I. CALL TO ORDER

The regular meeting of the Matanuska-Susitna Borough Assembly was held on February 15, 2005, at the Borough Assembly Chambers, 350 E. Dahlia Avenue, Palmer, Alaska. The meeting was called to order at 6 p.m. by Mayor Timothy L. Anderson.

II. ROLL CALL

Assembly members present and establishing a quorum were:

Ms. Lynne Woods, Assembly District No. 1
Mr. Bill Allen, Assembly District No. 2
Mr. Talis J. Colberg, Assembly District No. 3
Ms. Mary Kvalheim, Assembly District No. 4
Ms. Jody Simpson, Assembly District No. 5
Mr. Jim Colver, Assembly District No. 6 *(Deputy Mayor)*
Ms. Betty Vehrs, Assembly District No. 7 *(via teleconference at 7 p.m.)*

Staff in attendance were:

Ms. Michelle M. McGehee, CMC, Borough Clerk
Mr. John Duffy, Borough Manager
Ms. Lonnie R. McKechnie, Executive Assistant to the Borough Clerk
Ms. Teresa S. Williams, Borough Attorney
Ms. Marian Romano, Assistant Borough Manager
Ms. Elizabeth Hartley, Comptroller
Mr. Don Shiesl, Public Works Director
Mr. Dennis Brodigan, Emergency Services Director
Mr. Ron Swanson, Community Development Director
Mr. Murph O'Brien, Planning and Land Use Director
Mr. Jack Krill Jr., Fire Chief
Ms. Chris Drashner, Accounting Division Document Specialist

III. APPROVAL OF AGENDA

Mayor Anderson 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 Ms. Boyer, Executive Director of the Valley Community for Recycling Solutions.

V. MINUTES OF PRECEDING MEETINGS

A. Special Assembly Meeting: 01/28/05

Mayor Anderson inquired if there were any corrections to the regular meeting minutes of January 18, 2005.

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

B. Regular Assembly Meeting: 02/01/05

Mayor Anderson inquired if there were any corrections to the regular meeting minutes of February 1, 2005.

Assemblymember Colver noted the following correction:
- page 10 of 21, requested that the testimony of Mr. Ed McCain under Ordinance Serial No. 05-011 be elaborated on. *[This item was addressed accordingly.]*

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

VI. REPORTS/CORRESPONDENCE

A. AGENCY REPORTS

1. Reports from cities

Wasilla City

Councilmember Cox:
- spoke regarding the Big Lake to Wasilla Pedestrian Trail; and
- commented on the previously discussed conflict of interest Mr. Klinkner, of Birch Horton Bittner, and Cherot, may have regarding the libraries.

2. Matanuska-Susitna Borough School District

(There was no report presented.)

3. Valley Community for Recycling Solutions Re: Annual Report and Update – Ms. Mollie Boyer

Mr. Steve Brown, Vice President:
- thanked the Assembly for their support;
- noted that this is the second anniversary of operating the community recycling center;
- advised that the Valley Community for Recycling Solution is steadily increasing revenues and resources;
- advised they have leased an additional building that has increased their storage area;

- spoke regarding purchasing a horizontal bailer;
- advised of the education and community outreach programs; and
- spoke regarding working with the Matanuska-Susitna Borough Public Works Department on community clean-up options and recycling opportunities.

Ms. Boyer, Executive Director:
- spoke regarding the capital fund development plan for a new recycling facility;
- spoke to the statewide summit that was held in regards to waste management; and
- commented that the Valley Community for Recycling Solution is looking forward to doing their part to reduce the amount of waste reaching the landfill.

B. COMMITTEE REPORTS

1. Joint Assembly/School Board Committee on School Issues

Mayor Anderson noted that the Joint Assembly/School Board Committee on School Issues has not met since the last report.

2. Regional Transportation Planning Organization (RTPO)

Mayor Anderson noted that the Regional Transportation Planning Organization has not met since the last report.

C. MANAGER COMMENTS

1. State/Federal Legislation

Mr. Duffy:
- spoke regarding the carrier that will be loading wood chips at Port MacKenzie;
- advised that the Matanuska-Susitna Borough's Port Commission and the Municipality of Anchorage Port Commission will be meeting on February 16, 2005;
- advised that the Ketchikan Shipyard and Lockheed Martin are working on additional funding for the Borough's vessel due to the increases in the price of steel;
- spoke regarding continual work with J.L. Properties to find a plan that is acceptable to finance the proposed development at Hatcher Pass;
- provided an update on Congressman Young's transportation reauthorization bill;
- advised that he presented the Assembly's state legislative priorities to the State Legislators;
- spoke regarding the legislation that Representative Stolze has brought forward to address the problems of methamphetamine labs;
- provided an update on the Borough's bond rating;
- commented that the National Center for Health Statistics will be meeting with local community councils in regards to conducting a National Health and Nutrition Examination Survey; and
- spoke regarding being contacted by the Alaska Municipal League regarding the senior citizen and disabled veteran exemptions.

Assemblymember Colver queried what the Alaska Municipal League was recommending in regards to the senior citizen and disabled vet exemptions.

Mayor Anderson:
- advised that the Alaska Municipal League will probably recommend having the State decrease the exemption amounts; and
- noted that the Alaska Municipal League feels since this is a State program it would be beneficial to keep the emphasis on the State and not the local municipalities.

Assemblymember Allen queried the shortfall in the funding for the Borough vessel that Ketchikan Shipyard is building.

Mr. Duffy:
- spoke regarding the price of steel rising;
- advised that Lockeed Martin chose Ketchikan Shipyard to build the vessel; and
- stated that since the time that the funds were awarded, two to three years ago, the price of steel has risen.

Assemblymember Colver queried the status of funding the Crusey Street, Trunk Road, Wasilla Fishhook, Seldon Road, and Seward Meridian projects.

Mr. O'Brien provided an update of the projects.

Mr. Swanson spoke regarding the information that was provided to the Assembly on the litigation with Matanuska Electric Association.

Mr. Duffy:
- advised the HDR Alaska Inc. has analyzed various routes for the transmission line in the Crevasse Moraine Trailhead area and has recommendations for the Assembly on how to proceed; and
- asked the Assembly to consider holding another public hearing regarding the transmission line.

Mayor Anderson queried if there was any objection to holding another public hearing in regards to the transmission line through the Crevasse Moraine Trailhead.

There was no objection noted.

Discussion ensued regarding:
- the litigation between the Borough and Matanuska Electric Association;
- the route of the transmission line; and
- the holding of an open house so that the members of the community will have an opportunity to evaluate the various routes of the transmission line.

D. ATTORNEY COMMENTS

Ms. Williams spoke regarding the hiring of the Assistant Borough Attorney.

E. CLERK COMMENTS

Ms. McGehee:
- spoke regarding the upcoming meeting schedule;
- advised that the Joint Assembly/Municipality of Anchorage Assembly meeting scheduled for April 28, 2005, will be starting at 2:30 p.m.;
- spoke regarding the Alaska Association of Municipal Clerk's Conference; and
- advised that the Clerk's office hired Myra Hardeland as an Administration Assistant to assist in the records management program.

F. CITIZEN AND OTHER CORRESPONDENCE

1. MSB Board/Committee Minutes:
a. Circle View and Stampede Estates Flood and Erosion Control Service Area No. 131: 01/13/05
b. Local Road Service Area Advisory Board: 10/21/04, 01/20/05
c. Greater Willow Road Service Area No. 20: Approved Capital Improvement Projects for FY05
d. Mat-Su Fire Chiefs Association: 01/26/05
e. Meadow Lakes Road Service Area No. 27: 09/08/04, 10/06/04
f. Parks, Recreation, and Trails Advisory Board: 12/27/04, Resolution Nos. 05-01, 05-02, and 05-03
g. Planning Commission: 12/06/04, 01/24/05
h. Platting Board: 01/06/05
i. Regional Transportation Planning Commission: 01/26/05, 01/27/05

2. Community Council Correspondence:
a. Glacier View Community Council: 01/14/05
b. South Knik River Community Council: 01/08/05
c. Talkeetna Community Council: 06/07/04, 07/12/04, 08/02/04, 09/07/04, 10/05/04, 11/01/04, 12/06/04
d. Willow Area Community Organization: 01/03/05

G. INFORMATIONAL MEMORANDUMS

1. IM No. 05-047: AN INFORMATIONAL MEMORANDUM TO MEMORIALIZE THE TOPICS DISCUSSED AT THE JANUARY 8, 2005, ASSEMBLY GOAL SETTING RETREAT.

2. IM No. 05-049: AN INFORMATIONAL MEMORANDUM REGARDING HEALTH INSURANCE FOR EMERGENCY RESPONDERS

The informational memorandums were presented and no comments were noted.

(The regular meeting recessed at 6:45 p.m. and reconvened at 7 p.m.)

VII. SPECIAL ORDERS (to begin at 7 p.m.)

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

1. Mr. Joseph Hawkins Re: Legacy Building in Palmer

(Mr. Hawkins was not present.)

B. PUBLIC HEARINGS (Three minutes per person.)

1. Ordinance Serial No. 05-007: AN ORDINANCE CREATING NORTH LOVER'S LANE ROAD PAVING LOCAL IMPROVEMENT DISTRICT NO. 405, 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. 05-012

Ms. Drashner provided a staff report.

Mayor Anderson opened the public hearing.

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

MOTION: Assemblymember Colver moved to adopt Ordinance Serial No. 05-007.

VOTE: The motion failed unanimously.

2. Ordinance Serial No. 05-008: AN ORDINANCE CREATING HAMILTON COURT ROAD PAVING LOCAL IMPROVEMENT DISTRICT NO. 406, 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. 05-013

Ms. Drashner provided a staff report.

Mayor Anderson opened the public hearing.

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

MOTION: Assemblymember Colberg moved to adopt Ordinance Serial No. 05-008.

VOTE: The motion passed without objection.

3. Ordinance Serial No. 05-027: AN ORDINANCE REQUESTING A SUPPLEMENTAL APPROPRIATION IN THE AMOUNT OF $35,000 FROM THE WASILLA-LAKES FIRE SERVICE AREA (FSA) FUND BALANCE, FUND 250, TO THE FISCAL YEAR 2005 WASILLA-LAKES OPERATING BUDGET, FUND 250, IN ORDER TO FULLY FUND AN ADDITIONAL PERMANENT FSA ASSISTANT POSITION. *(Sponsor: Assemblymember Kvalheim)*

a. IM No. 05-040

Mr. Brodigan:

- advised that the assistant position has been recommended by the Wasilla-Lakes Fire Service Area and supported by Mayor Dianne Keller of the City of Wasilla; and
- advised that they will need this position to maintain the Insurance Organization Service rating.

Assemblymember Kvalheim:

- queried the response from the Insurance Organization Service office regarding the new position; and
- queried whether this position was necessary to maintain the Insurance Organization Service rating.

Mr. Krill:

- advised that the response for the new position was well received by the Insurance Organization Service;
- noted that the Borough is well on its way to maintaining or improving the Insurance Organization Service rating;
- advised that the Central Mat-Su Fire Department will be re-evaluated in July by the Insurance Organization Service; and
- advised how the ratings are performed by the Insurance Organization Service.

Assemblymember Colver queried the location of fire hydrants.

Mr. Krill spoke regarding the six separate fire hydrant systems within the Wasilla-Lake Fire Service Area.

Discussion ensued regarding fire hydrants within the Borough.

Assemblymember Simpson queried whether there would be a raise in insurance premiums should there be a decrease in the Insurance Organization Service rating.

Mr. Krill spoke regarding the possibility of the Insurance Organization Service reducing the rating in the Wasilla-Lakes Fire Service Area.

Mayor Anderson opened the public hearing.

The following person spoke in support of Ordinance Serial No. 05-027: Mr. Ken Slauson, Mr. Benny Cottle, Mr. James Carnahan, Mr. Mahlan Greene, and Ms. Terra Mellon.

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

MOTION: Assemblymember Kvalheim moved to adopt Ordinance Serial No. 05-027.

VOTE: The motion passed without objection.

4. Ordinance Serial No. 05-028: AN ORDINANCE ACCEPTING AND APPROPRIATING $9,500,000 FROM THE FEDERAL HIGHWAY ADMINISTRATION AND $2,000,000 FROM THE FEDERAL AVIATION ADMINISTRATION FOR FEDERAL FISCAL YEAR 2004 SECTION 115 EARMARK PROJECTS AND FEDERAL FISCAL YEAR 2005 EARMARK PROJECTS.

a. Resolution Serial No. 05-019: A RESOLUTION APPROVING THE SCOPE OF WORK AND BUDGET FOR THE FEDERAL FISCAL YEAR 2004 SECTION 115 EARMARK PROJECTS AND THE FEDERAL FISCAL YEAR 2005 EARMARK PROJECTS. *(Substitute introduced on 02/01/05)*

(1) IM No. 05-041

Mr. Duffy provided a staff report.

Assemblymember Allen queried the ownership of the floatplane facility.

Mr. Duffy:

- advised that the ownership issue has not been addressed; and
- advised that the funds would be used to identify where a floatplane facility should be located, to identify the costs involved, and to establish ownership of the facility.

Mayor Anderson opened the public hearing.

The following person spoke in opposition to Ordinance Serial No. 05-028 and Resolution Serial No. 05-019: Mr. Garvan Bucaria.

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

MOTION: Assemblymember Colver moved to adopt Ordinance Serial No. 05-028 and Resolution Serial No. 05-019.

Assemblymember Colver spoke regarding the Seldon Road to Church Road improvements.

MOTION: Assemblymember Kvalheim moved to amend Ordinance Serial No. 05-028 and Resolution 05-019 by striking paragraph (f) from section 3 of the Ordinance and to strike paragraph (B) of the Resolution.

Assemblymember Kvalheim:
- advised that the amendment was at the request of the city of Wasilla; and
- noted that the funding of the Big Lake to Wasilla Pedestrian Trail would go to the State Department of Transportation upon adoption of the amendment.

Assemblymember Simpson:
- noted that the Big Lake to Wasilla Pedestrian Trail is important to the city of Wasilla;
- commented that the trail is 25 miles long and two of those miles are within the city of Wasilla;
- advised that the majority of the property belongs to the Borough;
- opined there is a way to meet the needs of all the parties; and
- noted that the balance of the trail and the balance of the impact would fall on the Borough.

Mayor Anderson queried how the Borough would be able to handle the 23 miles that are outside the city of Wasilla.

Mr. Duffy:
- advised that the Alaska State Department of Transportation would be the lead agency and would work with all the parties involved;
- noted that these are Borough funds; and
- commented that two legislative bodies requested the funds.

Discussion continued regarding the funds for the Big Lake to Wasilla Pedestrian Trail system.

VOTE: The primary amendment failed with Assemblymember Kvalheim in support.

VOTE: The main motion passed without objection.

(The regular meeting recessed at 8:04 p.m. and reconvened at 8:12 p.m.)

C. AUDIENCE PARTICIPATION (Three minutes per person.)

The following persons spoke regarding the Matanuska Electric Associations transmission line through the Crevasse Moraine Trailhead area: Mr. Michael Janecek, and Mr. Greg Bill.

The following person spoke regarding the Matanuska Electric Associations Transmission line through the Crevasse Moraine Trailhead and water fowl environmental concerns: Mr. Garvan Bucaria.

The following person thanked the Assembly for their support of the new position in the Wasilla-Lakes Fire Service Area: Mr. Ken Slauson.

VIII. UNFINISHED BUSINESS

(There was no unfinished business.)

IX. NEW BUSINESS

A. INTRODUCTION (For public hearing - 03/01/05, 7 p.m., Borough Assembly Chambers)

1. Ordinance Serial No. 05-030: AN ORDINANCE ACCEPTING AND APPROPRIATING $1,577,760 FROM THE UNITED STATES DEPARTMENT OF AGRICULTURE TO FUND 480, PROJECT NO. 45131, FOR THE CONTINUATION OF THE SPRUCE BARK BEETLE WILDFIRE HAZARD MITIGATION PROJECT.

a. Resolution Serial No. 05-024: A RESOLUTION APPROVING THE SCOPE OF WORK AND BUDGET FOR THE UNITED STATES DEPARTMENT OF AGRICULTURE APPROPRIATION, PROJECT NO. 45131, FUND 480, FOR CONTINUATION OF THE SPRUCE BARK BEETLE WILDFIRE HAZARD MITIGATION PROJECT.

(1) IM No. 05-050

Ms. McGehee read the above legislation into the record.

MOTION: Assemblymember Colver moved to introduce the legislation as read into the record by the Clerk and set the public hearing for March 1, 2005.

VOTE: The motion passed without objection.

B. CONSENT AGENDA (AM No. 05-022 was pulled from the consent agenda and addressed separately. *See pp. 11 of 15*)

1. RESOLUTIONS

2. ACTION MEMORANDUMS

a. AM No. 05-016: APPROVAL OF THE PROPOSED SUMMER 2005 ROAD MAINTENANCE AND REPAIR CAPITAL PROJECTS.

b. AM No. 05-021: VACATION OF A PORTION OF BADGER STREET WITHIN PROPOSED RANDALL 2004 ADDITION LOCATED IN THE NORTHWEST ¼ OF SECTION 28, TOWNSHIP 17 NORTH, RANGE 3 WEST, SEWARD MERIDIAN, ALASKA, LOCATED IN THE BIG LAKE COMMUNITY COUNCIL AREA.

Ms. McGehee read the above legislation into the record.

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

VOTE: The motion passed without objection.

c. AM No. 05-022: APPROVAL OF CHANGE ORDER TO WOLF ARCHITECTURE IN THE AMOUNT OF $47,000 FOR DESIGN SERVICES FOR THE AGRICULTURAL PROCESSING AND PRODUCT DEVELOPMENT CENTER, PROJECT NO. 20344.

MOTION: Assemblymember Woods moved to approve AM No. 05-022.

Assemblymember Woods requested that a staff report be provided regarding AM No. 05-022.

Mr. Duffy advised that these funds were received through the United States Department of Housing and Urban Development.

Ms. Romano:

- advised that the Agricultural Processing and Product Development Center will be located with the Nutritional Services Facility;
- noted that the Nutritional Services Facility went out for bid on the architectural design before the Agricultural Processing and Product Development Center was ready to do so; and
- advised that another change order will be coming before the Assembly for schematic design of the Agricultural Processing and Product Development Center.

Assemblymember Colver queried whether the Borough has an agreement with an organization to conduct the processing.

Ms. Romano:

- advised that the International Economic Development Council looked at public and private partnership opportunities for the Borough; and
- advised that one food processing facility out of Anchorage has expressed interest in processing the products.

CONFLICT OF INTEREST: Assemblymember Colberg declared a conflict of interest as he will be working with Wolf Architecture.

RULING: Mayor Anderson ruled that Assemblymember Colberg had a conflict of interest and would be recused from voting on the issue.

(Assemblymember Colberg exited the chambers at this time.)

VOTE: The motion passed without objection.

(Assemblymember Colberg re-entered the chambers at this time.)

C. MAYORAL NOMINATIONS AND APPOINTMENTS

1. VACANCY REPORT

Mayor Anderson made the following recommendations:
Transportation Advisory Board
Dan Elliott
Caswell Lakes RSA #15
Patty Song

Mayor Anderson requested the following confirmations:
Animal Care and Regulation Board
William Bouterse
Platting Board
Resignation of Claudia Roberts

MOTION: Assemblymember Colver moved to confirm the Mayor’s appointments and resignations up for confirmation this evening.

VOTE: The motion passed without objection.

D. OTHER NEW BUSINESS

(There was no other new business.)

X. RECONSIDERATION

(There were no reconsiderations presented.)

XI. VETO

(There were no vetoes presented.)

XII. EXECUTIVE SESSION *(matters, the immediate public knowledge of which would clearly have an adverse effect upon the finances of the borough; in particular to discuss the litigation involving the tax cap initiative petition)*

Assemblymember Vehrs confirmed that no other persons were present at the location where she was participating in the meeting.

MOTION: Assemblymember Colver moved to enter into executive session to discuss matters, the immediate public knowledge of which would clearly have an adverse effect upon the finances of the Borough; in particular to discuss the litigation involving the tax cap initiative petition.

VOTE: The motion passed without objection and the Assembly entered the executive session at 8:36 p.m. Those present during the executive session were: the Mayor, members of the Assembly, the Clerk, the Manager, and the Attorney.

MOTION: Assemblymember Colver moved to exit from executive session.

VOTE: The motion passed and the Assembly exited the executive session at 9:22 p.m.

MOTION: Assemblymember Colver moved to appeal the court's ruling regarding the tax cap initiative litigation.

MOTION: Assemblymember Allen moved to postpone the motion to appeal the court's ruling regarding the tax cap initiative litigation to the March 15, 2005, regular Assembly meeting.

Mayor Anderson advised that the executive session regarding the tax cap initiative petition was noticed properly to the public

Assemblymember Allen opined that the discussion regarding the tax cap initiative should be discussed when the public is present.

Assemblymember Colberg:
- advised that he supports the motion to postpone;
- opined that the Assembly needs to discuss their position on the tax cap prior to deciding to appeal the courts ruling; and
- opined that the discussion should take place with the public present.

Assemblymember Simpson:
- spoke regarding the timeframe in which the judge has to sign the order; and
- spoke regarding calling a special meeting to discuss appealing the court's ruling.

Discussion ensued regarding the postponement of the motion to appeal the court's ruling regarding the tax cap initiative litigation.

MOTION: Assemblymember Simpson moved a secondary amendment to insert "or at the call of the Mayor or Assembly to hold a special meeting upon receipt of the written order from the court" at the end of the sentence to read: "To postpone the motion to appeal the court's ruling regarding the tax cap initiative litigation to the March 15, 2005, regular meeting, or at the call of the Mayor or Assembly to hold a special meeting upon receipt of the written order from the court."

VOTE: The secondary amendment passed with Assemblymember Vehrs opposed.

VOTE: The primary amendment as amended passed.

VOTE: The main motion as amended passed with Assemblymember Vehrs and Colver opposed.

MOTION: Assemblymember Colberg moved to reconsider the motion to postpone.

VOTE: The motion to reconsider failed with Assemblymember Colver in favor.

XIII. MAYOR AND ASSEMBLY COMMENTS

Assemblymember Simpson advised that she does not have any objection to the Alaska State Department of Transportation administering the funds for the Big Lake to Wasilla Pedestrian Trail.

Assemblymember Woods:
- spoke regarding the public outreach effort on the proposed natural gas line spur from Glennallen to Palmer: and
- voiced concerns regarding the route of the natural gas line spur.

Assemblymember Colver commented regarding the need for a competitive mining process on Borough gravel at the port.

Mr. Duffy:
- spoke regarding how the conveyor surcharge was established;
- opined that the surcharge is not pricing the Borough out of the market in comparison with the Borough's competitors; and
- spoke regarding the performance criteria that is contained within the proposed contract.

Mayor Anderson:
- advised that he is continuing to speak with the community councils regarding timber sales and the Alaska Railroad complying with local land use regulations;
- spoke regarding the community councils that are creating comprehensive plans; and
- requested that the Manager provide a staff report at the regular meeting on March 15, 2005, regarding conditional use permits for utility transmission lines.

Mr. Duffy spoke regarding a conditional use permit regarding timber sales.

XIV. ADJOURNMENT

The regular meeting adjourned at 10 p.m.

/S/

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JIM COLVER, Deputy Borough Mayor

ATTEST:

/S/

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MICHELLE M. MCGEHEE, CMC, Borough Clerk

Minutes approved: March 1, 2005