

I. CALL TO ORDER

The regular meeting of the Matanuska-Susitna Borough Assembly was held on March 18, 2014, at the Borough Assembly Chambers, 350 E. Dahlia Avenue, Palmer, Alaska. The meeting was called to order at 6 p.m. by Mayor Larry DeVilbiss.

II. ROLL CALL

Assembly members present and establishing a quorum were:

Mr. Jim Sykes, Assembly District No. 1
Mr. Matthew Beck, Assembly District No. 2
Mr. Ronald Arvin, Assembly District No. 3 (*Deputy Mayor*)
Mr. Steve Colligan, Assembly District No. 4
Mr. Darcie K. Salmon, 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
Mr. John Moosey, Borough Manager
Mr. George Hays, Assistant Borough Manager
Mr. Nicholas Spiropoulos, Borough Attorney
Ms. Brenda J. Henry, Assistant Clerk
Mr. Terrance Dolan, Public Works Director
Mr. Eric Phillips, Community Development Director
Mr. Michael Brown, Capital Projects Director
Mr. David Dunivan, Borough Assessor
Mr. Larry Macknicki, Information Technology Director
Mr. Alex Strawn, Development Services Manager
Ms. Elaine Flagg, Records Micrographic/Scanning Technician
Ms. Cheyenne Heindel, Financial Analyst
Ms. Glenda Smith, Real Property Analyst

III. APPROVAL OF AGENDA

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

MOTION: Assemblymember Beck moved to amend the agenda to take up unfinished business immediately following audience participation.

Assemblymember Arvin spoke in opposition.

VOTE: The motion passed without objection.

Mr. Moosey:

- requested to remove Ordinance Serial No. 14-047 from the agenda; and
- advised that staff will be bringing it back to the Assembly at a later date.

Mayor DeVilbiss queried if there was any objection.

There was no objection noted.

Assemblymember Sykes:

- stated that he requested a mayoral proclamation in recognition of Anchorage Firefighter Captain Jeff Bayless; and
- requested that it be added to the agenda this evening.

Mayor DeVilbiss queried if there was any objection.

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

IV. PLEDGE OF ALLEGIANCE

The Pledge of Allegiance was led by Mr. Randal Ruaro, Political Director and Special Counsel to Governor Parnell.

V. MINUTES OF PRECEDING MEETINGS

A. Regular Assembly Meeting: 03/04/14

Mayor DeVilbiss inquired if there were any corrections to the regular meeting minutes of March 4, 2014.

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

VI. SPECIAL ORDERS OF THE DAY

A. Proclamation In Recognition Of Earthquake Awareness Week

Mayor DeVilbiss:

- read the proclamation into the record; and
- presented the proclamation to Ms. Barbara Adams.

B. Proclamation In Recognition Of Anchorage Fire Department Senior Captain Jeff Bayless.

Mayor DeVilbiss read the proclamation into the record.

VII. REPORTS/CORRESPONDENCE

A. AGENCY REPORTS

1. Reports from cities

(There were no reports provided.)

2. Matanuska-Susitna Borough School District

(There was no report provided.)

B. COMMITTEE REPORTS

1. Joint Assembly/School Board Committee on School Issues

(There was no report provided.)

2. Assembly Public Relations

Assemblymember Colligan:

- reported on the recent Joint MSB Assembly/MOA Assembly Transportation Subcommittee meeting;
- related that a topic of discussion was a possible regional transportation organization;
- advised that it was decided that the members would return to their individual bodies to quantify what their individual transportation priorities are;
- advised that the next meeting would be in June;
- stated that the rail extension project was a topic of discussion; and
- noted that there were members of the general public that attended and provided comments.

Assemblymember Arvin requested that the Joint MSB Assembly/MOA Assembly Transportation Subcommittee report be added to the agenda as a standing item.

Mayor DeVilbiss queried if there was any objection.

There was no objection noted.

C. MANAGER COMMENTS

1. State/Federal Legislation

2. Strategic Planning Issues

Mr. Moosey:

- stated that he will be travelling to Juneau on March 19 and returning March 21;
- noted that in Juneau, there has been a lot of discussion regarding capital projects, which has the potential to impact Borough projects; and
- related that March 19 from 6 p.m. to 8 p.m. at Houston Middle School there is a Port MacKenzie Open House.

3. Susitna Forest Update – Mr. Ed Fogels, Alaska State Department of Natural Resources Deputy Commissioner

Mr. Randal Ruaro, Political Director and Special Counsel to Governor Parnell requested Assembly support of House Bill 79 and Senate Bill 28.

Mr. Chris Maisch, Alaska State Forester, provided an update regarding the Susitna Forest.

Mr. David Dunivan, Borough Assessor reported on local assessments, how assessment values are calculated, and the business inventory tax.

Discussion ensued regarding:

- how information is gathered to assess properties;
- that Alaska is a non-disclosure state;
- how State statutes control the way assessments are valued;
- the reluctance of residents to provide assessment data;
- how economic growth or depression impacts assessment values;
- how full value is calculated without entering the building;
- that land is valued as if it were vacant;
- the premise of fair market value;
- that assessments and real estate data are near in value;
- how sales data impacts assessment values;
- that Assessments works with property owners in order to ensure the most accurate values;
- that assessed values are appealable to the Board of Equalization;
- concerns with business inventory tax;
- concerns that inventory is not being reported;
- the possibility of eliminating the business inventory tax;
- recent changes in the business inventory tax code; and
- whether there has been any economic growth due to the change in the taxable value of inventory.

(The meeting recessed at 7:30 p.m. and reconvened at 7:40 p.m.)

D. ATTORNEY COMMENTS

Mr. Spiropoulos:

- stated that settlements have been negotiated with the remaining property owners for the Bogard Extension east project;
- related that the settlements should be complete within the next two weeks and all rights-of-way will have been acquired; and
- noted that if members have any questions regarding the Borough's powers as they relate to the joint transportation subcommittee to come by his office.

E. CLERK COMMENTS

Ms. McKechnie:

- spoke regarding the upcoming meeting schedule;
- recommended that the budget public hearing scheduled for May 2, in Trapper Creek be relocated to Willow;
- advised that staff continues to work on teleconferencing capabilities; and
- spoke to advertising that would occur.

Mayor DeVilbiss queried if there was any objection to relocating that meeting.

There was no objection noted.

Assemblymember Halter requested that the meeting be advertised on Talkeetna Radio.

Mayor DeVilbiss suggested that the Willow Community Center would be a good place to hold the May 2 meeting.

Ms. McKechnie reminded the body that she will be out of the office March 24 through April 4.

F. CITIZEN AND OTHER CORRESPONDENCE

1. MSB Board/Committee Minutes:

- a. Aviation Advisory Board: 10/10/13, 12/19/13, Resolution Serial No. 13-007
- b. Board of Adjustment and Appeals: 06/13/13, 07/16/13
- c. Parks, Recreation, and Trails Advisory Board: 10/28/13, Resolution Serial Nos. 13-05, 13-06, 13-07
- d. Planning Commission: 12/02/13, 12/16/13, Resolution Serial Nos. 13-45, 13-51, 13-52 (AM), 13-53 (AM)
- e. Transportation Advisory Board: 11/27/13

2. Community Council Minutes:

(There were no community council minutes presented.)

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

G. INFORMATIONAL MEMORANDUMS

(There were no informational memorandums presented.)

IX. VETO

(There were no vetoes presented.)

X. SPECIAL ORDERS

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. 14-044:** An Ordinance To Convey 40 Acres, More Or Less, With Certain Covenants, Conditions, And Restrictions, To Aurora Dog Musers Club, Inc. For Public Service And Community Benefit Activities (MSB002024).
 - a. IM No. 14-035

Mayor DeVilbiss opened the public hearing.

The following persons spoke in support of Ordinance Serial No. 14-044: Mr. J.C. Smythe and Ms. Roxanne Dayton.

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

MOTION: Assemblymember Salmon moved to adopt Ordinance Serial No. 14-044.

Assemblymember Salmon spoke in support of the legislation.

Assemblymember Halter:

- provided a history of the Aurora Dog Musers organization; and
- requested support of the legislation.

Assemblymember Arvin:

- spoke in support of the legislation;
- opined that this type of thing should occur more often, as the land transfer is for all the right reasons; and
- thanked the public for their testimony.

Discussion ensued regarding the benefit to the Borough for conveying the property.

VOTE: The motion passed without objection.

2. **Ordinance Serial No. 14-045:** An Ordinance Amending The Operating Rules, Rates, And Procedures For The Talkeetna Sewer And Water Special Service Area For The Supply Of Public Sewer And Water Systems By Increasing The Rates For Monthly Water And Sewer Charges And Interrupted Service Fees.
 - a. IM No. 14-052

Mayor DeVilbiss 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 Halter moved to adopt Ordinance Serial No. 14-045.

Assemblymember Halter:

- spoke to recent upgrades that have been made to the system that are not yet complete;
- questioned whether the Talkeetna Sewer and Water Board had provided input on the increase;
- related that there is a study underway; and
- noted his opposition to moving forward with the legislation before the study is completed.

Assemblymember Colver:

- stated that the rate would be the same as what would be paid in the city of Wasilla;
- noted that the Assembly has passed on legislation increasing the fees for a long time; and
- opined that there is a need to take care of the system now so it does not incur further deficit.

Assemblymember Sykes queried if there is any idea when the report would be completed.

Mr. Dolan advised that it should be completed by July 2014.

MOTION: Assemblymember Halter moved to postpone Ordinance Serial No. 14-045 to a time certain of August 5, 2014.

VOTE: The motion passed without objection.

C. AUDIENCE PARTICIPATION (Three minutes per person.)

The following person spoke in opposition to the Borough creating an economic development corporation and to the need for a regional wastewater facility: Ms. Helen Munoz.

The following persons spoke in support of Resolution Serial No. 14-030: Mr. Nick Steen and Mr. Mark Stahl.

The following person requested that members speak clearly into their microphones during meetings and spoke to his pleasure with the new Assembly chambers: Mr. Eugene Haberman.

VIII. UNFINISHED BUSINESS

- A. **Resolution Serial No. 14-025:** A Resolution Encouraging The State Of Alaska To Further Develop An Access Road Into The Susitna Basin West Of The Susitna River.
(Sponsored by Mayor DeVilbiss)
1. IM No. 14-069

MOTION PENDING: Assemblymember Arvin moved to adopt Resolution Serial No. 14-025.

MOTION: Assemblymember Sykes moved a primary amendment to Resolution Serial No. 14-025, to insert the words “while ensuring maximum possible protection for valuable wetlands and waters that support restoration of our in-river fisheries” before the words (thank you) to read: “Whereas, the state of Alaska has taken the initiative to conduct a reconnaissance study that provides a foundation for additional project development to advance an access road into the Susitna Basin west of the Susitna River, while ensuring protection for valuable wetlands and waters that support restorations of our in-river fisheries (thank-you);”

Assemblymember Salmon

- noted his opposition to the amendment that speaks to maximum protection;
- opined that maximum protection would be to not develop anything in the area and leave it as is; and
- noted that determining what maximum possible protection is subjective.

Assemblymember Arvin:

- noted his agreement with Assemblymember Salmon;
- spoke to how well wetlands are mapped and protected; and
- opined that the Assembly should not be applying their subjectivity.

MOTION: Assemblymember Sykes moved secondary amendment to strike the words “maximum possible.”

VOTE: The secondary amendment passed with Assemblymembers Salmon, Colligan, and Arvin opposed.

VOTE: The primary amendment failed with Assemblymember Sykes, Halter, and Beck in support.

MOTION: Assemblymember Sykes moved a primary amendment to Resolution Serial No. 14-025, in the “be it further resolved clause” to insert the word “potential” between the words “of” and “design” to read: “Be it further resolved, that the Matanuska-Susitna Borough Assembly commits to facilitating and to cooperate with further review of potential design and construction alternatives with the local communities, constituents, and the State.”

VOTE: The primary amendment passed without objection.

Assemblymember Halter:

- opined that an access road is speculative at this point, as it would cost at least \$1,000,000 to build a bridge to span the Big Susitna River;
- stated that there is no proven mine or other reason to build a road to at this particular time;
- opined that spending large sums of money on pure speculation is inappropriate;
- spoke in support of upgrades to Oilwell Road that would be more appropriate as there is an actual need; and
- opined that spanning the Big Susitna River at this time is a waste of money.

MOTION: Assemblymember Salmon called for the question (to stop debate).

VOTE: There was no objection noted.

VOTE: The main motion passed as amended with Assemblymembers Sykes, Halter, Beck opposed.

D. CONSENT AGENDA

1. RESOLUTIONS

a. **Resolution Serial No. 14-028:** A Resolution Amending The Budgets For Project Nos. 20346, 47008, 47017, And 47018 And Approving The Scope Of Work And Budget For Project No. 47513 To Allow The Planning Department To Hire Temporary Records Technicians To Increase Permanent Record Accessibility And Improve Customer Service In The Planning Department.

(1) IM No. 14-042

b. **Resolution Serial No. 14-029:** A Resolution Approving The Amended Scope Of Work For Project No. 20266, Purchase Of Three New Ford Escapes And New Snow Plow For 1-Ton Regular Cab 4 X 4 To Include The Purchase Of Any Additional Items Needed For The New 1-Ton 4 X 4.

(1) IM No. 14-065

2. ACTION MEMORANDUMS

(There were no action memorandums presented.)

Ms. McKechnie read the above legislation into the record.

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

VOTE: The motion passed without objection.

c. **Resolution Serial No. 14-030:** A Resolution Supporting House Bill 79 And Senate Bill 28, Establishing The Susitna State Forest. *(Sponsored By Mayor DeVilbiss And Assemblymember Arvin)*

(1) IM No. 14-075

MOTION: Assemblymember Arvin moved to adopt Resolution Serial No. 14-030.

MOTION: Assemblymember Sykes moved a primary amendment to Resolution Serial No. 14-030, in the sixth whereas clause, by striking “21” and inserting “20” in its place and by striking “699,600” and inserting “686,800” in its place to read: “Whereas, the Susitna State Forest would include 20 parcels totaling approximately 686,800 acres;”

VOTE: The primary amendment passed without objection.

MOTION: Assemblymember Sykes moved a primary amendment to Resolution Serial No. 14-030, in the twelfth whereas clause to strike the words “ which will replace the Susitna Forestry guidelines, follow the format and management intent of the Forest Management Plan for the Tanana Valley State Forest” and to insert in its place the words “along the same lines of intent as the current Susitna Forestry Guidelines and actively involve the public and user groups advice in development of Forest Management plans” to read: Whereas the Assembly request the Forest Management Plan (FMP), along the same lines of intent as the current Susitna Forestry Guidelines and actively involve the public and user groups advice in development of Forest Management plans.”

Assemblymember Colligan:

- spoke in opposition to the amendment; and
- opined that if what is suggested in the amendment occurs, there will be a future state park, rather than a forest.

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

MOTION: Assemblymember Sykes moved a primary amendment to Resolution Serial No. 14-030, in the “Now therefore be it resolved clause” to insert at the end of the clause the words “to ensure best forest practices including, careful management and harvest of fish and game, conservation and restoration of our natural fisheries, and keeping open public use of the forest for a wide variety of recreational activities” to read: “Now, therefore, be it resolved, The Matanuska-Susitna Borough Assembly supports the adoption of House Bill 79 and Senate Bill 28 establishing the Susitna State Forest to ensure best forest practices including, careful management and harvest of fish and game, conservation and restoration of our natural fisheries, and keeping open public use of the forest for a wide variety of recreational activities.”

Assemblymembers Arvin and Salmon spoke in opposition to the amendment.

Assemblymember Halter opined that the resolution need not be so specific as it is in support of the forest only.

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

MOTION: Assemblymember Salmon called for question (to stop debate).

VOTE: The motion failed with Assemblymembers Salmon, Colligan, and Beck in support.

Assemblymember Colver:

- spoke in support of timber harvesting;
- spoke to the need to facilitate more economic opportunity for timber harvesting; and
- stated that he would like to see more land in private hands.

VOTE: The main motion passed as amended with Assemblymember Salmon opposed.

XI. NEW BUSINESS

A. INTRODUCTIONS (For public hearing – 04/01/14, Assembly Chambers)

1. **Ordinance Serial No. 14-020:** An Ordinance Amending MSB 8.50, Trash And Junk, To Update The Definitions. *(Sponsored By Assemblymember Beck)*
 - a. IM No. 14-021
- ~~2. **Ordinance Serial No. 14-047:** An Ordinance Amending Portions of Title 43, Subdivisions.~~
 - ~~a. IM No. 14-030~~
3. **Ordinance Serial No. 14-048:** An Ordinance Approving A Supplemental Appropriation Of \$10,000 Of Revenue From Public Donations To The Fiscal Year 2014 Animal Care And Regulation Division Operating Budget For Medical Supplies.
 - a. IM No. 14-059
4. **Ordinance Serial No. 14-049:** An Ordinance Approving A Supplemental Appropriation Of \$45,000 From Caswell Lakes Road Service Area No. 15 Fund Balance, Fund 272, To Caswell Lakes Road Service Area No. 15 Fiscal Year 2014 Operating Budget, Fund 272.
 - a. IM No. 14-072
5. **Ordinance Serial No. 14-050:** An Ordinance Amending MSB 25.05.090, To Allow For Use Of Borough Funds To Influence Ballot Propositions At The State Level. *(Sponsored By Assemblymember Arvin)*
 - a. IM No. 14-074

Ms. McKechnie read the above legislation into the record.

MOTION: Assemblymember Arvin moved to introduce the legislation as read into the record by the Clerk and set the public hearings for April 1, 2014.

VOTE: The motion passed without objection.

B. MAYORAL NOMINATIONS AND APPOINTMENTS

1. VACANCY REPORT

Mayor DeVilbiss requested the following confirmations:

Aviation Advisory Board
Stephen Pavish
Parks, Recreation, and Trails Advisory Board
Craig Saunders
Transportation Advisory Board
Sonya Walden
Daniel Elliott
Fairview RSA No. 14
Kurt Anderson

Mayor DeVilbiss has the following under consideration for appointment:

Local Emergency Planning Committee
Linda Russell
Knik RSA No. 17
Roger "Toby" Riddell

MOTION: Assemblymember Arvin moved to approve the Mayor's appointments up for confirmation this evening.

VOTE: The motion passed without objection.

C. OTHER NEW BUSINESS

(There was no other new business.)

D. REFERRALS (For referral to the Planning Commission for 90 days or other date specified by the Assembly)

1. **Ordinance Serial No. 14-051:** An Ordinance Adopting MSB 15.24.030(B)(37), Matanuska-Susitna Borough Energy Policy. *(Sponsored by Assemblymember Colligan)*
 - a. IM No. 14-067

MOTION: Assemblymember Colligan moved to refer Ordinance Serial No. 14-051 to the Planning Commission for 90 days.

Assemblymember Sykes queried the basis for the referral.

Ms. McKechnie advised that Borough code requires that any changes to code that address land use issues must go before the Planning Commission for input.

VOTE: The motion passed without objection.

XII. RECONSIDERATION

(There was no reconsideration presented.)

XIII. MAYOR, ASSEMBLY, AND STAFF COMMENTS

Assemblymember Colver queried how the Joint MSB Assembly/MOA Assembly Transportation Subcommittee was created.

Mayor DeVilbiss advised that it was created informally at the joint meeting with the municipality of Anchorage.

Assemblymember Colver:

- noted that it is important to market the port;
- spoke to the upcoming budget cycle and the need to decide what the vision is for the Economic Development Department; and
- spoke to concerns with funding from the Legislature for Borough projects.

Assemblymember Sykes:

- spoke to the need for the creation of the Susitna State Forest; and
- thanked the body for a good meeting.

Assemblymember Salmon opined that persistence pays off.

Assemblymember Colligan advised that he will be calling into the March 25 meeting, as he will be in Juneau.

Assemblymember Beck:

- thanked the public for their testimony;
- thanked staff for being available for questions;
- voiced concerns with creating an economic development corporation; and
- spoke to his pleasure that the resolution regarding the Susitna State Forest was adopted.

Mayor DeVilbiss:

- stated that he has been monitoring the Machen Road situation;
- voiced concerns regarding funding from the State for Borough projects;
- commended the Assessor for the way the inventory tax has been handled;
- provided a history of the business inventory tax;
- opined that it is arbitrary, has never worked, and should be eliminated; and
- requested that the Assembly submit changes they would like to see in the agenda format.

MOTION: Assemblymember Arvin moved to suspend the rules to extend the meeting past 10 p.m. and not to exceed 11 p.m.

VOTE: The motion failed with Assemblymembers Colver, Colligan, and Arvin in support.

MOTION: Assemblymember Colligan moved to suspend the rules to extend the meeting past 10 p.m. and not to exceed 10:49 p.m.

MOTION: Assemblymember Colver moved a primary amendment by striking "10:49 p.m." and inserting "10:30 p.m." in its place.

VOTE: The primary amendment failed with Assemblymembers Colver, Beck and Arvin in support.

VOTE: The main motion failed with Assemblymembers Colver, Colligan, and Arvin in support.

XIV. EXECUTIVE SESSION *(For Subjects That Tend To Prejudice The Reputation And Character Of Any Person Provided The Person May Request A Public Discussion; And For Matters, Which The Immediate Public Knowledge Of Which Would Clearly Have An Adverse Effect Upon The Finances Of The Borough; And Matters Which By Law, Municipal Charter, Or Ordinance Are Required To Be Kept Confidential; And Matters Involving Consideration Of Government Records That By Law Are Not Subject To Public Disclosure.)*

A. M/V SUSITNA – FERRY DISCUSSION

B. INTERIM EVALUATION OF THE BOROUGH MANAGER

MOTION: Assemblymember Arvin moved to enter into executive session for subjects that tend to prejudice the reputation and character of any person provided the person may request a public discussion; and for matters, which the immediate public knowledge of which would clearly have an adverse effect upon the finances of the borough; and matters which by law, municipal charter, or ordinance are required to be kept confidential; and matters involving consideration of government records that by law are not subject to public disclosure. In particular, to discuss the M/V Susitna and to conduct an interim evaluation of the Manager. Those present will be the Mayor, the Assembly, the Manager, the Attorney, and the Clerk, and the Port Director.

VOTE: The motion passed without objection and the Assembly entered into executive session at 9:08 p.m.

MOTION: Assemblymember Sykes moved to exit executive session.

VOTE: The motion passed without objection and the Assembly exited executive session at 9:56 p.m.

MOTION: Assemblymember Arvin moved to direct the Manager and the Attorney to begin immediate discussions with the Federal Transit Authority regarding disposition of the ferry grant property.

VOTE: The motion passed without objection.

XV. ADJOURNMENT

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



LARRY DeVILBISS, Borough Mayor

ATTEST:



LONNIE R. McKECHNIE, CMC, Borough Clerk

Minutes Approved: 04/01/14