

**I. CALL TO ORDER**

The regular meeting of the Matanuska-Susitna Borough Assembly was held on January 18, 2011, at the Borough Assembly Chambers, 350 E. Dahlia Avenue, Palmer, Alaska. The meeting was called to order at 6 p.m. by Deputy Mayor Ron Arvin.

**II. ROLL CALL**

Assembly members present and establishing a quorum were:

Mr. Warren Keogh, Assembly District No. 1  
Mr. Noel Woods, Assembly District No. 2  
Mr. Ronald Arvin, Assembly District No. 3 (*Deputy Mayor*)  
Mr. Mark Ewing, Assembly District No. 4  
Ms. Cindy L. Bettine, Assembly District No. 5  
Mr. Jim Colver, Assembly District No. 6  
Mr. Vern Halter, Assembly District No. 7

Staff in attendance were:

Ms. Lonnie R. McKechnie, Borough Clerk  
Ms. Elizabeth Gray, Acting Borough Manager  
Mr. Nicholas Spiropoulos, Borough Attorney  
Ms. Brenda J. Henry, Executive Assistant to the Borough Clerk  
Ms. Tammy Clayton, Finance Director  
Ms. Christine Nelson, Planning and Land Use Director  
Mr. Dennis Brodigan, Emergency Services Director  
Ms. Patty Sullivan, Public Affairs Director  
Mr. Dave Hanson, Economic Development Director  
Mr. Russ Krafft, Purchasing Officer  
Mr. Jeff Dillon, Acting Community Development Director  
Ms. Mary Brodigan, Administrative Secretary I  
Ms. Holly Dubose, Administrative Secretary I  
Ms. Shannon Post, Chief Information Officer  
Mr. Chuck Braun, Operations and Maintenance Division Manager

**III. APPROVAL OF AGENDA**

Deputy Mayor Arvin inquired if there were any changes to the agenda.

GENERAL CONSENT: The agenda was approved as presented without objection.

**IV. PLEDGE OF ALLEGIANCE**

The Pledge of Allegiance was led by Mr. Lew Madden, M/V Susitna Ferry Consultant.

## V. MINUTES OF PRECEDING MEETINGS

- A. Special Assembly Meeting: 11/30/10
- B. Regular Assembly Meeting: 12/07/10
- C. Special Assembly Meeting: 12/14/10
- D. Joint Assembly/School Board: 12/14/10
- E. Special Assembly Meeting: 12/20/10
- F. Special Assembly Meeting: 12/27/10

Deputy Mayor Arvin inquired if there were any corrections to the special meeting minutes of November 30, 2010, the regular meeting minutes of December 7, 2010, the special meeting minutes of December 14, 2010, the joint meeting minutes of December 14, 2010, or the special meeting minutes of December 20, 2010 and December 27, 2010.

Assemblymember Colver:

- stated that he would like a change to the December 7, 2010, regular meeting minutes on page 18 of 21; and
- requested that where it reads “Assemblymember Colver exited the meeting” be changed to read “Assemblymember Colver exited the meeting at 11:28 p.m. due to the fact that he was disconnected by the Borough teleconferencing system and unable to reconnect.”

Ms. McKechnie advised that the change would be made as requested.

GENERAL CONSENT: The minutes were approved as amended without objection.

[Clerk note: the change requested was made to the December 7, 2010, regular meeting minutes.]

## VI. REPORTS/CORRESPONDENCE

### A. AGENCY REPORTS

#### 1. Reports from cities

*(There were no reports provided.)*

#### 2. Matanuska-Susitna Borough School District

Ms. Terrie Irwin, School District Chief Financial Officer:

- spoke to the School District’s fiscal year 2010 Comprehensive Financial Report that was previously provided to the Assembly;
- related that the report is also available online on the District’s website;
- advised that fiscal year 2009 was the first year that the School District presented the coffer to the Association of School Business Officials (ASBO) in order to apply for their certificate of excellence, which was done;
- stated that fiscal year 2010 was also presented to ASBO for the same award and the District is confident that it will be won again;

- related that there are a very small number of School District's that actually receive the financial achievement award;
- stated that should the Assembly have any questions after reviewing the report to please let her know; and
- stated that Superintendent Dr. Burnley is at a School District budget meeting and was unable to be here this evening.

## B. COMMITTEE REPORTS

### 1. Joint Assembly/School Board Committee on School Issues

Assemblymember Colver advised that the last meeting was cancelled due to lack of a quorum due to the holidays.

### 2. Assembly Public Relations

Deputy Mayor Arvin:

- spoke to a recent meeting with Governor Parnell and his Chief of Staff Mike Nizich;
- stated that they were provided an update on the rail extension project;
- advised that they thanked Governor Parnell for including \$20,000,000 in the Governor's budget;
- spoke to the level of confidence with the rail extension project should the State Legislature include \$35,000,000 for the project; and
- opined that Governor Parnell is supportive of the project.

## C. MANAGER COMMENTS

3. State/Federal Legislation
4. Strategic Planning Issues
5. Goose Creek Correctional Center Update

Ms. Gray requested that Mr. Krafft provide an update on the Goose Creek Correctional Center.

Mr. Krafft provided an update on the Goose Creek Correctional Center.

Assemblymember Bettine queried if the number of prisoners to be introduced into the facility.

Ms. Gray advised that the prisoners will be placed in the facility in phases.

Assemblymember Bettine queried if the target number of prisoners to be fully phased in was 1,500.

Ms. Gray affirmed the query.

Deputy Mayor Arvin:

- queried the carrying volume of the gas line at the prison; and
- further inquired if residents of the area are capable of tapping into the line.

Mr. Krafft:

- related that the Borough was advised by Enstar that at least a six inch gas line was necessary;
- further added that Enstar had suggested that an 8 inch gas line would be even better;
- noted that the gas volume between a six inch line and an eight inch line was significant;
- related that there was talk of a building a cogeneration plant in the area to supply power back into the Matanuska Electric Association system and waste heat over to the prison;
- stated that during construction of the facility, modifications were made in order to receive that waste heat should it ever occur;
- related that there are at least four companies interested in building a cogeneration plant;
- further added that the plant is a State project and the capacity to support it is there;
- advised that if Deputy Mayor Arvin was inquiring if there is enough gas to take the line to the Port, the existing line would not support it; and
- stated that the residential gas supply is plentiful.

Deputy Mayor Arvin stated that he was interested in the residential ability to tap into the gas line.

Mr. Krafft:

- stated that the existing line could not support overly large subdivision growth;
- related that the six inch line was requested as the Borough purposely upsized in order to allow the capability to tap into the line; and
- advised that Nugen's Ranch is relocating their service to the area and have already requested the ability to tap into the line.

Assemblymember Keogh requested a brief synopsis of the water and wastewater facilities.

Mr. Krafft:

- related that the water and wastewater project is basically broken it into four parts;
- spoke to the well field comprised of five wells that is located approximately one mile from the facility;
- stated that complex, which contains the initial chlorination, is owned by Valley Utilities, who will retain ownership;
- related that the transmission line that comes from that facility over to the prison property is owned by the State and maintained and serviced by Valley Utilities;
- stated that the water treatment facility is paid for through the Goose Creek bond funds, as it is part of the Goose Creek project and is located just south of Alsop Road;
- spoke to the waste water facility being recently financed through the Alaska Industrial Development and Export Authority (AIDEA);

- noted that the waste water facility will be owned by AIDEA and operated by Valley Utilities for a period of approximately 25 years; and
- stated that at the end of that term the ownership of the wastewater will go to the State, at which time they will either operate it or contract out for the operation.

Ms. Gray advised that it is her plan to bring forward updates regarding projects to the Assembly more frequently.

A. ATTORNEY COMMENTS

*(There was no report provided.)*

B. CLERK COMMENTS

Ms. McKechnie:

- spoke regarding the upcoming meeting schedule;
- advised that the January 20<sup>th</sup> meeting to certify the special election has been changed to January 25<sup>th</sup> and will include the federal priorities, should the Assembly postpone that legislation; and
- inquired if the Assembly would like to schedule a planning session now or wait until May.

Discussion ensued regarding scheduling a planning session for the Assembly.

*(The Assembly decided to schedule a planning session for February 26, 2011, at 10 a.m.)*

C. CITIZEN AND OTHER CORRESPONDENCE

1. MSB Board/Committee Minutes:

- Caswell Lakes RSA Board of Supervisors: 03/01/10, 05/24/10
- Citizen's Advisory Committee on the Goose Creek Correctional Center: 04/07/10, 06/02/10
- Enhanced 911 Advisory Board: 08/10/10, 09/02/10
- Greater Talkeetna RSA Board of Supervisors: 10/14/10
- Greater Willow RSA Board of Supervisors: 06/24/10
- Health and Social Services Board: 06/22/10, 07/07/10
- Library Board: 09/18/10, Resolution Serial No. 10-04
- Local Road Service Area Board of Supervisors: 07/15/10
- Mayor's Blue Ribbon Sportsmen's Committee: 07/29/10, 09/30/10, 10/21/10
- Planning Commission: 10/18/10, 11/01/10, Resolution Serial Nos. 10-33, 10-36, 10-40
- Platting Board: 10/21/10, 11/04/10, 11/18/10, 12/02/10 Resolution Serial No. 10-72, 10-76
- Port Commission: 10/18/10, Resolution Serial Nos. 10-002, 10-003, 10-004
- West Lakes FSA Board of Supervisors: 08/02/10, 09/21/10, 10/19/10

2. Community Council Correspondence:

- Chase Community Council: 04/14/10

- b. Chickaloon Community Council: 08/11/10, 09/08/10
- c. Meadow Lakes Community Council: 03/10/10, 08/11/10, 09/08/10
- d. North Lakes Community Council: 09/28/10
- e. Willow Area Community Organization: 10/04/10

The citizen and other correspondence were presented and no comments were noted.

#### D. INFORMATIONAL MEMORANDUMS

- 1. IM No. 10-193: DELEGATION OF PARKS AND RECREATIONAL POWERS TO THE CITY OF PALMER FOR CERTAIN PARKS AND RECREATIONAL ACTIVITIES FOR FAIRFIELD PARK, LOCATED WITHIN CITY BOUNDARIES AND MORE SPECIFICALLY DESCRIBED AS LOT NUMBER 55921000LOPP, FAIRFIELD PARK SUBDIVISION, ACCORDING TO PLAT NO. 2006-136, PALMER RECORDING DISTRICT, CONTAINING 16,264 SQUARE FEET (MSB006525).
- 2. IM No. 11-019: MONTHLY REPORTING OF AMENDED CONTRACTS AND NEW AWARDS UNDER \$100,000, ALONG WITH SOLE SOURCE PROCUREMENTS, FOR THE PERIOD OF OCTOBER 1, 2010, TO DECEMBER 31, 2010.

The informational memorandums were presented and no comments were noted.

#### VII. UNFINISHED BUSINESS

- A. Resolution Serial No. 10-101: A RESOLUTION APPROVING THE FEDERAL PRIORITIES FOR 2011.
  - 1. IM No. 10-196

MOTION PENDING: Assemblymember Bettine moved to adopt Resolution Serial No. 10-101.

MOTION: Assemblymember Bettine moved to postpone Resolution Serial No. 10-101 to a time certain of January 25, 2011.

Assemblymember Halter requested road funding project information, specific numbers, and how funds could best be spent.

VOTE: The motion to postpone to January 25, 2011, passed without objection.

#### VIII. VETO

*(There were no vetoes presented.)*

## **X. NEW BUSINESS**

### **A. INTRODUCTION (For public hearing – 02/01/11, 7 p.m., Borough Assembly Chambers)**

1. Ordinance Serial No. 11-006: AN ORDINANCE APPROVING A SUPPLEMENTAL APPROPRIATION OF \$3,536 FROM TRAPPER CREEK ROAD SERVICE AREA NO. 30 FUND BALANCE, FUND 284, TO TRAPPER CREEK ROAD SERVICE AREA NO. 30 FISCAL YEAR 2011 OPERATING BUDGET, FUND 284.
  - a. IM No. 11-003
2. Ordinance Serial No. 11-007: AN ORDINANCE AMENDING MSB 15.24.030, ADOPTING THE PORT MASTER PLAN, 2011 UPDATE.
  - a. IM No. 11-007
3. Ordinance Serial No. 11-008: AN ORDINANCE ACCEPTING AND APPROPRIATING A \$976,176 COASTAL IMPACT ASSISTANCE PROGRAM (CIAP) GRANT TO FUND 480, PROJECT NO. 47504, FOR “ORTHO-RECTIFIED IMAGERY AND LIDAR OF THE MATANUSKA-SUSITNA BOROUGH’S COASTAL MANAGEMENT ZONE.”
  - a. Resolution Serial No. 11-010: A RESOLUTION ESTABLISHING THE SCOPE OF WORK AND BUDGET FOR THE COASTAL IMPACT ASSISTANCE PROGRAM (CIAP) GRANT FOR “ORTHO-RECTIFIED IMAGERY AND LIDAR OF THE MATANUSKA-SUSITNA BOROUGH’S COASTAL MANAGEMENT ZONE.”
    - (1) IM No. 11-008
4. Ordinance Serial No. 11-009: AN ORDINANCE APPROVING THE ACCEPTANCE AND APPROPRIATION OF FISCAL YEAR 2011 COMMUNITY REVENUE SHARING PROGRAM FUNDS IN THE AMOUNT OF \$444,400, TO FUND 475, PROJECT NO. 47014.
  - a. Resolution Serial No. 11-011: A RESOLUTION APPROVING THE SCOPE OF WORK AND BUDGET FOR THE FISCAL YEAR 2011 COMMUNITY REVENUE SHARING PROGRAM, PROJECT NO. 47014.
    - (1) IM No. 11-010
5. Ordinance Serial No. 11-010: AN ORDINANCE APPROVING A SUPPLEMENTAL APPROPRIATION OF \$19,000 FROM TALKEETNA ROAD SERVICE AREA NO. 29 FUND BALANCE, FUND 283, TO TALKEETNA ROAD SERVICE AREA NO. 29 FISCAL YEAR 2011 OPERATING BUDGET, FUND 283.
  - a. IM No. 11-012
6. Ordinance Serial No. 11-012: AN ORDINANCE APPROVING THE MATANUSKA-SUSITNA BOROUGH ACQUIRE A PORTION OF BOROUGH-OWNED LAND IDENTIFIED AS PARCEL 35, PALMER HIGH SCHOOL, FOR THE BOGARD ROAD EXTENSION EAST, STATE PROJECT NO. 59231 (MSB006048 & MSB006245).

- a. Ordinance Serial No. 11-013: AN ORDINANCE APPROVING THE MATANUSKA-SUSITNA BOROUGH ACQUIRE A PORTION OF BOROUGH-OWNED LAND IDENTIFIED AS PARCEL 34, COLONY MIDDLE AND HIGH SCHOOLS, FOR THE BOGARD ROAD EXTENSION EAST, STATE PROJECT NO. 59231 (MSB006048 & MSB006244).
  - (1) IM No. 11-014
  - (2) IM No. 11-017
  
- 7. Ordinance Serial No. 11-014: AN ORDINANCE ACCEPTING AND APPROPRIATING A GRANT IN AN AMOUNT NOT TO EXCEED \$191,920, TO FUND 435, PROJECT NO. 10168, FROM THE RASMUSON FOUNDATION FOR THE CONSTRUCTION OF THE SUTTON COMMUNITY RESOURCE CENTER.
  - a. Resolution Serial No. 11-012: A RESOLUTION APPROVING THE SCOPE OF WORK AND AMENDED BUDGET FOR THE SUTTON COMMUNITY RESOURCE CENTER.
    - (1) IM No. 11-015
  
- 8. Ordinance Serial No. 11-015: AN ORDINANCE ACCEPTING AND APPROPRIATING \$13,350.60 FROM MATANUSKA TELEPHONE ASSOCIATION TO FUND 440, PROJECT NO. 20323, FOR UPGRADING AND ENHANCING THE TELECOMMUNICATIONS AND INFORMATION SERVICES WITHIN THE MATANUSKA-SUSITNA LIBRARY NETWORK.
  - a. IM No. 11-016
  
- 9. Ordinance Serial No. 11-016: AN ORDINANCE AMENDING MSB 4.27.020, REGARDING THE COMPOSITION OF THE BOROUGH AREA SCHOOLS SITE SELECTION COMMITTEE. *(Sponsored by Assemblymember Arvin)*
  - a. IM No. 11-018
  
- B. INTRODUCTION (For public hearing – 03/15/11, 7 p.m., Borough Assembly Chambers)
  - 1. Ordinance Serial No. 11-001: AN ORDINANCE CREATING LEOTA STREET ROAD PAVING LOCAL IMPROVEMENT DISTRICT NO. 445, APPROVING THE IMPROVEMENT PLAN FOR THE DISTRICT, AUTHORIZING THE MANAGER TO PROCEED WITH THE IMPROVEMENT, AND ASSESSING EQUALLY AMONG THE PROPERTIES WITHIN THE DISTRICT THE COSTS OF THE IMPROVEMENT.
    - a. IM No. 11-005

Ms. McKechnie read the above legislation into the record.

MOTION: Assemblymember Bettine moved to introduce the legislation as read into the record by the Clerk and set the public hearings for February 1, 2011, and March 15, 2011, respectively.

VOTE: The motion passed without objection.

B. MAYORAL NOMINATIONS AND APPOINTMENTS

1. VACANCY REPORT

Deputy Mayor Arvin requested the following confirmations:

Aviation Advisory Board  
Norman Wakeman  
Board of Equalization  
Timothy Vereide  
Board of Ethics  
Frank Muncy  
Emergency Medical Services Board  
Lisa Behrens  
Cliff Silvers  
Cheri Day  
Brian Anderson  
Joseph Kiren  
Brian Wallace  
Glori Strickland  
Patricia Stewart  
Delores "Jo" Pendleton  
Deborah Bloom  
Enhanced 911 Advisory Board  
Jeffery Laughlin  
Charley McAnnally  
Thomas Hood  
Thomas Remaley  
Diana Campbell  
Kelly Swihart  
Joel Butcher  
Health and Social Services Board  
Reba Brady  
Library Board  
Nicole Barker  
Virginia Robson  
Local Emergency Planning Committee  
Glenn Stevens  
Bea Adler  
Linzi Rothermel, resignation  
Office of Administrative Hearings  
Karen Jennings  
Planning Commission  
Tom Adams

Platting Board  
Kurt MacKenzie  
Terry Nicodemus  
Port Commission  
Dave Cruz  
Wasilla-Lakes FSA No. 130  
Carol Christiansen  
Daniel Tucker  
West Lakes FSA No. 136  
Gerard Billinger  
Big Lake RSA No. 21  
Gerard Billinger  
Caswell Lakes RSA No. 15  
Henry Olson

Deputy Mayor Arvin made the following recommendations:

Borough Area Schools Site Selection Committee  
Lynn Gattis  
Citizens Advisory Committee on the Goose Creek Correctional Facility  
Toby Riddell  
Planning Commission  
William Haller  
West Lakes FSA No. 136  
Tari Jacobson  
Willow FSA No. 135  
Doyle Holmes  
Greater Butte RSA No. 26  
Arthur Quaas  
Greater Willow RSA No. 20  
Ralph Oakley  
Lazy Mountain RSA No. 19  
Pat Larrabee  
Circle View & Stampede Estates Flood & Water Erosion Control No. 131  
Vern Stockwell

MOTION: Assemblymember Bettine moved to approve the Mayor's recommendations and resignations up for confirmation this evening.

VOTE: The motion passed without objection.

C. OTHER NEW BUSINESS

*(There was no other new business.)*

*(The regular meeting recessed at 6:48 p.m. and reconvened at 7 p.m.)*

**IX. SPECIAL ORDERS (to begin at 7 p.m.)**

A. PERSONS TO BE HEARD (Three minutes per person.)

*(There were no persons to be heard.)*

B. PUBLIC HEARINGS (Three minutes per person.)

1. Ordinance Serial No. 11-002: AN ORDINANCE AMENDING MSB 3.04.110, REPORTING AND LAPSE OF APPROPRIATIONS; TO PROVIDE FOR A TEMPORARY CHANGE TO THE SCHOOL DISTRICT'S LAPSING FUNDS.  
*(Sponsored by Assemblymembers Halter and Ewing)*
  - a. IM No. 11-002

Deputy Mayor Arvin opened the public hearing.

There being no one present who wished to testify, the public hearing closed and discussion moved to the Assembly.

Assemblymember Halter:

- opined that the legislation would provide a mechanism for the School District to build up a reserve fund;
- further added that it would provide for some stability; and
- requested support of the legislation.

Assemblymember Ewing:

- stated that the intent is to provide a way for the School District to avoid the end of year spending frenzy;
- opined that it provides an incentive for the School District to save funds; and
- noted his support of the legislation.

Assemblymember Colver:

- spoke to being impressed with the transparency of recent financial reporting from the School District;
- stated that the funds that lapse are intended for securing school sites;
- opined that it is too early to let the School District retain these funds, as there will be no funds to build needed schools;
- stated that the fund was set up to provide for a deliberative mechanism to obtain school sites;
- spoke to difficulties in former school site selections;
- stated that the fund has not been utilized and the current funds will be drawn out when the new acquisitions are made;
- related that his decision in opposition to the legislation is because he feels it is more important to retain the funds to build schools, in order to secure the best sites available; and
- opined that this legislation would be more appropriate three years from now.

Assemblymember Halter:

- noted that the legislation has a sunset clause of 2013;
- stated that his understanding is that not all of the funds currently in the site selection fund would be used;
- stated that the fund would be replenished when the legislation sunsets;
- opined that this is the appropriate time for this legislation; and
- noted that the School District has had the opportunity to review the legislation and provide comments.

Assemblymember Woods:

- note the Borough has property that can be sold;
- opined that the properties could be sold to fund the acquisition of sites; and
- opined that the timing of the legislation is appropriate.

Discussion ensued regarding:

- the timing of the legislation;
- the amount of lapse funds that would be the subject of the legislation;
- the need for the School District to be able to build a fund balance;
- the need for the Borough to retain funds for school site selection;
- the possibility of selling Borough property to fund the purchase of school sites;
- concerns that the legislation will not sunset;
- the lack of property that is saleable in the core area; and
- the need to stick with the processes currently in place for school site selection.

MOTION: Assemblymember Halter moved to adopt Ordinance Serial No. 11-002.

MOTION: Assemblymember Colver moved a primary amendment to Ordinance Serial No. 11-002, MSB 3.04.110 (E), by striking the words “the fiscal year 2011 (which ends June 30, 2011).” after the word “During” in the first sentence to read: “During the Fiscal Year 2012 (which ends June 30, 2012), and the fiscal year 2013 (which ends June 30, 2013) the School District may carry from one year to the next their unreserved local appropriation fund balance, not exceeding seven percent of the local contribution to education for that fiscal year.”

VOTE: The primary amendment failed with Assemblymember Colver, Keogh, and Ewing in support.

Deputy Mayor Arvin:

- spoke to the yearend spending frenzy that has occurred in years past;
- stated that the memo from the School District states that they intend to eliminate that; and
- opined that he is not in favor of eliminating the Borough’s ability to acquire sites for new schools.

VOTE: The main motion failed with Assemblymembers Halter, Ewing, and Woods in support.

2. Ordinance Serial No. 11-003: AN ORDINANCE AUTHORIZING THE ISSUANCE OF AREAWIDE GENERAL OBLIGATION BONDS IN THE PRINCIPAL AMOUNT OF NOT TO EXCEED \$33,785,000, TO FINANCE THE MAJOR RENOVATION AND RENEWAL OF EDUCATIONAL CAPITAL IMPROVEMENTS AND RELATED CAPITAL IMPROVEMENTS IN THE BOROUGH, FIXING CERTAIN DETAILS OF SUCH BONDS AND AUTHORIZING THEIR SALE.
  - a. IM No. 11-004

Ms. Clayton provided a staff report.

There being no one present who wished to testify, the public hearing closed and discussion moved to the Assembly.

MOTION: Assemblymember Bettine moved to adopt Ordinance Serial No. 11-003.

MOTION: Assemblymember Bettine moved a primary amendment to Ordinance Serial No. 11-003, Section 4, by striking the current section 4 in its entirety and insert the following in its place:

- “The Bonds shall be obligations of the Borough, and the full faith and credit of the Borough are hereby pledged for the payment of principal and interest on the Bonds. The Borough hereby irrevocably pledges and covenants that it will levy ad valorem taxes without limitation of rate or amount, to pay the principal and interest on the Bonds as the same become due and payable. In the event that any Bond Insurer makes any payment under a bond insurance policy with respect to the Bonds, such payment shall not be deemed a payment of the Borough and such payment amount shall continue to be due and payable by the Borough under this ordinance.”

VOTE: The primary amendment passed without objection.

VOTE: The main motion passed as amended without objection.

3. Ordinance Serial No. 11-004: AN ORDINANCE APPROVING THE REFUND OF \$72,000, SAID AMOUNT BEING THE PURCHASE PRICE OF BOROUGH LAND SALE PARCEL NO. 06-010, LEGALLY DESCRIBED AS THE SOUTHWEST ¼ NORTHWEST ¼, LOCATED WITHIN SECTION 34, TOWNSHIP 17 NORTH, RANGE 4 WEST, SEWARD MERIDIAN, ALASKA, PALMER RECORDING DISTRICT, THIRD JUDICIAL DISTRICT, STATE OF ALASKA, (MSB TAX PARCEL 17N04W34B010), IN EXCHANGE FOR REACQUISITION OF THE PROPERTY (MSB006478).
  - a. IM No. 11-006

Mr. Dillon provided a staff report.

Deputy Mayor Arvin opened the public hearing.

The following person provided suggested changes for Ordinance Serial No. 11-004: Mr. Butch Moore.

The following person spoke in support of Mr. Moore's suggested changes to Ordinance Serial No. 11-004: Ms. Niki Taysom.

There being no others present who wished to testify, the public hearing closed and discussion moved to the Assembly.

MOTION: Assemblymember Bettine moved to adopt Ordinance Serial No. 11-004.

MOTION: Assemblymember Colver moved a primary amendment to Ordinance Serial No. 11-004, page 2, to strike the third whereas clause and insert in its place the following: "Whereas cultural resources were not disclosed to the buyer prior to closing the sale on the parcel;"

Assemblymember Ewing stated that unless it is a known factor, there is no way to provide disclosure.

Assemblymember Bettine:

- stated that there appears to be a large gap between what Mr. Moore is requesting and what the Borough is refunding; and
- stated that she is unsure how interest should be calculated.

VOTE: The primary amendment passed without objection.

Assemblymember Keogh:

- stated that he is looking at the "all cash agreement" for the parcel; and
- queried if there was any language that required the Borough to refund an amount over the basic purchase price.

Mr. Spiropoulos stated that there was not.

Ms. Clayton provided information as to how interest was calculated.

Assemblymember Bettine queried if it was amortized over several months.

Ms. Clayton stated that it was a one-year timeframe over which the interest was calculated.

Assemblymember Halter stated that he would like to see interest included in the refund.

Discussion ensued regarding whether or not to include interest and how to calculate it if so.

MOTION: Assemblymember Ewing moved a primary amendment to Ordinance Serial No. 11-004, by striking "\$72,000" and inserting in its place "\$74,399" throughout the body of the legislation.

VOTE: The primary amendment passed with Assemblymember Woods opposed.

MOTION: Assemblymember Keogh moved a primary amendment to Ordinance Serial No. 11-004, Section 2, to insert after the word “price” the following words “including cost and interest as determined by the Assembly” to read: “The Matanuska-Susitna Borough Assembly hereby approves the refund of seventy-four thousand and three hundred and ninety-nine dollars (\$74,399), said amount being the purchase price including cost and interest as determined by the Assembly of the Borough land sale parcel #06-010, legally described at the southwest one-quarter northwest one-quarter (SW1/4NW1/4), located within Section 34, Township 17 North, Range 4 West, Seward Meridian, Palmer Recording District, Third Judicial District, State of Alaska,(MSB tax parcel #17N04W34B010), in exchange for reacquisition of the property.”

VOTE: The primary amendment passed without objection.

VOTE: The main motion passed as amended without objection.

*(The regular meeting recessed at 8:19 p.m. and reconvened at 8:31 p.m.)*

4. Resolution Serial No. 11-007: A RESOLUTION ADOPTING THE CAPITAL IMPROVEMENT PROGRAM FOR FISCAL YEAR 2012 THROUGH FISCAL YEAR 2017.
  - a. IM No. 11-009

Ms. Nelson and Mr. Strawn provided a staff report.

Deputy Mayor Arvin opened the public hearing.

The following person spoke to concerns with Resolution Serial No. 11-007: Ms. Niki Taysom.

There being no others present who wished to testify, the public hearing closed and discussion moved to the Assembly.

MOTION: Assemblymember Bettine moved to adopt Resolution Serial No. 11-007.

VOTE: The motion passed without objection.

#### C. AUDIENCE PARTICIPATION (Three minutes per person.)

The following persons spoke to overall concerns with coal mining in the Borough: Mr. Andre Ciostek.

The following person spoke to the progress of the local transit system named Valley Movers: Mr. Mokie Tew, owner.

The following person spoke to overall concerns with the School District: Ms. Niki Taysom.

D. CONSENT AGENDA (Resolution Serial No. 11-009 and AM Nos. 11-004, 11-005, and 11-006, were pulled from the consent agenda and addressed separately. *See pp. 16-20*)

1. RESOLUTIONS

a. Resolution Serial No. 11-008: A RESOLUTION RECOGNIZING THAT QUALITY AFFORDABLE HEALTH CARE IS ESSENTIAL TO THE WELLBEING OF ALL OF OUR RESIDENTS AND SUPPORTING THE SUNSHINE COMMUNITY HEALTH CENTER'S REQUEST FOR STATE FUNDING. *(Sponsored by Assemblymember Halter)*

(1) IM No. 11-020

2. ASSEMBLY MEMORANDUMS

a. AM No. 11-001: APPROVAL OF CONTRACT AMENDMENT FOR CONTRACT NO. 10-101 TO ATS ALASKA IN THE AMOUNT OF \$400,000, FOR PROJECT NO. 40170, MSB SAFETY AND SECURITY UPGRADES-TECHNOLOGY SECURITY PACKAGE, FOR TECHNICAL PROGRAMMING AND DVMS CONFIGURATION.

b. AM No. 11-002: AWARD OF BID NO. 11-042 TO PIERCE MANUFACTURING, INC. IN THE AMOUNT OF \$509,915 TO PURCHASE A PUMPER TANKER FOR CENTRAL MAT-SU FIRE SERVICE AREA.

f. AM No. 11-008: APPROVAL TO ENTER INTO AN AGREEMENT WITH PND ENGINEERS, INC. IN THE AMOUNT OF \$23,910 FOR BIDDING ASSISTANCE, CONSTRUCTION ADMINISTRATION AND INSPECTION SERVICES FOR THE PORT MACKENZIE BARGE DOCK CAP AND VIBRACOMPACTATION.

Ms. McKechnie read the above legislation into the record.

MOTION: Assemblymember Bettine moved to approve the consent agenda as read into the record by the Clerk.

VOTE: The motion passed without objection.

b. Resolution Serial No. 11-009: A RESOLUTION REQUESTING STATE REALLOCATION OF HIGHWAY FUNDS FROM REMOTE, RURAL, LOW TRAFFIC VOLUME SEGMENTS OF THE PARKS HIGHWAY TO MATANUSKA-SUSITNA BOROUGH HIGHWAY SAFETY CORRIDORS WITH HIGH TRAFFIC VOLUMES AND HIGH ACCIDENT/FATALITY RATES. *(Sponsored by Assemblymember Bettine)*

(1) IM No. 11-024

MOTION: Assemblymember Bettine moved to adopt Resolution Serial No. 11-009.

Assemblymember Bettine stated that she pulled the legislation from the consent agenda in order to postpone it indefinitely, because she had been advised to change some of the language.

MOTION: Assemblymember Ewing moved to postpone Resolution Serial No. 11-009 indefinitely.

VOTE: The motion passed without objection.

c. AM No. 11-004: AWARD OF BID NO. 11-033 TO WOLVERINE SUPPLY, INC. FOR THE CONTRACT AMOUNT OF \$879,845.15 FOR PARK AND RIDE FACILITY AND BUS STOPS AND SHELTERS.

MOTION: Assemblymember Colver moved to adopt AM No. 11-004.

MOTION: Assemblymember Colver moved to postpone AM No. 11-004 to a time certain of February 1, 2011.

Assemblymember Colver stated that he would like to postpone the legislation in order to receive additional information regarding the bid.

Assemblymember Bettine queried if the postponement would affect the contract in any way.

Mr. Braun stated that it would not.

VOTE: The motion to postpone to February 1, 2011, passed without objection.

d. AM No. 11-005: APPROVAL OF CHANGE ORDER NO. 1 TO CONTRACT NO. 11-043 BETWEEN THE MATANUSKA-SUSITNA BOROUGH AND PARKER, SMITH & FEEK FOR HEALTH BENEFITS CONSULTANT TO ALLOW FOR OPTION YEARS 2 THROUGH 5 AT AN AVERAGE ANNUAL COST OF \$73,500.

MOTION: Assemblymember Colver moved to adopt AM No. 11-005.

Ms. Clayton and Mr. Krafft provided a staff report.

Assemblymember Colver:

- spoke to concerns with approving the contract for five years;
- stated that he would prefer that the question come back before the Assembly, rather than to be at the approval of staff alone; and
- queried the scope of the contract.

Ms. Clayton:

- stated that the company does not do adjudication of claims;
- related that staff had concerns regarding the new health care act, as they did not feel they were getting the information that they needed to make informed decisions;
- advised that it could significantly impact the Borough with the 2013 budget;

- stated that duties of the contract would be to educate staff on new regulatory changes, to meet with the Health Care Committee, to provide recommendations for cost savings, and to provide suggestions on plan options that would best suit the Borough;
- noted that the contract also includes support when staff has questions;
- stated that although the Borough is self-insured that there is still “stop-loss” insurance, which may cause questions to arise;
- further added that the contract duties include the review of large claims and to identify patterns in claims; and
- stated that it also allows staff to provide education to employees.

Assemblymember Colver queried why the administration of the medical insurance switched.

Ms. Clayton:

- stated that the employees took a survey that showed that Borough employees were overwhelmingly dissatisfied with Meritain as a third party administrator; and
- related that Administration thought that it would be in the best interest of the employees to remedy that situation.

Assemblymember Colver:

- spoke to being previously insured at the Borough under a different third party administrator and problems that he had encountered;
- stated that he has had nothing but a positive experience with Meritain processing claims; and
- queried how the plan is overseen.

Ms. Clayton stated that the plan document has not changed even with the changing of the third party administrators.

Assemblymember Colver queried the balance of the health fund.

Ms. Clayton:

- stated that there is no extra money within the fund; and
- noted that the Borough did not have the choice of going with Meritain, as RBMS sold the company to Meritain, and that is why there was a change in third party administrator at that time.

Discussion ensued regarding:

- the past and current third party administrators for the Borough health plan; and
- benefits to changing companies for third party administration.

**MOTION:** Assemblymember Colver moved a primary amendment to AM No. 11-005 to approve the years two and three of the contract extensions, strike years four and five, and to change the average annual cost accordingly.

**VOTE:** The primary amendment passed without objection.

VOTE: The main motion passed as amended without objection.

- e. AM No. 11-006: AUTHORIZATION TO ENTER INTO AN AGREEMENT WITH ASSOCIATED MARITIME PROVIDERS, INC. IN AN AMOUNT NOT TO EXCEED \$150,000 THROUGH JUNE 30, 2011, TO PROVIDE CREW SERVICES IN SUPPORT OF TESTING AND OVERWINTERING OF THE M/V SUSITNA FERRY.
1. AM No. 11-007: AUTHORIZATION TO ENTER INTO AN AGREEMENT WITH THE CITY OF KETCHIKAN IN AN AMOUNT NOT TO EXCEED \$110,000, THROUGH JUNE 30, 2011, FOR SUPPORT AND OVERWINTERING OF THE M/V SUSITNA FERRY.

MOTION: Assemblymember Bettine moved to adopt AM No. 11-006 and 11-007.

Mr. Lew Madden, M/V Susitna Ferry Consultant provided a status report.

Assemblymember Keogh requested a description of furnishings and the projected costs.

Mr. Madden:

- stated that furnishings includes, seats, emergency enunciation systems and a host of other smaller things that are required;
- related that the next step will be to request the Federal Transportation Administration (FTA) funds, which total \$750,000; and
- stated that the funds will cover approximately 90 percent of the furnishings.

Assemblymember Ewing queried the dollar figure that would cover the remaining 10 percent.

Mr. Madden stated that he does not have the figure at this time, but noted that it will not exceed the FTA funds.

Assemblymember Ewing queried if the 10 percent is based on the retro fit that the Borough has done thus far.

Mr. Madden:

- stated that it is through the retro fit, not the total cost of the vessel;
- noted that during the time the Office of Naval Research will do its regulatory review of the vessel as it is now, that the Borough will be looking at ways to reduce the overall lifetime expense of the vessel; and
- stated that the project is always approached from the idea of minimizing expense and maximizing the use of the vessel.

Discussion ensued regarding:

- the possibility of securing the ferry to the existing dock;
- the expense involved in winter docking at the Port;
- the current interest in leasing the ferry or purchasing a vessel like it;

- the Alaska Marine Highway; and
- how passengers would embark and disembark on the ferry if it were to be housed at the Port prior to completion of the project.

VOTE: The motion passed without objection.

## **XI. RECONSIDERATION**

*(There were no reconsiderations presented.)*

**XII. EXECUTIVE SESSION** *(for subjects that tend to prejudice the reputation and character of any person provided the person may request a public discussion or matters immediate public knowledge of which would clearly have an adverse impact upon the finances of the Borough.)*

### **A. HIRING OF THE BOROUGH MANAGER, CONTRACT NEGOTIATIONS, AND INTERVIEW QUESTIONS**

*(The Assembly did not discuss this item or enter executive session.)*

## **XIII. MAYOR AND ASSEMBLY COMMENTS**

Assemblymember Bettine:

- requested that the Assembly begin the process of searching for health insurance much sooner than October;
- stated that she would like the information prior to budget time;
- related that she is aware of the advantages to doing it during the calendar year; and
- opined that it does not have to be at that time.

Assemblymember Colver:

- spoke to concerns with the health care issue;
- requested a briefing on the new appeals process for health care claims; and
- also requested to receive an annual report and review of the financials of the health care system in place.

Assemblymember Keogh:

- spoke to recent correspondence regarding the Wishbone Hill coal project he received from the Alaska State Department of Natural Resources (DNR);
- noted that he is the representative of constituents who are both for and against the project;
- related that the letter from DNR was in reference to matters of coal jurisdiction and permitting;
- opined that it goes without saying that of the several thorny issues the Assembly deals with, coal will likely be the most contentious;
- requested that the Manger and Clerk bring to his attention any and all coal related correspondence or coal related negotiations that may be entered into;

- thanked staff for following up on information provided by the joint military command to expand their air training area;
- related that the expanded air space is parallel to the Glenn highway, all the way up to Lake Louise;
- further added that the joint command is in the scoping process with public meetings being held;
- stated that he made the Aviation Advisory Board aware of the joint command's letter so that comments can be submitted;
- opined that this expansion could have significant impacts;
- spoke to vacancies on the Planning Commission due to current members that have not yet been moved forward;
- acknowledged the service of Planning Commission Chair Mark Mastellar and Planning Commissioner's Bruu and Zobel, as well as Mr. Buckle from the Port Commission;
- stated that Valley Community Recycling Services (VCRS) is doing a great job and the opening was a success; and
- noted his appreciation to the Clerk's office for their extra efforts on an extremely windy Election Day.

Assemblymember Ewing thanked the constituents who turned out to vote on Election Day.

Deputy Mayor Arvin:

- stated that it was his oversight by not forwarding the letter from DNR sooner to the Assembly;
- spoke to a briefing that was provided to the Port Commission by the Knik Arm Bridge and Toll Authority (KABATA);
- stated that he had requested that Ms. Maryann Pease of KABATA bring forward a time to provide the same report to the Assembly;
- spoke to Governor Parnell's inauguration ball, which had banners from cities within the Borough that showed support for the Governor; and
- queried how the Assembly felt about the Borough providing such a banner with the Borough logo on it.

Assemblymember Woods stated that he would like to see something along that line, as the Borough does request a large amount of funding from the State.

Assemblymember Bettine queried what type of financial support is required in order to have a banner on display.

Deputy Mayor Arvin:

- stated that as far as he is aware nothing special has to be done in order to hang a banner;
- further added that he believes one could purchase a table for 10 for \$1,000 and that a banner would be part of that; and
- opined that if there is an appropriate way to show support that he is in favor of doing so.

Assemblymember Bettine queried where the proceeds from the purchase of tables go to.


Deputy Mayor Arvin advised that he believes that the proceeds go toward campaign debt relief, but does not know for sure.

Assemblymember Ewing:

- stated that it would be nice to show support for Governor Parnell, but to support campaign debt relief would be inappropriate; and
- noted that the Borough did have a representative at the last inaugural ball, which was better than a banner.

#### XIV. ADJOURNMENT

The regular meeting adjourned at 9:57 p.m.

  
LARRY DEVILBISS, Borough Mayor

ATTEST:

  
LONNIE R. McKECHNIE, CMC, Borough Clerk

Minutes approved: 02/15/11