDA) and to the Alaska Regional Development Organizations (ARDOR) are not included with this memorandum, but are available in the Grants Manager's office.

- Kenai Peninsula Small Business Development Center (SBDC). NOTE: Mark Gregory recently moved from Alaska to Oregon to become that State’s SBDC Director. This new director is expected to be in place by March 2009.

- Kenai Peninsula Tourism Marketing Council (KPTMC)

Half of the grant funds are paid upon execution of a grant agreement, usually in late summer. The second half payment is disbursed upon receipt and approval of the mid-year report. Each of these grant recipients are eligible to receive the second half of their grant award.
February 2, 2009

Bonnie Golden, Grants Administrator  
Dave Carey, Borough Mayor  
Assembly Members  
Kenai Peninsula Borough  
144 N. Binkley St.  
Soldotna, AK 99669

RE: Borough Grant to CARTS

Dear Ms. Golden,

Enclosed is the documentation and progress report for the above named grant.

CARTS delivered 10,163 trips this quarter, bringing our 2008 total to 53,552 trips. This is an increase in trips of 11% over 2007. 27% of those trips are customers travelling back and forth to work or work related trips. We deliver rides that can be grouped together with CARTS vans and drivers, to reduce as far as possible our cost per ride. We know that our scheduling staff plays an important part to help our customers get and keep jobs, take their children to and from daycare, get to medical appointments, shopping and the support services essential to help them towards self-sufficiency.

In December we took delivery of three new vehicles – 2 full size passenger vans and one wheelchair accessible minivan. They were immediately put in to service replacing vehicles that had many miles on them.

We are currently under volcano watch and hope that if it does decide to erupt, it does so on a slow day! We are routinely scheduling 200-225 rides per day during the week, so the weekend would be best for us.

Following are updated charts. If you have any questions please give me a call. We appreciate the continued support from the Borough.

Sincerely,

Jennifer Beckmann  
Executive Director  

RECEIVED  
FEB 03 2009
By group purchasing rides

- Medicaid/Disabled: 2%
- Veterans: 1%
- Youth: 11%
- Free Daycare Rides: 3%
- Seniors: 14%
- Mental Health: 16%
- Job Center: 7%
- School/Training: 2%
- Substance Abuse: 2%
- Public: 47%
- I, I, I, I, I: 1%
Ride Purpose

- Child/Adult Care Programs: 16%
- Mental Health/Substance Abuse: 26%
- Work: 30%
- School: 9%
- Personal/Shopping/Recreational: 10%
- Support Service: 6%
- Medical/Physical Therapy: 4%
Ride Purpose Overall

- Work: 27%
- Elderly & Disabled: 14%
- School: 14%
- Child/Adult Care Programs: 4%
- Mental Health/Substance Abuse: 5%
- Medical/Physical Therapy: 5%
- Support Service: 6%
- Personal/Shopping/Recreational: 23%
Central Area Rural Transit System, Inc.
Income Statement
For the One Month Ending August 31, 2008

<table>
<thead>
<tr>
<th>Revenues</th>
<th>Current Month</th>
</tr>
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<tbody>
<tr>
<td>Total Revenues</td>
<td>0.00</td>
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</table>

<table>
<thead>
<tr>
<th>Expenses</th>
<th>Current Month</th>
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</thead>
<tbody>
<tr>
<td>Employee Benefits BOR009</td>
<td>$ 173.35</td>
</tr>
<tr>
<td>Utilities - Telephone BOR009</td>
<td>35.46</td>
</tr>
<tr>
<td>Supplies - Office BOR009</td>
<td>4.01</td>
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<td>Postage BOR009</td>
<td>7.95</td>
</tr>
<tr>
<td>Vehicle Expense BOR009</td>
<td>2,903.73</td>
</tr>
</tbody>
</table>

| Total Expenses | 3,124.50 |
Wednesday, January 28, 2009

Bonnie Golden, Grants Manager
Kenai Peninsula Borough
144 N. Binkley
Soldotna, AK 99669

RE: Mid Progress Report FY09

Dear Bonnie,

Please find enclosed the Mid Progress Report under the KPEDD Service Agreement FY09 for the reporting period July 1, 2008 through December 31, 2008. Also included are copies of reports for EDA and ARDOR.

If you should have any questions please feel free to contact me.

Sincerely,

[Signature]
Dee L. Gaddis
Programs Manager

Enc: Certificate of Insurance 09/01/09
EDA Report
ARDOR Report
CEDS 2008

RECEIVED
JAN 30 2009
<table>
<thead>
<tr>
<th>Scope of Work Item</th>
<th>Associated Activity</th>
</tr>
</thead>
<tbody>
<tr>
<td>Economic Development Planning</td>
<td>• KPEDD has completed a new CEDS this fiscal year</td>
</tr>
<tr>
<td></td>
<td>• KPEDD held a Community Opportunity s Forum in October 08.</td>
</tr>
<tr>
<td></td>
<td>• KPEDD is taking the lead on starting the Kenai Municipal Conference; bring local governments, native corporations, and business together for planning.</td>
</tr>
<tr>
<td></td>
<td>• EDA has issued new guidelines for administering it's revolving loan fund.</td>
</tr>
<tr>
<td></td>
<td>• KPEDD has offered Micro loan applications to 5 separate business and EDA RLF to 5 separate individuals.</td>
</tr>
<tr>
<td></td>
<td>• Technical assistance, mentoring &amp; coaching provided to small businesses clients on an as-needed basis</td>
</tr>
<tr>
<td></td>
<td>• KPEDD continues to support/assistance the Kachemak Shellfish Mariculture Association</td>
</tr>
<tr>
<td></td>
<td>• KPEDD continues to upgrade the infrastructure for its tenants the completion of a covered walkway into the BIC</td>
</tr>
<tr>
<td></td>
<td>• CEDS update completed in November, 2008</td>
</tr>
<tr>
<td></td>
<td>• Over 100 residents of the Borough attended</td>
</tr>
<tr>
<td></td>
<td>• Organizational meeting held on January 6th, 2009. Follow-up Organizational meetings are planned</td>
</tr>
<tr>
<td></td>
<td>• Will be attending EDA RLF meeting on new RLF Procedures</td>
</tr>
<tr>
<td></td>
<td>• Potential loans pending</td>
</tr>
<tr>
<td></td>
<td>• Business services provided to clients on an as-needed and as-requested basis</td>
</tr>
<tr>
<td></td>
<td>• Building is almost complete. Next phase is opening and start Up of the facility.</td>
</tr>
<tr>
<td></td>
<td>• The BIC is at 90% occupancy</td>
</tr>
<tr>
<td></td>
<td>• Insulation project implemented in main building to mitigate increased energy costs</td>
</tr>
<tr>
<td>Assistance to KPB Mayor and/or representative</td>
<td>KPEDD provides space to our tenants for workforce development</td>
</tr>
</tbody>
</table>

**Certification:** I certify, to the best of my knowledge and belief, the information above is correct and activities were performed in accordance with the grant agreement terms and conditions.

John Torgerson  
Executive Director  
January 28, 2009  
Title  
Date  
Person authorized to sign on behalf of the Grantee
December 24, 2008

Mayor Dave Carey
Kenai Peninsula Borough
144 N. Binkley Street
Soldotna, AK. 99669

Dear Mayor Carey,

I have enclosed the quarterly report for the Kenai Peninsula Small Business Development Center for your review. This report is for the first quarter in FY09 (October 1, 2008 – December 31, 2008). The period ended another successful quarter of service to small business on the Kenai Peninsula.

During this period, the Peninsula SBDC advised 61 clients with an average of 2.56 hours each. Clients in need of funds received $363,000 during the quarter. Clients assisted during the quarter reported 8 jobs created. Six new startup businesses in our area were also reported from clients during the quarter. Additionally 5 training workshops were offered with 29 attendees recorded.

As demonstrated in this report, the Kenai Peninsula Borough’s investment in small business demonstrates ongoing and measurable growth in our local economy. Thank you for your support of small business.

Sincerely,

Mark Gregory
Peninsula SBDC Director

A partnership program of the University of Alaska Anchorage and the US Small Business Administration
Kenai Peninsula Small Business Development Center

First Quarter Report
October 1, 2008 through December 31, 2008

Presented to:
Alaska Small Business Development Center
430 W. 7th Ave. Ste. 110
Anchorage, Alaska 99501-3550

December 17, 2008
I certify that to the best of my knowledge, the information contained herein is accurate and reflects the activities executed by the Kenai Peninsula SBDC Sub center during the First Quarter FY 2009.

Mark Gregory, Peninsula SBDC Director

Date 12/17/2008
100 Advocacy

The director spoke to twenty business students at Kenai Peninsula College on October 16 to advocate for SBDC services. The clients were provided website materials and answers to questions for both business startup and business planning.

The director was elected to the Soldotna Chamber of Commerce Board of Directors in October. The director continued to attend luncheon meetings in Homer, Soldotna and Kenai regions during the quarter.

The director met with Tim Redder, Commercial Loan Officer of Wells Fargo Bank in Kenai on November 12 to discuss SBDC services and small business loans after the recent banking crisis. Mr. Redder reported that lending with the bank continued to be strong in Alaska and does not expect a change in lending requirements at this time. SBDC services were also discussed.

200 Capital Formation

The center initiated applications with Borrego Springs Bank regarding SBA Community Express Loans this quarter after these loans were previously capped. The center has assisted six applications during the quarter with loan processing since the increase in the cap.

300 Innovation and Technology Transfer

The director traveled to Seward on October 8 to facilitate Moodle training with Beth Meir, SBDC Quick Books trainer. Ms. Meir has completed Moodle training and is available to put forward Quick Books online beginning in January 2009.

The director met with Larry Porter, Director and staff of the Challenger Learning Center on October 20. The center participated in video conferencing that morning and Mr. Porter is committed to providing low cost facilities for video conferencing as needed over the next year. This may include live video streaming of SBDC workshops on the Peninsula.

The director facilitated training with staff statewide using a Moodle distance education online training platform where staff could share tools, resources and develop training statewide.

600 Resource Development

The director met Tina Day, Homer Chamber of Commerce Director, on November 11 regarding successful award of $15,000 for library and Homer SBDC client resources and discuss planning of this office expansion. Ms. Day was referred directly to the lead center for further contact.
700 Procurement

The director met with a minority 8a construction contractor from the Kenai Peninsula that was assisted in startup at the center. The client reported over $6 million in revenues from government contracts this past year.

900 Economic Development, Faith-Based and Community Initiatives

The director met with Kenai Economic Development District CEO John Torgerson in discussion with an established business owner regarding wood pellet manufacturing on the Kenai Peninsula. The client will work with State of Alaska loan funds and private capital in an effort to develop his facility.

1200 Success Stories

See Success Story Release Form.

1300 Travel

<table>
<thead>
<tr>
<th>Date</th>
<th>Traveled To</th>
<th>Reason for Travel</th>
</tr>
</thead>
<tbody>
<tr>
<td>October 8</td>
<td>Seward</td>
<td>Moodle Training / Online Quickbooks</td>
</tr>
<tr>
<td>November 3-7</td>
<td>Anchorage</td>
<td>Annual Training Conference</td>
</tr>
<tr>
<td>November 11</td>
<td>Homer</td>
<td>Counseling / Administrative Meeting</td>
</tr>
</tbody>
</table>

1500 Financial Reports

See attached report.

1700 Economic Impact

The Kenai Peninsula Director assisted in the following areas of economic impact.

# of New Business Start-ups: _6_

Jobs: Created _8_
Retained _0_

Loans: SBA # _1_ $ _358,000_
Non-SBA # _1_ $ _5,000_

Non-Debt Financing $ _____
Kenai Peninsula
Tourism Marketing Council

Kenai Peninsula Borough
Performance Report
July 1, 2008 - December 31, 2008

Mission: To serve, as a valuable resource for the Tourism Industry in the Kenai Peninsula Borough
Mission Cont.:

- To strengthen all destination marketing efforts within the Tourism Industry by acting as the collective voice.
- To educate Tour Operators and Agencies to choose the Kenai Peninsula as their destination of choice for their Alaska bound clients.
- To promote the Kenai Peninsula through travel writers and travel planner Publications by providing resources such as copy-pen, photos and FAMs (Familiarization Tours)
- To funnel independent traveler leads to our Tourism Industry by means of our website, Discovery Guide and 1-800 number.
- To provide current travel trend research.
- To act as a driver in the economic development of the Kenai Peninsula Borough.

Membership:

- Currently we have 359 members.

Marketing Partners (Advertisers in Discovery Guide):

- The 2009 Discovery Guide was printed in November, 2008 and has 119 advertisers, generating $136,502.50 in revenue.

Generated Revenue:

- Total revenue in 2008 was $583,318.39. $260,250 came from borough grants, the remainder was generated by KPTMC. KPTMC is fiscally sound and continues to operate in the black, with all due bills paid.

Discovery Guide:

2008 Discovery Guide Distribution:

- 50,000 guides mailed in January 2008 to leads purchased from ATIA qualified to people who have decided to visit Alaska within the next year.
- 2578 Guides were mailed directly to a qualified travel agent list purchased from ATIA.
- 4000 Guides were distributed through Infox - a program that packages information from areas all over Alaska and sends the packages out to travel agents who request the information.
- Over 4200 Guides were handed out at instate consumer shows and conventions.
- 20,000 sent to leads generated from our web site, advertising in the Anchorage Convention and Visitor Bureau Recreation Guide, and the State of Alaska Vacation Planner.
- Over 18,000 distributed to the tour industry, visitor centers, Alaska airports, ferry terminals and consumer shows.
- Approximately 37,000 guides in the Anchorage market, using Anchorage Brochure Distribution.
- 2500 to our Tok Kiosk.
- 11,000 guides mailed in October, 2008 to leads purchased from ATIA to complete 2008 distribution.
Conventions and Travel Trade:

Alaska Travel Industry Association Convention-October 2008 in Anchorage
• Executive Director and Sales Manager positions both attended the convention. We had a booth showcasing The Kenai's brand to over 500 Alaskan tourism industry professionals. We also handed out over 250 mouse pads, Discovery guides and pins. KPTMC's participation with the ATIA through conventions and the ATIA marketing committee has been tremendously beneficial to the organization.

Media Road Show-November 2008 in Santa Barbara
• This is the fourth year KPTMC attended the Alaska Media Road Show, put on by the Alaska Travel Industry Association. Business owners and DMO's gathered for a day of one-on-one meetings to discuss story ideas with media and travel writers. KPTMC's Travel Trade manager had 27 appointments, each writer received a media packet highlighting new product on The Kenai, story ideas and an overview of the entire area.

National Tour Association Convention-November 2008 in Pittsburgh
• The NTA Tour and Travel Exchange offers tour operators, tour suppliers and DMOs the opportunity to conduct one-on-one business appointments for three full days. Our sales manager attended the convention on behalf of KPTMC, we had over 26 pre-scheduled appointments. KPTMC also cosponsored a tour operator dinner with the Alaska Delegation and provided a 4 day excursion on The Kenai as a door prize at the event.

Consumer Shows:

• NEW THIS YEAR! Seattle Adventures In Travel Expo
  KPTMC joined forces with the Fairbanks Convention and Visitor Bureau and the Mat-Su CVB in a double booth at the Seattle Adventures in Travel Expo in September. We handed out approximately 1000 Discovery Guides to Expo attendees.

• Oxygen and Octane Winter Sports Show in Anchorage
  KPTMC had a booth at the new Oxygen and Octane Winter Sports Show, distributing information on shoulder and winter season activities.

Familiarization Tours, Media and Product Development:

• Kenai Peninsula Wildlife Viewing Trail: June 2008
  Helped coordinate and execute a FAM with Jim Williams, a birding writer, who spent a week on The Kenai traveling the Kenai Peninsula Wildlife Viewing Trail. The FAM resulted in a week long blog on his trip and professional photography that he has donated to KPTMC. We are working with him to develop articles on the trail to be submitted to birding magazines.

• Premier Alaska Tours: September 2008
  Met with Stefanie Gorder of Premier Alaska Tours and Aniseh Dalju, Director of Product for Destination America. Their family of brands includes Trafalgar Tours (Seward only), Insight Vacations (Seward, Kenai, Soldotna, Anchor Point & Homer), Brendan Vacations (Seward only) and Grand European (Seward only). In addition, their partner handles Contiki Vacations (Seward, Kenai, Soldotna, Anchor Point & Homer). KPTMC coordinated FAM tours for the visit that highlighted some little known attractions to The Kenai. Destination America is currently developing new tours that include The Kenai for their 2010 product line.

• Taiwan Coordinator FAM: September 2008
  Coordinated a FAM for journalist and photographer Dennis Chin escorted by the ATIA Taiwan contractor Erick Kish. Dennis and Erick visited The Kenai on September 11, we organized a special tour of the K'beq site in Cooper Landing and I met with them in Kenai for an Old Town Kenai tour including the Russian Orthodox Church. Erick is very interested in working with The Kenai to add some tour products to packaging already being sold through Taiwan airlines.
• National Tour Association Article: September 2008
The September issue of Courier Magazine, a National Travel Association publication, featured a great article on The Kenai, including quotes from KPTMC.

• European Contractor FAM: October 2008
Hosted ATIA UK and German Speaking Europe Travel Contractors in Homer for two days before the ATIA Annual Convention, highlighting the area and several of our south peninsula members, including a trip and overnight stay at Tutka Bay.

Web Site:

• We have had over 30,000 unique visitors to www.kenaipeninsula.org since the launch of the new website in April 2008, with almost 168,000 page views. We have completed development of a new membership database that allows us to upload membership information directly to our website. We have also been working on fleshing out our on-line packaging program. Soon we will launch a new posted packages program that will showcase member product to instate and out-of-state visitors.

• We have started a weekly Enews letter, sent out every Wednesday, that allows us to keep our members and industry professionals up to date on industry news. We include a weekly calendar that promotes events throughout the entire Kenai Peninsula.

Committees:

• The KPTMC Executive Director has been appointed to a fourth year on the Alaska Travel Industry Association Marketing Committee. She also serves on the Travel Trade and International subcommittees.

• Serve as the Tourism Awards Chair on the Industry Appreciation Day Committee and Chair the day activities committee for the Kenai River Classic.

• Serving as the Chair of the AK50 On The Kenai Passport Committee, working to develop a Kenai Peninsula promotional passport to be used as a part of our 50th Anniversary celebrations. The passport will be published in February of 2009. Each community has its own page, with space to receive stamps from designated sites in each area. The purpose of the passport is to encourage visitors to spend more time on The Kenai by providing an incentive for stopping in each community. We have sold 40 coupons to area businesses to fund the passport and drive business through their doors. If a visitor fills out the entire passport by visiting each community, they will be eligible to be entered into a drawing for a Kenai Peninsula vacation package. We also spearheaded an events and planning calendar for the KPB’s 50th Anniversary of Statehood Celebrations, the calendar is hosted on our website at www.alaskasplayground.com.

Staffing Changes:

• In order to maintain the growth that KPTMC has been experiencing over the course of the past three years, a new Travel Trade position has been created.

The new Travel Trade Position Covers:
• Staff travel to consumer shows, travel agent missions and some travel trade conventions.
• All preparation for the shows and follow up
• Organization of FAM trips to our area
• Other duties as assigned
This is a part-time position with no benefits, paying no more than $20,000 per year. Teresa Nichol, who has been with KPTMC as Sales Manager for over 5 years, has taken this position.

Luanne Auclair has been hired to fill the position as KPTMC Membership and Sales Manager. Luanne brings considerable sales experience to the position, including working for 4 years as the regional membership sales manager for Sam’s Club in Maine, covering three fourths of the state.
Our previous Sales Manager has been with the organization for five years. We were able to start the new Sales Manager at a lower salary, with a lower commission structure. To start, the savings are $20,000 annually. By making these changes, we have created a new part-time travel-trade position for only $5,000 more annually.

Current Staff:

Executive Director: Shanon Hamrick
Membership and Marketing Advertising Manager: Luanne Auclair
Communications Manager: James Brown
Travel Trade Manager: Teresa Nichol
Book Keeping: Beth Meier-Part Time, approx 15 hrs. per week
Hello Lucky Pull Tabs: Diane Stenglin, Store Manager

2008 Board of Directors:

President: Paul Carter, Hotel Edgewater, Borough Wide
Vice-President: Joe Connor, Big Sky Fish Camp, Sterling
Treasurer-Secretary: George Heim, Alaska River Adventures, Cooper Landing
Steve Anderson, Soldotna B&B and K-Bay Fishing, Soldotna
Roark Brown, Homer Ocean Charters
Marianne Aplin, Islands and Ocean Visitor Center
Laura Cloward, Seward Chamber of Commerce, Seward
Tina Day, Homer Chamber of Commerce, Homer
Heather Dunbar, Ididaride Sled Dog Tours, Seward
Michelle Glaves, Soldotna Chamber of Commerce, Soldotna
Lisa Kruse, Alaska Heritage Tours, Borough Wide
Sue Carter, Kenai Convention and Visitors Bureau, Kenai
Kathy Roser, Era Aviation, Kenai

Submitted by:
Shanon Hamrick
Executive Director KPTMC
Kenai Peninsula Tourism Marketing Council, Inc.
Borough Marketing Grant

July 1, 2008 thru December 31, 2008

**GRANT: Period 7-01-08 thru 6-30-09**  **Amount:** $295,000.00

Expenditures: 7-01-08 thru 12-31-08:

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<td>$35,249.49</td>
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<tr>
<td>Planner Production</td>
<td>$115,601.59</td>
</tr>
<tr>
<td>Fulfillment</td>
<td>$16,288.87</td>
</tr>
<tr>
<td>Product Development</td>
<td>$2,638.84</td>
</tr>
<tr>
<td>Promotions</td>
<td>$5,842.92</td>
</tr>
<tr>
<td>Branding Implementation</td>
<td>$10,903.50</td>
</tr>
<tr>
<td>Conventions</td>
<td>$9,899.34</td>
</tr>
</tbody>
</table>

Total Expended: $196,424.55

**EXPENDITURES**

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Received from KPB</td>
<td>&lt;$147,750.00&gt;</td>
</tr>
<tr>
<td>DUE from KPB</td>
<td>$147,750.00</td>
</tr>
</tbody>
</table>
Mayor's Weekly Report #14
Dave Carey, Borough Mayor

Week of Jan 19th, 2009

Monday, January 19th
Core Team Planning for Week Meeting.
Meeting with Snowshoe Gun Club members.
Interview for Road Director's position.
Site visit to Road's Department.
Packet Meeting for Assembly Meeting of February 3rd.
Central Peninsula Hospital Service Area Board Meeting.

Tuesday, January 20th
KPC #3 Inaugural Day, Socrates, Plato and Aristotle.
Soldotna Chamber: Peninsula Winter Games.
Meeting with First Student Leaders about Driver's Strike.
Assembly Committee Meetings.
Assembly Meeting.

Wednesday, January 21st  Trip to Hope
Dismissal of Spruce Bark Beetle Manager.
Kenai Chamber Speaker: State of the Borough.
Meeting with Max Best about SBB Program.
Meeting with Human Services Director.

Thursday, January 22nd
KPC #4 Basic Principles of American Democracy.
Rotary: Imagination Reading Program.
Constituent Meeting about Consensus Dialogues. (DH)
Discussion with 9-11 Dispatch during Staff Meeting.
Bishop's Attic Board Meeting: Love, INC Presentation.

Friday, January 23rd  Trip to Anchorage
CORE Team meeting to review week's tasks.
Meet Alaska Oil and Gas Conference in Anchorage.
Discussion with Legal on Priority List.
Discussion with HR regarding SBB employees.
CMCD Dialogue at KPC on Roads, Trails and Paths.

Saturday, January 24th & Sunday, January 25th
Review and Comment on Weekly Reports from Staff.
Kenai Chamber Awards Presentation, brief remarks.
Volcano Advisory following 6.1 r.s. earthquake.
Work on Mayor's Report #14.
Work on Mayor's Narrative Report #14.
Mayor's Weekly Report #15  Week of Jan 26th, 2009
Dave Carey, Borough Mayor

Monday, January 26th
Core Team Planning for Week’s Work.
Meeting with CES employee about Fireman Exchange with Akita, Japan.
Meeting with KRSMA Board President.
Meeting (Monthly) with Central Peninsula Hospital Director.

Tuesday, January 27th  Trip to Juneau- AML
Meeting with Public Safety Commissioner Joe Masters.
Meeting with Steve Haagenson, State Energy Czar.
Advisories on Volcano Disturbance.

Wednesday, January 28th  In Juneau for AML
Meeting with Senate President Gary Stevens.
Meeting with staff for Senator Tom Wagoner.
Meeting with Sen. Murkowski’s state Director.
Meeting with Governor Sarah Palin and Chief of Staff Mike Nizich.
Meeting with Clik Bishop, Commerce Commissioner.

Thursday, January 29th  In Juneau for AML, Conference of Mayor’s
Meeting with Rep. Kurt Olson, Labor and Commerce Chairman.
Meeting with House Speaker Mike Chenault.
Conference of Mayors Meeting.

Friday, January 30th  Back from Juneau for AML
Advisories on Volcano Disturbance.
Meeting with Legal on SBB.
Meeting at OEM on Volcano status.
Review of Week’s progress with CORE Staff.

Saturday, January 31st & Sunday, February 1st
Review and Comment on Weekly Reports from Staff.
Head Start Fundraiser with skit.
Work on Mayor’s Report #15.
Work on Mayor’s Narrative Report #15.
TO: Milli Martin, President  
    Kenai Peninsula Borough Assembly Members  
THRU: David R. Carey, Mayor  
FROM: Craig C. Chapman, Finance Director  
DATE: 1/22/2009  
SUBJECT: Investment Portfolio Report  

Attached is a report on the Borough's investment portfolio as of December 31, 2008. The report shows the type of securities owned, percentage of each type, maturity of the securities, and average yield.

<table>
<thead>
<tr>
<th><strong>Investment Portfolio</strong></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Securities</strong></td>
<td><strong>Amount</strong></td>
</tr>
<tr>
<td>Agencies</td>
<td>$69,584,343</td>
</tr>
<tr>
<td>Corporate Bonds</td>
<td>20,125,485</td>
</tr>
<tr>
<td>U.S. Treasury</td>
<td>5,989,141</td>
</tr>
<tr>
<td><strong>Total Securities</strong></td>
<td>$95,698,969</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th><strong>Cash and Cash Equivalents</strong></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Repurchase Account</td>
<td>5,235,689</td>
</tr>
<tr>
<td>Money Market Sweep</td>
<td>6,890,513</td>
</tr>
<tr>
<td>AMLIP</td>
<td>36,973,109</td>
</tr>
<tr>
<td>2006 CES Bonds</td>
<td>45,949</td>
</tr>
<tr>
<td>2003 School Bonds (SEWARD)</td>
<td>439,899</td>
</tr>
<tr>
<td>2004 CPGH Bonds</td>
<td>2,113,380</td>
</tr>
<tr>
<td>2004 SPH Bonds</td>
<td>142,702</td>
</tr>
<tr>
<td>2003 Solid Waste Bonds</td>
<td>27,604</td>
</tr>
<tr>
<td>2007 School Bonds</td>
<td>706,003</td>
</tr>
<tr>
<td>2008 SPH Bonds</td>
<td>13,520,837</td>
</tr>
<tr>
<td><strong>Total Cash and Cash Equivalents</strong></td>
<td>$66,095,685</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th><strong>USAD's / RIAD's</strong></th>
<th><strong>Portfolio Yield</strong></th>
</tr>
</thead>
<tbody>
<tr>
<td>Island Lake</td>
<td>643</td>
</tr>
<tr>
<td>Moose Range Meadows</td>
<td>741</td>
</tr>
<tr>
<td>Timberland Terrace</td>
<td>632</td>
</tr>
<tr>
<td>K-Beach Subdivision</td>
<td>46,184</td>
</tr>
<tr>
<td>Inglebrook</td>
<td>3,876</td>
</tr>
<tr>
<td>Otter Trail</td>
<td>7,996</td>
</tr>
<tr>
<td>Tote Road and Echo Lake Road</td>
<td>69,796</td>
</tr>
<tr>
<td>Char Subdivision</td>
<td>39,790</td>
</tr>
<tr>
<td>Tustumena Subdivision</td>
<td>69,145</td>
</tr>
<tr>
<td>Westbrook Subdivision</td>
<td>51,666</td>
</tr>
<tr>
<td>Pollard Loop</td>
<td>51,365</td>
</tr>
<tr>
<td>Scooter Landing</td>
<td>39,955</td>
</tr>
<tr>
<td>Moose Range Subdivision</td>
<td>35,275</td>
</tr>
<tr>
<td>Chinula Drive</td>
<td>76,936</td>
</tr>
<tr>
<td><strong>Total USAD's / RIAD's</strong></td>
<td>494,002</td>
</tr>
</tbody>
</table>

| **Total Investment Portfolio** | **$162,288,656** | 100.00% |

<table>
<thead>
<tr>
<th><strong>Maturity</strong></th>
<th><strong>Portfolio Yield</strong></th>
</tr>
</thead>
<tbody>
<tr>
<td>Less than one year</td>
<td>99,303,440</td>
</tr>
<tr>
<td>One to five years</td>
<td>62,491,214</td>
</tr>
<tr>
<td>USAD's</td>
<td>494,002</td>
</tr>
<tr>
<td><strong>TOTAL</strong></td>
<td><strong>$162,288,656</strong></td>
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</tbody>
</table>
## INVESTMENT PORTFOLIO

**December 31, 2008**

<table>
<thead>
<tr>
<th>Purchase Date</th>
<th>Maturity Date</th>
<th>Security Description</th>
<th>Par Value</th>
<th>Coupon Rate</th>
<th>Yield</th>
<th>Purchase Price</th>
<th>Fair Value</th>
</tr>
</thead>
<tbody>
<tr>
<td>06/19/08</td>
<td>01/15/09</td>
<td>FNMA</td>
<td>1,500,000.00</td>
<td>5.250%</td>
<td>2.75%</td>
<td>1,521,012.40</td>
<td>1,502,820.00</td>
</tr>
<tr>
<td>06/10/08</td>
<td>02/09/09</td>
<td>FHLB</td>
<td>3,000,000.00</td>
<td>2.400%</td>
<td>2.77%</td>
<td>2,992,737.00</td>
<td>3,006,570.00</td>
</tr>
<tr>
<td>06/07/08</td>
<td>03/16/09</td>
<td>FNMA</td>
<td>3,000,000.00</td>
<td>3.125%</td>
<td>2.72%</td>
<td>3,007,230.00</td>
<td>3,015,930.00</td>
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<tr>
<td>11/21/08</td>
<td>04/29/09</td>
<td>FNMA</td>
<td>1,000,000.00</td>
<td>4.125%</td>
<td>1.59%</td>
<td>1,011,040.00</td>
<td>1,011,880.00</td>
</tr>
<tr>
<td>08/07/08</td>
<td>05/15/09</td>
<td>FNMA</td>
<td>2,000,000.00</td>
<td>4.250%</td>
<td>2.76%</td>
<td>2,022,540.00</td>
<td>2,028,120.00</td>
</tr>
<tr>
<td>05/14/08</td>
<td>05/31/09</td>
<td>US TREASURY</td>
<td>2,000,000.00</td>
<td>4.870%</td>
<td>2.15%</td>
<td>2,056,093.75</td>
<td>2,038,120.00</td>
</tr>
<tr>
<td>06/19/08</td>
<td>06/15/09</td>
<td>FNMA</td>
<td>3,000,000.00</td>
<td>6.375%</td>
<td>2.98%</td>
<td>3,098,235.49</td>
<td>3,081,570.00</td>
</tr>
<tr>
<td>08/07/08</td>
<td>07/24/09</td>
<td>FHLB</td>
<td>2,000,000.00</td>
<td>3.750%</td>
<td>2.92%</td>
<td>2,018,080.00</td>
<td>2,037,500.00</td>
</tr>
<tr>
<td>11/21/08</td>
<td>09/11/09</td>
<td>FHLB</td>
<td>3,000,000.00</td>
<td>5.250%</td>
<td>1.64%</td>
<td>3,086,190.00</td>
<td>3,094,680.00</td>
</tr>
<tr>
<td>08/15/08</td>
<td>09/15/09</td>
<td>GE ELECTRIC CAP CORP</td>
<td>2,000,000.00</td>
<td>4.625%</td>
<td>3.00%</td>
<td>2,034,340.00</td>
<td>2,022,580.00</td>
</tr>
<tr>
<td>11/21/08</td>
<td>09/22/09</td>
<td>FHLMC</td>
<td>2,000,000.00</td>
<td>4.000%</td>
<td>1.70%</td>
<td>2,039,042.00</td>
<td>2,045,820.00</td>
</tr>
</tbody>
</table>

Total Investment with External manager: $73,123,975.40

### Investments with External Manager:

- CORPORATE - less than 1 year: $5,500,000.00, 5.601,905.00, 5,548,505.00
- CORPORATE - 1 to 5 years: $12,350,000.00, 12,489,240.00, 12,627,981.00
- AGENCY - less than 1 year: $2,700,000.00, 2,720,309.20, 2,782,811.00
- AGENCY - 1 to 5 years: $45,550,000.00, 46,088,926.50, 47,944,008.50
- US TREASURY - less than 1 year: $4,250,000.00, 0, 0
- US TREASURY - 1 to 5 years: $2,773,975.40, 2,773,975.40, 2,773,975.40

**Total All Investments**: $97,623,975.40

**Portfolio Yield for FY2008 & FY2009 Investment Portfolio - Purchase Price**: $98,472,944.46

**Investment Portfolio - Fair Value 9/30/08**: $100,757,688.65

**Fair Value Adjustment - 12/31/08**: $2,284,744.19

**Fair Value Adjustment - 07/01/2008**: (89,545.22)

**Change in Fair Value FY2009**: $2,374,289.41

### Investment Portfolio - Type of Security

- CORPORATE BONDS: 31.0%
- U.S. TREASURY: 3.8%
- USAD'S: 0.3%
- CUSTOMER SELLACAO: 3.2%
- Other: 40.2%
- AGENTS: 14.7%
- AMLIP: 22.5%
- KPB Issued Bonds: 10.3%
- Repurchase Account: 3.2%
- Custodian Sweep Acct: 4.2%

### KPB Portfolio By Maturity

- 0-365 days: $150
- 1-5 years: $100
- 0: $50

### FY2008 & FY2009 Portfolio Fair Market Value

#### FY2008 & FY2009 Portfolio Fair Market Value

- General
- Seward Bonds
- CPCH Bonds
- CES Bonds
- Investment with external Manager
- 2007 School Bonds
- 2008 CPCH Bonds