

I. CALL TO ORDER

The regular meeting of the Matanuska-Susitna Borough Assembly was held on March 2, 2004, at the Borough Assembly Chambers, 350 E. Dahlia Avenue, Palmer, Alaska. The meeting was also teleconferenced to the Su-Valley High School Library, Mile 98.6 Parks Highway, Talkeetna, 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:

Mr. J. Bruce Bush, 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

Staff in attendance were:

Ms. Sandra A. Dillon, CMC, Borough Clerk
Mr. John Duffy, Borough Manager
Ms. Teresa S. Williams, Borough Attorney
Ms. Michelle M. McGehee, Deputy Borough Clerk
Ms. Tammy Clayton, Finance Director
Mr. Don Shiesl, Public Works Director
Mr. Dennis Brodigan, Emergency Services Director
Mr. Steve Cypra, Acting Community Development Director
Ms. Susan Dickinson, Planning and Land Use Director

III. APPROVAL OF AGENDA

Mayor Anderson inquired if there were any changes to the agenda.

Mr. Duffy noted that a substitute version of Resolution Serial No. 04-038 was included in the Assembly's red folders.

GENERAL CONSENT: The agenda was approved as presented.

IV. PLEDGE OF ALLEGIANCE

The Pledge of Allegiance was led by Denis Lazarus, a member of the audience.

V. MINUTES OF PRECEDING MEETINGS

A. Regular Assembly Meeting: February 17, 2004

Mayor Anderson inquired if there were any corrections to the regular Assembly meeting minutes of February 17, 2004.

No corrections were noted.

GENERAL CONSENT: The minutes were approved without objection.

VI. REPORTS/CORRESPONDENCE

A. AGENCY REPORTS

1. Reports from cities

Wasilla City

Councilmember Ron Cox:

- reported that the Iditarod restart will be in Willow;
- advised that the Multi-use Sports Complex will open on Saturday; and
- spoke to settled land issues associated with the hospital.

2. Matanuska-Susitna Borough School District

School Board Member Rob Wells:

- noted that today was the 100th birthday celebration of Dr. Seuss;
- reported that Su-Valley's Academic Decathlon team placed second for 3A schools and fourth overall out of 27 teams at a state meet held last week at the Hilton;
- stated that Su-Valley's performance resulted in the highest finish in fifteen years for a Mat-Su School District team;
- acknowledged the individual award winners: Josh Holbrook, Willow Grosz, Dan Grondahl, Katelyn Krepel, Tyler Miller, Katir Terstegge, Evan Terstegge, Chris Pijuan, and Deseree Besgrove;
- reported that school psychologist, Susan Simpson, was recently named Alaska's School Psychologist of the year by Alaska's chapter of the National Association of School Psychologists;
- reported that Joe Gerard was named National School Psychologist of the Year by the National Association of School Psychologists;
- advised that the School Board will be holding its first public hearing on the budget tomorrow night;
- spoke to a meeting held as part of a legislative fly-in in Juneau last week where issues discussed included: House Bill 471, the funding formula, PERS/TRS, legislation affecting the exit exams, and other pertinent legislation;

- expressed his own appreciation for Ordinance Serial No. 04-027 regarding an agricultural processing facility; and
- expressed the school district's appreciation for Ordinance Serial No. 04-048 regarding major repair and renovation projects.

Assemblymember Vehrs requested a copy of Mr. Wells' school board report.

3. Matanuska-Susitna Convention and Visitors Bureau – Ms. Doreen Toller, Board of Directors President

(There was no representative present at this time.)

B. COMMITTEE REPORTS

1. Joint Assembly/School Board Committee on School Issues

Assemblymember Allen:

- reported that considerable discussion took place at the last committee meeting regarding a sinking fund balance;
- spoke to acquiring three different objectives for education funding; and
- noted that the committee also discussed forward funding, inflation proofing the budget, having a budget that is tied to a reliable and predictable funding source, the nutrition center, and lapsed funds.

2. Regional Transportation Planning Organization

Mayor Anderson stated that the committee has not met since the last report was presented.

C. MANAGER COMMENTS

Mr. Duffy:

- advised that his written report was contained in the Assembly's red folders;
- spoke regarding the Federal Highway Transit Program and the development of a two-year transportation program;
- reported that the bid process for construction of the deep-water dock has opened;
- noted that the low bid is approximately \$40,000 higher than the funds currently available;
- stated that he has asked Ms. Clayton to prepare the documents to award the bid for Assembly consideration and to utilize funds in our existing state grant and economic development fund to cover the additional funds, including contingencies; and
- remarked regarding the cost of electricity to the dock.

Discussion ensued regarding:

- possible overrun of project costs and contingencies; and
- bonding of the project.

Mr. Duffy presented an overview of his meetings with the Federal Delegation during his recent lobbying trip to Washington D.C.

Assemblymember Vehrs:

- stated that this was her first trip to Washington D.C. in the capacity of a Matanuska-Susitna Borough Assembly member;
- remarked that she has developed an understanding of why the Delegation wants to see elected officials in person;
- commented that she was impressed with Mr. Duffy and that he is well respected in Washington D.C.; and
- stated that she did not think they would have been as successful in scheduling key meetings without him.

Assemblymember Colver:

- reported that Senator Murkowski liked the joint approach to transportation funding and a cooperative effort on behalf of the municipalities;
- stated that Senator Stevens expressed interest in continuing to work for nutrition center funding;
- stated that the rest of the Borough's priorities were received well and that the representatives of the Borough were reminded of federal budget issues;
- spoke regarding Congressman Young's transportation bill; and
- noted that there may be a two-year short term authorization bill.

Assemblymember Allen:

- reiterated that Mr. Duffy was able to provide answers when approached in Washington D.C.; and
- stated that Congressman Young would like to have some of the transportation funding deployed in Alaska, and more particularly in the Matanuska-Susitna Borough.

Mr. Duffy:

- spoke regarding dust control; and
- concluded that the Public Works Department is addressing the maintenance and purchase policy of Borough vehicles.

D. ATTORNEY COMMENTS

Ms. Williams had no comments to present.

E. CLERK COMMENTS

Ms. Dillon:

- introduced Anna Brodt as the newest member of her staff;

- presented the Assembly's meeting schedule for the months of March, April, and May;
- reminded the Assembly regarding the March 9, 2004, joint Assembly/School Board meeting at Teeland Middle School;
- noted that the March 9 agenda was attached to her written Clerk's report;
- referred to the Valley Hospital scholarship information contained in her report;
- acknowledged Deputy Borough Clerk Michelle M. McGehee and Borough Clerk's Secretary Janice Case for passing their membership entrance exams to the National Association of Parliamentarians; and
- noted that the tracking report was attached for review.

Assemblymember Simpson queried having "education sinking fund" as an item on the March 9, 2004, agenda.

Ms. Dillon:

- replied that she had not been asked to add that particular item; and
- noted that the item could be addressed under "budget," which is on the agenda.

Mr. Duffy:

- spoke regarding the request for proposals for a federal lobbyist; and
- stated that a work session could be scheduled for the Assembly to review the proposals.

Ms. Dillon stated that the federal lobbyist request for proposals could be added to the March 16, 2004, work session.

F. CITIZEN AND OTHER CORRESPONDENCE

1. MSB Board/Committee Minutes:
 - a. Historical Preservation Commission: 12/19/03, 01/09/04
 - b. Planning Commission: 02/02/04
 - c. Platting Board: 01/15/04, 02/05/04
2. Community Council Correspondence:
 - a. North Lakes Community Council: 02/18/04
 - b. Trapper Creek Community Council: 02/18/04

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

G. INFORMATIONAL MEMORANDUMS

1. IM No. 04-070: AN INFORMATIONAL MEMORANDUM TO REPORT THE MANAGER'S WAIVER OF STANDARD PURCHASING REQUIREMENTS TO ALLOW

FOR THE HIRING OF FORMER BOROUGH EMPLOYEE, DAVE CARROLL, IN THE AMOUNT NOT TO EXCEED \$47,790 FOR THE ASSISTANCE IN THE BOROUGH'S DEFENSE AGAINST WOLVERINE SUPPLY, INC.'S CLAIM FOR ADDITIONAL FUNDS IN THE HOUSTON HIGH SCHOOL CONSTRUCTION PROJECT.

The informational memorandum was presented and no comments were noted.

VIII. UNFINISHED BUSINESS

- A. Resolution Serial No. 04-038: A RESOLUTION ESTABLISHING THE ASSEMBLY COMMITTEE ON EDUCATION TO CONSIDER METHODS OF ADEQUATELY FUNDING THE STATE'S EDUCATION SYSTEM. *(Postponed from 02/17/04, Motion pending)*
(1) IM No. 04-062

Mr. Duffy provided a staff report regarding Resolution Serial No. 04-038.

MOTION: Assemblymember Colver moved to amend Resolution Serial No. 04-038 by Resolution Serial No. 04-038(SUB-1) in full

VOTE: The motion to amend by substitution passed without objection.

VOTE: The main motion as substituted passed without objection. ¹

IX. NEW BUSINESS

- A. INTRODUCTION (For public hearing - 03/16/04, 7 p.m., Borough Assembly Chambers)
1. Resolution Serial No. 04-039: A RESOLUTION ADOPTING THE CAPITAL IMPROVEMENT PROGRAM FOR FISCAL YEAR 2004 TO FISCAL YEAR 2010.
 - a. IM No. 04-060
 2. Ordinance Serial No. 04-044: AN ORDINANCE ADOPTING THE DESHKA RIVER RECREATION MANAGEMENT PLAN.
 - a. IM No. 04-063
 3. Ordinance Serial No. 04-045: AN ORDINANCE ACCEPTING AND APPROPRIATING AN \$88,901 FEDERAL EMERGENCY MANAGEMENT AGENCY ASSISTANCE TO FIREFIGHTERS GRANT AND REQUESTING AN APPROPRIATION OF \$9,877 FROM THE WILLOW FIRE SERVICE AREA FUND BALANCE, FUND 258, TO PROJECT NO. 45094, FUND 405, TO PURCHASE FIRE FIGHTING AND PERSONAL PROTECTIVE EQUIPMENT AND SUPPLIES.
 - a. Resolution Serial No. 04-040: A RESOLUTION APPROVING THE SCOPE OF WORK AND BUDGET FOR THE FEDERAL EMERGENCY MANAGEMENT AGENCY ASSISTANCE TO FIREFIGHTERS GRANT FOR THE WILLOW FIRE SERVICE AREA,

¹ For historical purposes Resolution Serial No. 04-038(SUB-1) will be referred to as Resolution Serial No. 04-038(SUB)

PROJECT

NO. 45094, FUND 405, TO PURCHASE FIRE FIGHTING AND PERSONAL PROTECTIVE EQUIPMENT AND SUPPLIES.

(1) IM No. 04-064

4. Ordinance Serial No. 04-046: AN ORDINANCE REAPPROPRIATING \$6,000 FROM THE FISCAL YEAR 2004 AREAWIDE RECORDS DIVISION OPERATING BUDGET (100-100-106) TO FUND 480, PROJECT NO. 45124, TO CONTINUE PHASE II OF THE ASSESSMENT AND AUDIT OF THE BOROUGHWIDE RECORDS MANAGEMENT PRACTICES.

a. Resolution Serial No. 04-041: A RESOLUTION APPROVING THE AMENDED SCOPE OF WORK AND BUDGET FOR THE ASSESSMENT AND AUDIT OF THE BOROUGHWIDE RECORDS MANAGEMENT PRACTICES.

(1) IM No. 04-068

5. Ordinance Serial No. 04-048: AN ORDINANCE AMENDING MSB 3.04.095 TO ESTABLISH A RESERVE WITHIN THE GENERAL FUND FOR MAJOR REPAIR AND RENOVATION.

a. AM No. 04-042: ESTABLISHING A RESERVE FOR MAJOR REPAIRS AND RENOVATION AND ESTABLISHING THE CRITERIA FOR QUALIFICATION OF SUCH PROJECTS. (*Sponsors: Assemblymembers Allen and Colver*)

B. INTRODUCTION (For public hearing - 04/06/04, 7 p.m., Borough Assembly Chambers)

1. Ordinance Serial No. 04-028: AN ORDINANCE CREATING BARRA LOOP ROAD PAVING LOCAL IMPROVEMENT DISTRICT NO. 390, 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. 04-042

2. Ordinance Serial No. 04-029: AN ORDINANCE CREATING COUNTRY FIELD CIRCLE ROAD PAVING LOCAL IMPROVEMENT DISTRICT NO. 392, 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. 04-047

3. Ordinance Serial No. 04-030: AN ORDINANCE CONFIRMING THE ASSESSMENT ROLL FOR THE DISCOVERY BAY AREA ROAD PAVING LOCAL IMPROVEMENT DISTRICT NO. 375 AND ESTABLISHING THE METHOD OF TERMINATING ASSESSMENTS AND MAKING REFUNDS TO PROPERTY OWNERS.

a. Ordinance Serial No. 04-031: AN ORDINANCE PROVIDING FOR THE ISSUANCE AND SALE OF NOT TO EXCEED \$25,000 PRINCIPAL AMOUNT OF SPECIAL

ASSESSMENT BONDS FOR THE DISCOVERY BAY AREA ROAD PAVING LOCAL IMPROVEMENT DISTRICT NO. 375, AND FIXING DETAILS OF SAID BONDS.

(1) IM No. 04-048

4. Ordinance Serial No. 04-032: AN ORDINANCE CONFIRMING THE ASSESSMENT ROLL FOR THE WEATHERVANE CIRCLE ROAD PAVING LOCAL IMPROVEMENT DISTRICT NO. 376 AND ESTABLISHING THE METHOD OF TERMINATING ASSESSMENTS AND MAKING REFUNDS TO PROPERTY OWNERS.

a. Ordinance Serial No. 04-033: AN ORDINANCE PROVIDING FOR THE ISSUANCE AND SALE OF NOT TO EXCEED \$35,000 PRINCIPAL AMOUNT OF SPECIAL ASSESSMENT BONDS FOR THE WEATHERVANE CIRCLE ROAD PAVING LOCAL IMPROVEMENT DISTRICT NO. 376, AND FIXING DETAILS OF SAID BONDS.

(1) IM No. 04-049

5. Ordinance Serial No. 04-034: AN ORDINANCE CONFIRMING THE ASSESSMENT ROLL FOR THE WILLOW, CROWBERRY, AND BIRCH DRIVE AREA ROAD PAVING LOCAL IMPROVEMENT DISTRICT NO. 377 AND ESTABLISHING THE METHOD OF TERMINATING ASSESSMENTS AND MAKING REFUNDS TO PROPERTY OWNERS.

a. Ordinance Serial No. 04-035: AN ORDINANCE PROVIDING FOR THE ISSUANCE AND SALE OF NOT TO EXCEED \$170,000 PRINCIPAL AMOUNT OF SPECIAL ASSESSMENT BONDS FOR THE WILLOW, CROWBERRY, AND BIRCH DRIVE AREA ROAD PAVING LOCAL IMPROVEMENT DISTRICT NO. 377, AND FIXING DETAILS OF SAID BONDS.

(1) IM No. 04-050

Ms. Dillon 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 hearings for March 16, 2004, and April 6, 2004, respectively.

VOTE: The motion passed without objection.

C. CONSENT AGENDA

(Resolution Serial Nos. 04-035, 04-036, and 04-043 were pulled from the consent agenda and addressed separately. *See pp. 17 of 21*)

1. RESOLUTIONS

c. Resolution Serial No. 04-042: A RESOLUTION TO AMEND THE SCOPE OF WORK AND BUDGET FOR PROJECT NO. 40049, ASBESTOS ABATEMENT.

(1) IM No. 04-067

2. ACTION MEMORANDUMS

- a. AM No. 04-039: AWARD OF BID NO. 04-088 TO YOUNG'S FIREHOUSE IN AN AMOUNT NOT TO EXCEED \$45,962.64 FOR THE PURCHASE OF FOUR SKID MOUNTED FOAM FIRE PUMPS.
- b. AM No. 04-041: APPROVAL OF CHANGE ORDER TO CENTRAL ENVIRONMENTAL INC., IN THE AMOUNT OF \$4,468 FOR THE COTTONWOOD PUBLIC SAFETY BUILDING RE-LOCATABLE ASBESTOS ABATEMENT PROJECT, PROJECT NO. 10152.

Ms. Dillon read the consent agenda 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.

(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.)

(There were no persons to be heard.)

B. PUBLIC HEARINGS (Three minutes per person.)

- 1. Ordinance Serial No. 04-027: AN ORDINANCE ACCEPTING AND APPROPRIATING \$447,075 TO FUND 480, PROJECT NO. 20344, FROM THE UNITED STATES DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT, TO STUDY THE FEASIBILITY OF AN AGRICULTURAL PROCESSING FACILITY.
 - a. Resolution Serial No. 04-028: A RESOLUTION APPROVING THE SCOPE OF WORK AND BUDGET FOR THE ECONOMIC DEVELOPMENT INITIATIVE GRANT TO STUDY THE FEASIBILITY OF AN AGRICULTURAL PROCESSING FACILITY, PROJECT NO. 20344, FUND 480.
- (1) IM No. 04-041

Mr. Duffy provided a staff report regarding Ordinance Serial No. 04-027.

Mayor Anderson opened the public hearing.

The following person spoke against competition with private enterprise: Ms. Jean Woods.

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. 04-027 and Resolution Serial No. 04-028.

VOTE: The motion passed without objection.

2. Ordinance Serial No. 04-036: AN ORDINANCE APPROVING AN APPROPRIATION OF \$10,000 FROM THE MEADOW LAKES FIRE SERVICE AREA FUND BALANCE, FUND 257, TO PROJECT NO. 45123, FUND 405, TO PURCHASE PERSONAL PROTECTIVE EQUIPMENT.
- a. Resolution Serial No. 04-031: A RESOLUTION SETTING THE SCOPE OF WORK AND BUDGET FOR PROJECT NO. 45123, FUND 405, TO PURCHASE PERSONAL PROTECTIVE EQUIPMENT FOR THE MEADOW LAKES FIRE SERVICE AREA.
- (1) IM No. 04-043

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 Vehrs moved to adopt Ordinance Serial No. 04-036 and Resolution Serial No. 04-031.

VOTE: The motion passed without objection.

3. Ordinance Serial No. 04-037: AN ORDINANCE APPROVING A SUPPLEMENTAL APPROPRIATION OF \$68,540 FROM THE LAND MANAGEMENT FUND BALANCE TO THE FISCAL YEAR 2004 LAND MANAGEMENT OPERATING BUDGET 203-170-141 FOR THE PERFORMANCE BONDS REQUIRED TO ENTER INTO A SUBDIVISION AGREEMENT FOR THE CONSTRUCTION OF HASTEY ACRES ROAD.
- a. IM 04-046

Mr. Duffy provided a staff report regarding Ordinance Serial No. 04-037.

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 Vehrs moved to adopt Ordinance Serial No. 04-037.

VOTE: The motion passed without objection.

4. Ordinance Serial No. 04-038: AN ORDINANCE APPROPRIATING \$74,750 FROM THE LAND MANAGEMENT FUND BALANCE, FUND 203, AND REAPPROPRIATING \$75,000 FROM THE AREAWIDE PORT OPERATING BUDGET TO A NON-LAPSING,

NON-CAPITAL PROJECT, PROJECT NO. 45005, FUND 480, FOR THE PORT MASTER PLAN REVIEW.

- a. Resolution Serial No. 04-032: A RESOLUTION APPROVING THE SCOPE OF WORK AND BUDGET FOR THE PORT MASTER PLAN REVIEW.
- (1) IM No. 04-052
- (2) AM No. 04-035: AWARD OF PROPOSAL NO. 04-069 TO THE CORNELL GROUP, INC., IN AN AMOUNT NOT TO EXCEED \$149,750 FOR THE PORT MASTER PLAN UPDATE CONTRACT.

Mr. Duffy:

- provided a staff report regarding Ordinance Serial No. 04-038, Resolution Serial No. 04-032, and AM No. 04-035; and
- spoke to the committee selection in the effort to develop a master plan to help locate perspective industries interested in developing the in the port.

Ms. Clayton spoke regarding the procurement process and distinguished between a request for qualifications and a request for proposals.

Discussion ensued regarding:

- an addendum being issued to the proposal stating that the cost of the award was not to exceed \$75,000;
- no changes to the scope of services prior to the date the proposals were due;
- the addendum being issued to the proposal in regard to anticipated costs;
- price limitations being placed on proposals that in turn limit the number of persons that bid on the proposal;
- negotiating costs after the request for qualifications has been received;
- the procurement process provided in the Borough Code;
- the ceiling on negotiations being limited to available funding; and
- the number of bids actually received for the proposal.

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 Simpson moved to adopt Ordinance Serial No. 04-038, Resolution Serial No. 04-032 and AM No. 04-035.

Assemblymember Simpson voiced support of the award.

MOTION: Assemblymember Colver moved to postpone Ordinance Serial No. 04-038, Resolution Serial No. 04-032, and AM No. 04-035 indefinitely.

Assemblymember Colver:

- voiced concern regarding the fairness of the process; and

- opined that the Borough should send out for new proposals.

Assemblymember Simpson:

- commented that the proposal resulted in doubling the estimated costs,
- advised that the issue was addressed by the Port Commission; and
- acknowledged that the proposal was conducted with standard operating procedures as outlined in the code.

Assemblymember Colberg spoke to the need for alternate language on addendums.

Discussion continued regarding:

- how to track proposed bid amounts when the evaluation is taking place on qualifications of proposals and not on the amount bid;
- the need to review the code and the process;
- possibly looking at a proposal range versus a not to exceed amount; and
- the time sensitivity in going back out for proposals.

VOTE: The motion to postpone indefinitely passed with Assemblymember Simpson in opposition.

Assemblymember Allen asked Mr. Duffy to provide him with a signed copy of the NPI contract.

5. Ordinance Serial No. 04-039: AN ORDINANCE APPROPRIATING \$9,999,924 TO FUND 450, PORT/INFRASTRUCTURE CAPITAL PROJECTS, FOR THE PLANNING, DESIGNING, ACQUIRING PROPERTY FOR, EQUIPPING AND CONSTRUCTING CAPITAL IMPROVEMENTS FOR A DEEP DRAFT DOCK AND IMPROVEMENTS TO THE PORT MACKENZIE ROAD.
 - a. IM No. 04-053

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 Simpson moved to adopt Ordinance Serial No. 04-039.

VOTE: The motion passed without objection.

6. Ordinance Serial No. 04-040: AN ORDINANCE APPROPRIATING \$22,583,904 TO FUND 400, SCHOOL PROJECTS, FOR THE ACQUISITION, CONSTRUCTION, INSTALLATION, AND MAJOR RENOVATION AND RENEWAL OF SCHOOL AND RELATED CAPITAL IMPROVEMENTS WITHIN THE BOROUGH.
 - a. Resolution Serial No. 04-033: A RESOLUTION APPROVING THE SCOPE OF WORK AND BUDGET FOR THE 2004 SERIES A AND SERIES B GENERAL OBLIGATION SCHOOL BOND CONSTRUCTION PROJECTS.

(1) IM No. 04-054

Mr. Duffy 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. 04-040 and Resolution Serial No. 04-033.

VOTE: The motion passed without objection.

7. Ordinance Serial No. 04-041: AN ORDINANCE FOR A SUPPLEMENTAL APPROPRIATION OF \$376,396 FROM THE AREAWIDE FUND BALANCE (FUND 100) TO THE FISCAL YEAR 2004 EDUCATING OPERATING BUDGET (FUND 204) FOR THE INCREASE IN STUDENT ENROLLMENT OVER PROJECTIONS.

a. IM No. 04-056

Mayor Anderson noted that Ordinance Serial No. 04-041 requires five votes for adoption.

Mr. Duffy stated that the School District has requested supplemental funding due to over enrollment of students.

Discussion ensued regarding School District lapsed funds, the supplemental appropriation, and whether or not the appropriation would exceed the funding cap.

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. 04-041.

VOTE: The motion passed without objection.

8. Ordinance Serial No. 04-042: AN ORDINANCE APPROPRIATING \$48,316 OF INTEREST EARNINGS ON THE 1998 SERIES A, GENERAL OBLIGATION SCHOOL BONDS TO FUND 400, SCHOOL CAPITAL PROJECTS, PROJECT NO. 40129 AND \$35,135 INTEREST EARNINGS ON THE 1999 SERIES A, GENERAL OBLIGATION SCHOOL BONDS TO FUND 400, SCHOOL CAPITAL PROJECTS, PROJECT NO. 40133 TO ALLOW COMPLETION OF THE SELDON ROAD CHANNELIZATION PROJECT.

a. IM No. 04-057

Mr. Duffy provided a staff report regarding Ordinance Serial No. 04-042.

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. 04-042.

VOTE: The motion passed without objection.

(The regular meeting recessed at 7:50 p.m. and reconvened at 8 p.m.)

9. Ordinance Serial No. 04-043: AN ORDINANCE APPROPRIATING \$500,000 FROM THE CAPITAL RESERVE (FUND 100) TO THE CITY OF PALMER ICE ARENA PROJECT (FUND 440). *(Sponsors: Assemblymembers Allen and Colver)*
 - a. IM No. 04-061

Mr. Duffy provided a staff report regarding Ordinance Serial No. 04-043.

Mayor Anderson opened the public hearing.

The following persons spoke in opposition to Ordinance Serial No. 04-043: Ms. Jay Nolfi, Ms. Jean Woods, Ms. Lucille Frey, Ms. Konnie Shuey, Mr. Pio Cottini, Mr. James Harpster, Mr. Mike Kelly, and Ms. Annette Harpster.

The following persons spoke in favor of Ordinance Serial No. 04-043: Mr. Mike Logan, Mr. Jess Seward, Mr. Chris Brunnhoelzl, Mr. C.J. Watson, Mr. Brian Fish, Mr. Tony Pippel, Mr. Kirk Payne, Mr. John Combs, Mr. Jared Hanson, Mr. Brad Hanson, Mr. Peter Nezaticky, Mr. Zach Richards, Mr. Rick Koch, Ms. Laura LaFrance, Palmer City Manager Tom Healy, Mr. Ron Richards, Ms. Marilyn Modafferi, Mr. Ron Modafferi, Ms. Carolyn Hanson, Mr. Gary Wolfe, and Palmer City Mayor Jim Cooper.

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

MOTION: Assemblymember Allen moved to adopt Ordinance Serial No. 04-043.

Assemblymember Allen:

- spoke regarding the needs of the youth and other residents in the community for such a facility;
- spoke to economic development and an investment in the community;
- noted that the city of Palmer would be responsible for all operating and maintenance costs associated with the facility; and
- urged support of the legislation.

Assemblymember Vehrs:

- spoke regarding her constituency in District 7 and the use of such a facility from residents in that area;
- noted that the funding could be utilized in other areas, such as community schools; and
- stated that it is possible for the city of Palmer to find funds from another source.

Assemblymember Colver:

- commented that the issue is about what kind of Borough communities we want to have;
- stated that the facility would benefit the Borough as a whole and provide a constructive means of activity for the children of the Borough;
- remarked that the facility would also be used by homeschooled children and charter schools;
- commented that the facility would provide a constructive means of activity for the children of the Borough;
- urged the importance of supporting other areawide projects;
- spoke regarding previous budget cuts in 2004 due to the Governor's veto of the Borough's capital matching grants ;
- noted that in spite of the budget cuts, funding was provided for projects like a parking lot in Talkeetna and repairs to the Willow Community Center;
- commented that he always voted to support capital projects irregardless of what district they were in and remarked that not one of the projects he supported was in his district;
- spoke regarding the Borough's great commitment to schools;
- noted that the city of Palmer is paying all operations and maintenance costs for the proposed project and that the request is a one time request that they have already set aside \$2 million of their own funds for the project;
- spoke regarding the Big Lake Library project;
- spoke regarding the maintenance and operation costs of Port MacKenzie - \$330,000 for FY04 and \$850,000 within the past three years; and
- urged the Assembly support the project."

Assemblymember Simpson:

- stated that the transfer of park and recreation responsibilities occurred with the transfer of these powers to the city of Palmer;
- commented regarding the park and recreation study that took place in 2000, before the Wasilla Multi-use Sports Complex was operational;
- noted that there was little support in her district for the bond proposition during the October 2003 election; and
- stated that the project was not included in the budget and she would therefore not be voting in favor of the ordinance.

Assemblymember Kvalheim:

- remarked regarding the state budget; and
- stated that the Borough may need the funds for replacement of school bond reimbursements.

Assemblymember Colberg:

- referred to the bond proposition vote taken on the project during the October 2003 election;
- noted that it is an issue of equity;

- acknowledged that there is no long term obligation for the Borough associated with the appropriation; and
- stated that he will support the legislation even though there is a down side.

Assemblymember Bush:

- stated that he will support the ordinance;
- remarked that there are good points on both sides of the issue;
- opined that recreation in the Palmer area is very poor;
- respected the vote of the people; and
- commented that many school-aged children will benefit from the facility.

MOTION: Assemblymember Colver moved for a voice vote.

VOTE: The motion failed with Assemblymembers Colver and Vehrs in support.

VOTE: The main motion passed with Assemblymembers Simpson, Vehrs, and Kvalheim in opposition.

MOTION: Assemblymember Colver moved to reconsider Ordinance Serial No. 04-043.

VOTE: The motion to reconsider failed unanimously.

(The regular meeting recessed at 9:30 p.m. and reconvened at 9:45 p.m.)

C. AUDIENCE PARTICIPATION (Three minutes per person.)

The following persons spoke in opposition to the appointment of Michelle Church to the Planning Commission: Mr. Lud Larson, Mr. Pio Cottini, Mr. Jim Harpster, Ms. Annette Harpster, Ms. Lucille Frye, Ms. Konnie Shuey, and Mr. Link Fannon.

The following persons spoke in support of the appointment of Michelle Church to the Planning Commission: Ms. Marilyn Modafferi, Ms. Mollie Boyer, Mr. Myrl Thompson, Ms. Amy McCorkel, Mr. Ron Modafferi, Mr. Chris Whittington-Evans, Mr. Jim Cooper, Mr. John Vanduska, Ms. Dory McDanold, Ms. Robin McLean, Ms. Kathy Wells, and Mr. Steve Renner.

The following person spoke regarding the recall of Senator Scott Ogan and the invitation from Representative John Harris for members of the Assembly to attend a meeting in Juneau: Mr. Myrl Thompson.

The following person spoke regarding the Alaska Conference of Volunteerism: Ms. Konnie Shuey.

The following person spoke regarding a memo from Dennis Oakland and public notice of Borough board and commission vacancies: Ms. Lucille Frye.

The following person spoke regarding his general support of the community organizations:
Mr. Gary Wolfe.

C. CONSENT AGENDA *(Continued from pp.8 of 21)*

1. RESOLUTIONS

- a. Resolution Serial No. 04-035: A RESOLUTION MAKING RECOMMENDATIONS TO THE GOVERNOR AND LEGISLATURE CONCERNING COAL BED METHANE LEGISLATION AND REGULATIONS. *(Sponsors: Assemblymembers Kvalheim and Colver)*
 - (1) IM No. 04-058

MOTION: Assemblymember Colver moved to adopt Resolution Serial No. 04-035.

Mayor Anderson noted that requests have been received from members of the public to speak to Resolution Serial No. 04-035.

The following persons spoke in support of Resolution Serial No. 04-035: Mr. Myrl Thompson, Mr. Douglas Gerard, Ms. Marilyn Modafferi, Mr. Steve Renner, Ms. Robin McLean, Mr. Ron Modafferi, Ms. Dory McDanold, and Mr. Chris Whittington-Evans.

The following person in opposition to Resolution Serial No. 04-035: Ms. Annette Harpster.

The following person spoke regarding the need to give the State Legislature some direction on the issue of coal bed methane: Ms. Michelle Church.

MOTION: Assemblymember Colver moved to amend Resolution Serial No. 04-035 by Resolution Serial No. 04-035(SUB-1) in full.

MOTION: Assemblymember Colberg moved a primary amendment to Resolution Serial No. 04-035(SUB-1) by striking language in the last bullet of the “Now, Therefore, Be It Resolved” clause to read: “require safety buffers.”

VOTE: The primary amendment passed without objection.

MOTION: Assemblymember Colberg moved a primary amendment to Resolution Serial No. 04-035(SUB-1) to strike the second bullet of the third “WHEREAS” clause.

VOTE: The primary amendment failed with Assemblymembers Bush, Allen, and Colberg in favor.

MOTION: Assemblymember Colberg moved a primary amendment to Resolution Serial No. 04-035(SUB-1) to strike the first bullet of the third “WHEREAS” clause.

VOTE: The primary amendment passed with Assemblymembers Colver and Kvalheim in opposition.

MOTION: Assemblymember Colver moved to extend the meeting past 11 p.m. and no later than midnight.

VOTE: The motion to extend the meeting passed without objection.

MOTION: Assemblymember Colberg moved a primary amendment to Resolution Serial No. 03-035(SUB-1) to insert the phrase “and drinking water” to the last bullet of the third “WHEREAS” clause to read: “testing and monitoring of all re-injected fluids and drinking water.”

VOTE: The primary amendment passed without objection

(The regular meeting recessed at 10:52 p.m. and reconvened at 10:56 p.m.)

MOTION: Assemblymember Allen moved a primary amendment to Resolution Serial No. 04-035(SUB-1) to insert the phrases “neutral party,” “at the expense of the state or developer,” and “before, during, and after drilling activity” to the last bullet of the third “WHEREAS” clause to read: “neutral party testing and monitoring at the expense of the state or developer of all re-injected fluids and drinking water before, during, and after any drilling activity.”

VOTE: The primary amendment passed without objection.

VOTE: The motion to amend Resolution Serial No. 04-035 by Resolution Serial No. 04-035(SUB-1) in full passed without objection.

VOTE: The main motion as amended by Resolution Serial No. 04-035(SUB-1)(AM) passed without objection.²

MOTION: Assemblymember Colver moved to reconsider Resolution Serial No. 04-035(SUB-1)(AM).

VOTE: The motion to reconsider failed unanimously.

b. Resolution Serial No. 04-036: A RESOLUTION MAKING RECOMMENDATIONS TO THE GOVERNOR AND LEGISLATURE CONCERNING REFORM OF SHALLOW GAS LEASING FOR COAL BED METHANE. *(Sponsors: Assemblymembers Kvalheim and Colver)*

(1) IM No. 04-059

MOTION: Assemblymember Colver moved to adopt Resolution Serial No. 04-036.

² For historical purposes Resolution Serial No. 04-038(SUB-1) will be referred to as Resolution Serial No. 04-038(SUB)(AM)

Mayor Anderson noted that members of the public have requested to speak to Resolution Serial No. 04-036.

The following persons spoke in favor of Resolution Serial No. 04-036: Mr. Myrl Thompson and Ms. Marilyn Modafferi.

VOTE: The motion passed without objection.

MOTION: Assemblymember Colver moved to reconsider Resolution Serial No. 04-036.

VOTE: The motion to reconsider failed unanimously.

d. Resolution Serial No. 04-043: A RESOLUTION SETTING FORTH ASSEMBLY RULES OF PROCEDURE AND POLICIES.

(1) IM No. 04-071

MOTION: Assemblymember Colver moved to adopt Resolution Serial No. 04-043.

MOTION: Assemblymember Simpson moved to postpone Resolution Serial No. 04-043 to March 16, 2004.

MOTION: Assemblymember Colver moved a primary amendment to strike “March 16” and to insert “April 6”.

VOTE: The primary amendment failed with Assemblymembers Colver and Vehrs in support.

VOTE: The main motion to postpone to a time certain of March 16, 2004, passed without objection.

D. MAYORAL NOMINATIONS AND APPOINTMENTS

1. VACANCY REPORT

Mayor Anderson had no recommendations at this time.

Mayor Anderson requested the following confirmations:

Library Board

Kevin Fitzgerald

Planning Commission

Michelle Church

Platting Board

Steven Heinrich

Senior Citizen Advisory Board

Frances “Wanda” Murphy

Site Selection Committee – Borough Area Schools

Linda Menard
Title 16 Rewrite Committee
Lucy Hope
Transportation Advisory Board
Henry Corbin
Dan Kelly, Jr.

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

MOTION: Assemblymember Colberg moved to divide the question to address the appointment of Michelle Church to the Planning Commission separately.

VOTE: The motion to divide the question passed with Assemblymembers Kvalheim, Vehrs, and Colver in opposition.

MOTION: First segment: Confirm the Mayor's appointments and resignations up for confirmation this evening.

VOTE: The first segment, to confirm the Mayor's appointments and resignations up for confirmation this evening, passed without objection.

MOTION: Second segment: Confirm the Mayor's appointment of Michelle Church to the Planning Commission.

Members of the Assembly spoke both in support and in opposition of the appointment of Michelle Church to the Planning Commission.

VOTE: The second segment, to confirm the Mayor's appointment of Michelle Church to the Planning Commission, failed with Assemblymembers Kvalheim, Vehrs, and Colver in support.

E. OTHER NEW BUSINESS

1. Invitation from Representative Harris to attend a meeting on coal bed methane development in the Mat-Su Borough

Mayor Anderson spoke regarding the invitation from Representative Harris for members of the Assembly to meet in Juneau regarding coal bed methane.

MOTION: Assemblymember Colver moved that the Matanuska-Susitna Borough respectfully decline the invitation to partake in a closed door meeting with Evergreen Resources and legislators to discuss coal bed methane legislation and welcomes the opportunity to participate in an open public meeting with the industry and legislators as soon as one can be arranged.

Discussion ensued regarding:

- holding open discussions perhaps in a teleconferenced format;
- sending a member of the Assembly to attend the meeting; and
- some talking points established for the meeting due to the passage of Resolution Serial Nos. 04-035(SUB)(AM) and 04-036.

VOTE: The motion failed with Assemblymembers Kvalheim, Colver, and Vehrs in support.

X. RECONSIDERATION

(There were no reconsiderations.)

XI. VETO

(There were no vetoes presented.)

XII. EXECUTIVE SESSION

(There was no executive session held.)

XIII. MAYOR AND ASSEMBLY COMMENTS

(There were no comments presented.)

XIV. ADJOURNMENT

The regular meeting adjourned at 12 midnight.

/s/

TIMOTHY L. ANDERSON, Borough Mayor

ATTEST:

/s/

SANDRA A. DILLON, CMC, Borough Clerk

Minutes approved: March 16, 2004