

I. CALL TO ORDER

The special meeting of the Matanuska-Susitna Borough Assembly was held on March 31, 2009, at the Borough Assembly Chambers, 350 E. Dahlia Avenue, Palmer, Alaska. The meeting was called to order at 6:01 p.m. by Deputy Mayor Lynne Woods.

II. ROLL CALL

Assembly members present and establishing a quorum were:

- Ms. Lynne Woods, Assembly District No. 1
- Mr. Pete Houston, Assembly District No. 2
- Ms. Michelle R. Church, Assembly District No. 3
- Mr. Mark Ewing, Assembly District No. 4
- Ms. Cindy L. Bettine, Assembly District No. 5
- Mr. Robert Wells, Assembly District No. 6
- Mr. Tom Kluberton, Assembly District No. 7

Staff in attendance were:

- Ms. Lonnie R. McKechnie, Borough Clerk
- Mr. John Duffy, Borough Manager
- Ms. Elizabeth Gray, Assistant Borough Manager
- Mr. Nicholas Spiropoulos, Borough Attorney
- Ms. Brenda J. Henry, Executive Assistant to the Borough Clerk
- Ms. Tammy Clayton, Finance Director
- Mr. Keith Rountree, Public Works Director
- Mr. Dennis Brodigan, Emergency Services Director
- Ms. Linda Brenner, Community Development Director
- Mr. Mark Mayo, Planning and Land Use Director
- Ms. Patty Sullivan, Public Affairs Director
- Mr. Dave Hanson, Economic Development Director

III. APPROVAL OF AGENDA

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

Assemblymember Church requested that Resolution Serial No. 09-029 be pulled from the agenda, as circumstances have changed and it is no longer relevant.

There was no objection noted.

MOTION: Assemblymember Ewing moved to postpone Ordinance Serial Nos. 09-055, 09-055(SUB) and 09-056 to a time certain of April 7, 2009.

Assemblymember Houston commented that he would like to move forward with the public hearing on the legislation.

Assemblymember Bettine:

- noted her objection to postponement: and
- stated that she would like to move forward with the public hearing.

VOTE: The motion failed with Assemblymember Ewing in support.

GENERAL CONSENT: The agenda passed as amended without objection.

IV. PLEDGE OF ALLEGIANCE

The Pledge of Allegiance was led by Mayor Roger Purcell, city of Houston.

V. PUBLIC HEARINGS

1. Ordinance Serial No. 09-055: AN ORDINANCE AUTHORIZING THE MATANUSKA-SUSITNA BOROUGH TO ENACT AN AREAWIDE SALES TAX NOT EXCEEDING 3 PERCENT OF SALES, SERVICES, AND RENTALS WITHIN THE BOROUGH AND TO SUBMIT THE QUESTION TO THE QUALIFIED VOTERS OF THE BOROUGH AT THE JUNE 2, 2009, (JUNE 9, 2009) SPECIAL BOROUGH ELECTION.
 - a. Ordinance Serial No. 09-056: AN ORDINANCE ADOPTING MSB 3.35, A UNIFORM SALES TAX.
 - b. Ordinance Serial No. 09-055(SUB): AN ORDINANCE OF THE MATANUSKA-SUSITNA BOROUGH ASSEMBLY AUTHORIZING THE MATANUSKA-SUSITNA BOROUGH TO ENACT AN AREAWIDE REAL PROPERTY TAX LIMIT OF 7.8 MILLS, TO ENACT AN AREAWIDE SALES TAX NOT EXCEEDING 3 PERCENT OF SALES, SERVICES, AND RENTALS WITHIN THE BOROUGH, ENACT AN AREAWIDE RESIDENTIAL REAL PROPERTY TAX EXEMPTION OF \$10,000 OF ASSESSED VALUE, PROVIDE A SUNSET OF THE PROVISION, AND TO SUBMIT THE QUESTIONS TO THE QUALIFIED VOTERS OF THE BOROUGH AT THE JUNE 9, 2009, SPECIAL BOROUGH ELECTION.
- (1) IM No. 09-083

Ms. Tammy Clayton provided a staff report.

Deputy Mayor Woods opened the public hearing.

The following persons spoke to concerns that the Borough did not work with the cities on the sales tax legislation: Mayor Roger Purcell, city of Houston and Ms. Kelli Veech, Director of Administration, city of Palmer.

The following person spoke to concerns with the sales tax legislation and believed that the cumulative sales tax figures the Borough has calculated are flawed: Mr. Marvin Yoder, Deputy Administrator, city of Wasilla.

The following person spoke to the need for the cities and the Borough to work together on the sales tax issue and believes estimation of sales tax revenue is low: Mr. Bill Allen, Palmer City Manager.

The following persons spoke in opposition to the sales tax ordinance: Mr. Troy Tankersly, Mr. Pio Cottini, Ms. Helen Munoz, Mr. Dave Jenkins, and Mr. Joel Stefanski.

The following persons spoke in favor of the sales tax ordinance so that not all of the burden is on the property owners: Mr. John Nolan, Mr. Jesse Tanner, Mr. Dave Gilbert, Mr. Ray Atkin, and Ms. Theresa Armistead.

The public hearing closed and the discussion moved to the Assembly.

MOTION: Assemblymember Bettine moved to adopt Ordinance Serial Nos. 09-055(SUB) and 09-056.

MOTION: Assemblymember Bettine moved a primary amendment to Ordinance Serial Nos. 09-055(SUB) and 09-056, by striking all references of "June 9" and June 2" and insert in its place "October 6," and striking all references to "special election" and insert in its place "regular election" throughout the legislation.

Assemblymember Bettine:

- stated that this issue should be addressed in order to receive more testimony from the public; and
- opined that her proposed amendments will clear up any questions that the public may have.

Assemblymember Ewing;

- noted his objection to the legislation; and
- spoke in favor of postponement.

Assemblymember Church opined that it would be cleaner to write a new ordinance rather than amend the current ordinance.

Assemblymember Ewing emphasized that he feels it is extremely important to have proper public notice and public involvement on a sales tax ordinance.

Assemblymember Houston noted that he would like to move forward with the amendments prior to postponing.

Assemblymember Church queried if the Assembly is voting on both Ordinance Serial No. 09-055 and Ordinance Serial No. 09-055(SUB).

Ms. McKechnie advised that the main motion only included the substitute ordinance; however both ordinances would move forward until the Assembly makes their final vote.

Assemblymember Bettine stated that until the amendments are made she would not be in favor of postponement.

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

VOTE: The motion to stop debate passed without objection.

VOTE: The primary amendment passed without objection.

MOTION: Assemblymember Ewing moved to postpone Ordinance Serial Nos. 09-055, 09-055(SUB), and 09-056 to a time certain of May 5, 2009.

Assemblymember Houston opined that the amendments that Assemblymember Bettine is recommending are appropriate.

Assemblymember Kluberton stated that he would be voting against postponing until after the amendments are made.

WITHDRAWN: Assemblymember Ewing moved to withdraw his motion.

There was no objection noted.

MOTION: Assemblymember Bettine moved a primary amendment to Ordinance Serial No. 09-056, MSB 3.35.010(A), by striking the phrase "the retirement of voter approved bond indebtedness" and insert in its place "areawide operational expenses" to read: "This sales tax is imposed and collected pursuant to the authority granted by Alaska Statutes (AS 29.45.65 et seq.). The purpose of the tax levied by this chapter is to raise revenue for areawide operation expenses."

VOTE: The primary amendment passed without objection.

MOTION: Assemblymember Bettine moved a primary amendment to Ordinance Serial No. 09-056, MSB 3.35.240, Authority, by renumbering it as MSB 3.35.005.

Assemblymember Ewing queried the renumbering.

Assemblymember Bettine advised that the whole point of the introduction was tax diversification and therefore the section should be in the front of the ordinance to be clear to the voters.

VOTE: The primary amendment passed without objection.

MOTION: Assemblymember Bettine moved to amend Ordinance Serial No. 09-055(SUB), in the third "Whereas" clause, by striking the words "an additional."
VOTE: The primary amendment passed without objection.

MOTION: Assemblymember Bettine moved a primary amendment to Ordinance Serial No. 09-055(SUB), by inserting "of 7.8 mills", in the first line, striking "Boroughwide, including cities", and insert "of \$10,000" in the last line to read: "Areawide Property Tax Limitation of 7.8 mills, 3 Percent Areawide Sales Tax, Residential Property Tax Exemption of \$10,000."

Assemblymember Wells:

- stated that 7.8 mills should be the focus of discussion in the future; and
- opined that he feels mill rate will go down.

VOTE: The primary amendment passed without objection.

MOTION: Assemblymember Bettine moved to amend Ordinance Serial No. 09-055(SUB) fifth "Whereas" clause, by striking the year "2011" and inserting the year "2014."

VOTE: The primary amendment passed without objection.

MOTION: Assemblymember Bettine moved a primary amendment to Ordinance Serial No. 09-055(SUB) and 09-056, by striking the reference of "\$500" dollars and inserting in its place "\$1,000" dollars throughout the ordinances.

Assemblymember Bettine advised the amendment is being made at the suggestion of Finance, as the city of Palmer's sales tax limit is \$1,000.

Assemblymember Ewing opined that it should be in line with the cities of Wasilla and Houston.

VOTE: The amendment passed with Assemblymembers Wells and Ewing in opposition.

MOTION: Assemblymember Houston moved to amend Ordinance Serial No. 09-056, MSB 3.35.050(A)(14), by inserting the phrase "or certified" after the word "licensed" to read as follows: "(A)(14) Sales of goods and services performed in the course of necessary mental and physical treatment by health care providers licensed or certified by the state, including mid-wives, and sales or goods and services performed pursuant to a prescription issued by any of the above licensed health care providers are exempt."

VOTE: The primary amendment passed without objection.

MOTION: Assemblymember Ewing moved to postpone Ordinance Serial Nos. 09-055(SUB) and 09-056 to a time certain of June 2, 2009 at 3:00 p.m.

Assemblymember Bettine queried how the process would work with continuing the public hearing.

Ms. McKechnie:

- noted that should the Assembly choose to make amendments to the legislation on June 2, 2009, that the public hearing could be continued to another date to afford the public an opportunity to speak to the ordinances as amended; and
- advised that there will also be audience participation on the June 2, 2009, agenda.

VOTE: The motion to postpone to a time certain of June 2, 2009, at 3:00 p.m., passed without objection.

(The special meeting recessed at 8:17 pm and reconvened at 8:32 p.m.)

- B. Ordinance Serial No. 09-036: AN ORDINANCE APPROVING AN APPROPRIATION OF \$377,055 FROM THE DISPATCH SERVICES RESERVE FUND, FUND 100, TO THE TELECOMMUNICATIONS FISCAL YEAR 2009 OPERATING BUDGET, FUND 100, TO PAY FOR FISCAL YEAR 2009 DISPATCH SERVICES FROM JANUARY 1, 2009, THROUGH JUNE 30, 2009.
1. IM No. 09-067

Mr. Dennis Brodigan provided a staff report.

Assemblymember Church queried what the city of Palmer had been paid thus far.

Ms. Clayton advised that \$406,807.50 has been paid, which covered July 1, 2008, through December 31, 2008.

Assemblymember Church queried if the city of Palmer operates on a calendar year.

Ms. Clayton affirmed the query.

Assemblymember Bettine:

- noted that the Assembly had previously approved for the manager to enter negotiation with the city of Palmer for the \$813,615; and
- queried if only the first half had been paid.

Mr. Duffy affirmed the query.

Assemblymember Bettine queried at what time did the Borough start to pay monthly.

Mr. Brodigan advised that the monthly payments began after the first payment and after the request for proposals was issued.

Ms. Clayton advised that during budget deliberations last year the Assembly approved paying half the \$813,615 and placing the other half in reserves.

Discussion ensued regarding:

- the contract with the city of Palmer; and
- how the payments have been made to the city of Palmer.

Deputy Mayor Woods opened the public hearing.

The following persons spoke to concerns with the way that the Borough pays the cities: Mayor Roger Purcell, city of Houston; and Mr. Bill Allen, Palmer City Manager.

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

MOTION: Assemblymember Bettine moved to adopt Ordinance Serial No. 09-036.

MOTION: Assemblymember Houston moved a primary amendment to Ordinance Serial No. 09-036, in the fifth and sixth "Whereas" clauses, by striking the reference of the monthly payments and striking "\$377,055.48" and insert in its place "406,807.50."

VOTE: The primary amendment passed without objection.

VOTE: The main motion passed as amended without objection.

Assemblymember Bettine requested that staff be careful when bringing forward legislation, as she spent a lot of time working with the wrong numbers.

VI. ITEMS OF BUSINESS

~~A. Resolution Serial No. 09-029: A RESOLUTION SUPPORTING THE 40 ACRE PARCEL IDENTIFIED AS TAX PARCEL TOWNSHIP 17 NORTH, RANGE 2 EAST, SECTION 9, PARCEL B3, TO REMAIN AS AGRICULTURAL LAND CONSISTENT WITH THE INTENT OF THE ALASKA FARMLAND TRUST CORPORATION AND THE MATANUSKA-SUSITNA BOROUGH CORE AREA COMPREHENSIVE PLAN.~~

~~(1) IM No. 09-088~~

A. Resolution Serial No. 09-030: A RESOLUTION REQUESTING THAT THE STATE LEGISLATURE ACCEPT FUNDS FROM THE AMERICAN RECOVERY AND REINVESTMENT ACT FOR EDUCATION AND NUTRITIONAL PROGRAMS.

(1) IM No. 09-089

MOTION: Assemblymember Wells moved to adopt Resolution Serial No. 09-030.

Assemblymember Wells:

- noted that Governor Palin introduced a bill regarding the American Recovery and Reinvestment Act in 2009;
- spoke to the items that were not included in Governor Palin's bill;

- stated that there was a resolution passed by the Legislature noting their support in accepting the stimulus money;
- noted that when Governor Palin introduced this bill, she advised she wanted public discussion; and
- noted that the Assembly is holding a public discussion by having the legislation before the Assembly for consideration.

MOTION: Assemblymember Bettine moved a primary amendment to Resolution Serial No. 09-030, by inserting a fifth whereas clause to read: "WHEREAS, it can reduce the burden on local taxpayers; and."

Discussion ensued regarding:

- School District grants that no longer exist;
- sustainability versus short term value of stimulus monies; and
- the need for caution should strings be attached to the stimulus monies.

VOTE: The primary amendment passed without objection.

VOTE: The main motion passed as amended without objection.

VII. AUDIENCE PARTICIPATION

The following person spoke regarding concerns with the Nelson Road Extension and the South Palmer Elementary School: Ms. Monica Swan and Mr. Randy Dellar.

The following person spoke regarding progress of the City of Houston: Mayor Roger Purcell, city of Houston.

The following person spoke in favor of the School District receiving funds from the Recovery and Reinvestment Act funds: Ms. Jill Showman, Mat-Su Education Association President.

MOTION: Assemblymember Bettine moved to extend the meeting past 10: p.m. and not to exceed 10:30 p.m.

VOTE: The motion passed with Assemblymember Ewing in opposition.

VIII. EXECUTIVE SESSION *(for matters, 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 confidential.)*

A. NPI Litigation

MOTION: Assemblymember Bettine moved to enter into executive session for matters, 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 confidential, specifically to discuss the NPI

Litigation. Those present during the executive session were: the Members of the Assembly, the Manager, the Attorney, and the Clerk.

VOTE: The motion passed without and the Assembly moved into executive session at 9:30 p.m.

MOTION: Assemblymember Bettine moved to exit executive session.

VOTE: The motion passed without objection and the Assembly exited executive session at 10:14 p.m.

IX. MAYOR, ASSEMBLY, AND STAFF COMMENTS

Assemblymember Ewing stated that he was proud to represent the Borough at the opening of the Veterans Clinic on Seward-Meridian.

Assemblymember Church queried when the formal grand opening of the new animal shelter would be.

Mr. Duffy stated that the formal opening will take place in June.

Assemblymember Wells:

- commented that he attended two of the motorized user group meetings that were hosted by the Alaska State Department of Natural Resources; and
- related that they were very well attended both nights.

Assemblymember Bettine spoke to the need for proper communication with Ms. Monica Swan, in order for her to be better informed.

Mr. Duffy advised that he is in communication with Ms. Swan.

X. ADJOURNMENT

The regular meeting adjourned at 10:17 p.m.


LYNNE WOODS, Deputy Borough Mayor

ATTEST:


LONNIE R. McKECHNIE, CMC, Borough Clerk

Minutes approved: 04/21/09

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