

**KENAI PENINSULA BOROUGH ROAD SERVICE AREA
RESOLUTION 2009-02**

**APPROVING THE REDUCTION OF THE FY2009 ROAD SERVICE AREA CAPITAL
IMPROVEMENT PROJECT FUND FROM \$1,250,000 TO \$500,000 AND INCREASING
THE ROAD SERVICE AREA ROAD MAINTENANCE ACCOUNT FROM \$2,988,198
TO \$3,738,198**

WHEREAS, the Road Service Area (“RSA”) received \$8,400,000 from the State of Alaska to address road improvements and upgrades of which \$6,875,000 has not been obligated to road improvements projects; and

WHEREAS, the RSA is scheduled to receive approximately \$8,000,000 from the State of Alaska from voter approved bonds, which were authorized in the November 4, 2008 regular election; and

WHEREAS, the additional grant funds available for RSA Capital Improvement Projects (CIP) will allow many of the roads in the service area to be upgraded and improved; and

WHEREAS, allowing these grant funds to be utilized for CIP’s will allow the CIP budget funds be redirected to road maintenance for the next two years; and

WHEREAS, of the \$1,250,000 appropriated to the Road Service Area Capital Project Fund in the FY2009 budget, approximately \$500,000 has been allocated to specific projects, leaving \$750,000 unallocated; and

WHEREAS, the RSA has identified the need to increase the level of maintenance on various roads over the next several years at an increased cost of \$2,400,000 for FY2009; and

WHEREAS, this increased level of maintenance would consist of improved grading procedures, ditching, brushing, and additional gravel; and


WHEREAS, funding for the \$2,400,000 in increased maintenance would be funded by a reduction in the FY2009 transfer to the RSA capital project fund of \$750,000 and from a reduction in the planned transfer to the RSA capital project fund for FY2010 of \$1,650,000; and

NOW THEREFORE, BE IT RESOLVED BY THE KENAI PENINSULA BOROUGH ROAD SERVICE AREA BOARD:

SECTION 1. That the Road Service Area Board recommends that the assembly approve the transfer of the remaining FY09 CIP funds to road maintenance.

SECTION 2. A copy of this resolution shall be forwarded to the mayor and assembly.

**ADOPTED BY THE KENAI PENINSULA BOROUGH ROAD SERVICE AREA BOARD
ON THIS 10TH DAY OF FEBRUARY 2009.**



Ron Wille, RSA Board Chairman

ATTEST:



Jim Conner, Acting Road Service Area Director

Kenai Peninsula Borough

Road Service Area Board Meeting Minutes

February 10, 2009 – 7:00 p.m. KPB Assembly Chambers

Regular Meeting – Soldotna, Alaska

A. CALL TO ORDER

A Regular Meeting of the Kenai Peninsula Borough Road Service Area was held on February 10, 2009, in the Borough Assembly Chambers, Soldotna, Alaska. Chairman Wille called the meeting to order at 7:00 p.m.

B. ROLL CALL & ESTABLISHMENT OF QUORUM

There were present:

(7:05:25)

Ron Wille, Chairman
Norm Blakeley
Larry Pannell

Cam Shaffer
Sam McLane
Kevin Smith

Comprising a quorum of the Road Service Area Board.

Also in attendance were:

Jim Conner, RSA Director
Scott Bloom, Borough Attorney
Karen Koester, Road Inspector
Gary Knopp, KPB Assembly
Hugh Chumley, Chief of Staff

Angie Richardson, RSA Admin. Asst.
Holly Hasting, Road Inspector
Henry Knackstedt, Project Admin.
Craig Chapman, KPB Finance Director
Dave Carey, KPB Mayor

C. APPROVAL OF AGENDA

(7:06:15)

MOTION TO APPROVE AGENDA: McLane moved for the approval of the agenda. Pannell seconded.

Chairman Wille called for addition, corrections or deletion to the agenda.

Angie Richardson requested to add as Item J. Flood Plan Board Nomination.

AGENDA APPROVED AS AMENDED: Unanimous.

D. APPROVAL OF MINUTES

(7:06:55)

MOTION TO APPROVE MINUTES: Pannell moved for the approval of the January 5, 2009 minutes. Blakeley seconded.

Chairman Wille called for addition, corrections or deletion to the minutes.

Angie Richardson requested to move second sentence under Item C. to Item D. No objections.

MINUTES APPROVED AS AMENDED: Unanimous.

E. CORRESPONDENCE – None. (7:07:55)

F. PUBLIC PRESENTATION WITH PRIOR NOTICE: (7:09:20)

Brian Olson – Iditarod Street (7:08:03)

Item listed on Agenda, but Brian Olson was not at meeting to speak

G. PUBLIC PRESENTATION WITHOUT PRIOR NOTICE – (7:09:19)

Chairman Wille asked the public if any persons were wishing to speak.

Varvara Martishev, PO Box 1660, Homer, Alaska, 99603

Mrs. Martishev requested to be informed if the RSA Board meeting dates change. Angie Richardson explained the preliminary RSA Board meeting is located on the RSA website and the Agenda is posted in the paper the Thursday before the meeting.

Mrs. Martishev would like to know if East End Road is on a list to be upgraded. Director Conner noted East End Road is listed as a Tier 1 projects and is included on RSA Resolution 2008-09 approved 11/25/08.

Mrs. Martishev asked what the construction will include. Henry Knackstedt answered the construction consists of gravel overlay almost to the cemetery.

Antanina Kalugin, PO Box 3046, Homer, Alaska 99603

Mrs. Kalugin asked if the estimated cost of \$80 per foot would be sufficient to complete the project. Wille answered the RSA Board approved \$450,000 for this project and not the \$80 cost per linear foot. Director Conner agreed.

Chairman Wille asked if there was anybody else from the public wishing to speak. No response.

H. PUBLIC HEARINGS - None

I. ROAD DIRECTOR'S REPORT

I. 1 Action Items:

FY2010 RSA Budget

(7:14:14)

MOTION TO DISCUSS: Blakeley made a motion to discuss the FY2010 RSA Budget. Smith seconded.

Director Conner presented the FY2010 RSA Budget.

Craig Chapman presented a lay down budget packet to the RSA Board explaining the guidelines for the FY2010 Budget. The proposed budget shows the maintenance fund is increased using Capital Improvement Projects (CIP) funds. \$8m Bond Funds and remaining \$6.875 State Grant funds will replace the annually budgeted CIP funds of \$1.4m a year for the 5 years. Grant funds required the funds be spent in five years. The bond requirement may require funds to be spent from three to five years.

Board Member Blakeley asked if the \$798,084 Oil & Gas revenue is predicated on the 1.4 mills that our regular property taxes predicated on through the Borough, or is a greater or lesser percentage and how does it work. Mr. Chapman replied it's just a straight mill rate based upon the assessed value. The Oil and Gas property is taxed at 20 mills by the State. State statute allows municipalities to be included in those 20 mills. The estimate of the oil and gas properties that are situated in the RSA and the mill rate of 1.4 mills

Chairman Wille called for public comment with none being offered.

MOTION TO ADOPT: Blakeley made a motion to approve the FY2010 Budget. Smith seconded.

VOTE ON MOTION:

Yes: Wille, Schafer, McLane, Blakeley, Pannell, Smith

No: None

MOTION PASSED: 6 Yes, 0 No

RSA Resolution 2009-02 Approving the Reduction of the FY09 RSA CIP Fund and Increasing the RSA Road Maintenance Funds

(7:27.20)

Chairman Wille stated this resolution was defeated at the last meeting and asked Mr. Bloom if this resolution can be presented again to the RSA Board for a vote.

Scott Bloom replied the RSA Board operates under the Roberts Rules of Order. Robert Rules of Order allows a motion to renew at a new session.

Chairman Wille called for public comment with none being offered.

Chairman Wille passed the gavel to Vice-Chairman Blakeley.

Chairman Wille asked Craig Chapman if the FY09 projects previously approved would be completed using the grant funds instead of the FY09 CIP funds. Mr. Chapman confirmed grant funds will be utilized to complete the FY09 CIP.

Vice-Chairman Blakeley passed the gavel back to Chairman Wille.

Board Member McLane asked what projects will be completed with the additional \$750,000 transfer of CIP funds to maintenance. Director Conner replied the two big maintenance issues are brushing and ditching.

Board Member Smith would like to see the RSA develop a preventative maintenance plan utilizing the additional maintenance funds available in the budget.

Board Member McLane asked if there was a plan to bid out the brushing project. Director Conner stated there are only three of the maintenance contractors in the borough that have the proper brushing equipment. We will solicit bids for the other units. Board Member McLane states the Borough would get better rates and possibly better quality of work if it's bid. He does not believe clearing was a proposal item when the maintenance request for proposals (RFP) went out. There are many contractors with specialty equipment that he would like to see bid this work. Mr. Chapman stated work over \$15,000 would need to go to bid. Director Conner will check the contractor rates.

Scott Bloom explained for a new procurement we would have to go to bid on brushing. Contractors bid on estimated quantities of work. The existing maintenance contracts with the Borough could be increased to provide the brushing. The procurement code does not necessarily require the Borough to go out for a new bid, because this is not a new project. Contractors are already in place to provide this work.

Board Member Shafer states this should be a new contract. This large amount of brushing was not included in the RFP when the contractors bid. He would like the brushing work to bid out.

Scott Bloom informed the board that grant funds have limitations on them. Grant funds can be used for CIP's, but not on all maintenance projects.

MOTION TO ADOPT: Blakeley made a motion to approve the RSA Resolution 2009-02. Smith seconded.

VOTE ON MOTION:

Yes: Wille, Schafer, Blakeley, Pannell, Smith
No: McLane
MOTION PASSED: 5 Yes, 1 No