

I. CALL TO ORDER

The regular meeting of the Matanuska-Susitna Borough Assembly was held on April 19, 2005, at the Borough Assembly Chambers, 350 E. Dahlia Avenue, Palmer, Alaska. The meeting was called to order at 6 p.m. by Mayor Anderson.

II. ROLL CALL

Assembly members present and establishing a quorum were:

Ms. Lynne Woods, Assembly District No. 1 (*arrived at 6:30 p.m.*)
Mr. Bill Allen, Assembly District No. 2 (*via teleconference*)
Mr. Talis J. Colberg, Assembly District No. 3 (*via teleconference*)
Ms. Mary Kvalheim, Assembly District No. 4
Mr. Jim Colver, Assembly District No. 6 (*Deputy Mayor*)
Ms. Jody Simpson, Assembly District No. 5
Ms. Betty Vehrs, Assembly District No. 7

Staff in attendance were:

Ms. Michelle M. McGehee, CMC, Borough Clerk
Mr. John Duffy, Borough Manager
Ms. Teresa S. Williams, Borough Attorney
Ms. Janice A. Case, Deputy Borough Clerk
Ms. Marian Romano, Assistant Borough Manager
Ms. Tammy Clayton, Finance Director
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. Marc VanDongen, Port Director
Mr. Allen Black, Borough Assessor

III. APPROVAL OF AGENDA

Mayor Anderson noted that the executive session would be taken up after item 6B, Committee Reports.

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

IV. PLEDGE OF ALLEGIANCE

The Pledge of Allegiance was led by Mr. Denis Lazarus, a former member of the Office of Administrative Hearings.

V. MINUTES OF PRECEDING MEETINGS

A. Special Assembly Meeting: 04/05/05

Mayor Anderson inquired if there were any corrections to the special meeting minutes of April 5, 2005.

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

B. Regular Assembly Meeting: 04/05/05

Mayor Anderson inquired if there were any corrections to the regular meeting minutes of April 5, 2005.

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

VI. REPORTS/CORRESPONDENCE

A. AGENCY REPORTS

1. Reports from cities

Wasilla City

Councilmember Mark Ewing:

- reported that the cities of Houston, Palmer, and Wasilla held a joint work session last night regarding transportation issues, joint trail use, the history of the Valley, and sales tax;
- stated that the cities will be creating a committee consisting of two members from each city to work with the Borough on joint trail use;
- noted that they also discussed composing a history of the Borough to teach at the elementary school level within the Borough;
- stated that the property issues at the Wasilla Sports Complex are coming to a conclusion pending an appraisal;
- noted that the outdoor show at the Wasilla Sports Complex was a big success last weekend;
- discussed the Alaska Gasline Port Authority presentation given to the Wasilla City Council; and
- commented that he enjoyed being part of the groundbreaking ceremony for the new Wasilla Area Elementary School.

Assemblymember Kvalheim inquired if the members from the Borough would be on the joint trail use committee.

Councilmember Ewing:

- replied that there was discussion on including the Borough in the committee; and
 - noted that there is a joint Assembly and cities work session scheduled for April 28, 2005.
2. Matanuska-Susitna Borough School District

School Board President Chmielewski:

- noted that the students have recently completed the assessment tests;
- stated that many of the results will not be available until August;
- recommended that the members of the Assembly take a practice version of the test;
- noted that the School Board recently finished two days extensively reviewing the process for curriculum and performance-based budgeting;
- commented that there were approximately 50 members of the community in attendance;
- stated that the School Board would be discussing the process at their upcoming meeting to determine whether or not to use the process to better prepare the budget; and
- noted that on April 26, 2005, they would be giving their budget presentation to the Assembly.

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.

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 NPI, LLC port contract with the Borough and the non-claim overages on the Port MacKenzie deep draft dock construction.*)

MOTION: Assemblymember Colver moved to enter 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 NPI, LLC port contract with the Borough and the non-claim overages on the Port MacKenzie deep draft dock construction.

VOTE: The motion to enter executive session passed without objection and the Assembly entered executive session at 6:25 p.m. Those present during the executive session were the Mayor, members of the Assembly, the Manager, the Clerk, the Attorney, the Finance Director, the Port Director, the Assistant Manager, and Mr. Glenn Price. Mr. Price was present only during the NPI, LLC port contract

discussion. The Port Director was only present during the non-claim overages on the Port MacKenzie deep draft dock construction discussion.

(Assemblymember Woods arrived at 6:35 p.m.)

MOTION: Assemblymember Colver moved to exit executive session at 7 p.m. and to reconvene in executive session after item XI on the agenda in order to continue discussions on the non-claim overages on the Port MacKenzie deep draft dock construction.

VOTE: The motion to exit executive session passed without objection and the Assembly exited executive session at 7 p.m.

(The regular meeting recessed at 7 p.m. and reconvened at 7:15 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, LLC. in Palmer, Alaska

Mr. Hawkins:

- discussed the lack of space in the Dorothy Swanda Jones Building;
- discussed his plans to build the Legacy Building in Palmer; and
- asked if the Assembly would consider putting out a request for proposal (RFP) for professional space.

B. PUBLIC HEARINGS (Three minutes per person.)

1. Ordinance Serial No. 05-041: AN ORDINANCE ACCEPTING THE FINAL REPORT OF CRITICAL HABITATS, INC., ON WETLAND MITIGATION BANKING OF BOROUGH-OWNED LAND; ESTABLISHING A NEW SECTION IN CODE CREATING A WETLAND MITIGATION BANK AND DEFINING ITS PURPOSES AND FUNCTIONS; AUTHORIZING THE MANAGER TO CREATE PRIVATE CONSERVATION EASEMENTS FOR WETLAND MITIGATION BANKING; AND AUTHORIZING A REQUEST FOR PROPOSALS FOR CREATION AND OPERATION OF A WETLAND MITIGATION BANK.

a. IM No. 05-052

Mr. Swanson:

- noted that this would be the first wetland mitigation bank program in Alaska if the Assembly adopted Ordinance Serial No. 05-041;
- discussed wetland mitigation banking; and
- recommended going out for a request for proposal (RFP) because it takes a high level of expertise.

Mayor Anderson opened the public hearing.

The following person spoke in support of Ordinance Serial No. 05-041 and discussed increasing the scope of coverage: Mr. Garvin 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. 05-041.

VOTE: The motion passed without objection.

2. Ordinance Serial No. 05-042: AN ORDINANCE AMENDING MSB 23.05.100(A)(15), THE CLASSIFICATION OF WATERSHED LANDS AND ADOPTING MSB 23.05.100(A)(17), A NEW LAND CLASSIFICATION OF WETLAND BANK LAND.
 - a. IM No. 05-053

Mr. Swanson provided a staff report.

Mayor Anderson opened the public hearing.

The following person suggested an amendment to Ordinance Serial No. 05-042 to protect water sources: Mr. Garvin Bucaria.

The following person inquired if the Assembly understood the legislation regarding wetlands: Ms. Annette Harpster.

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. 05-042.

(The regular meeting recessed at 7:39 p.m. and reconvened at 7:43 p.m.)

MOTION: Assemblymember Vehrs moved a primary amendment to MSB 23.05.100(A)(15) to insert, “may be forested at a high or moderate relief which will direct water to low lying areas” to read, “ ‘Watershed lands’ are lands that may be forested at a high or moderate relief which will direct water to low lying areas covered or saturated by surface or groundwater sufficient to normally support vegetation found in areas such as riparian, swamps, marshes, bogs, estuaries, and similar areas.”

VOTE: The primary amendment passed with Assemblymembers Colberg and Simpson in opposition.

VOTE: The motion passed as amended without objection.

3. Ordinance Serial No. 05-043: AN ORDINANCE CLASSIFYING BOROUGH-OWNED LAND WITHIN SECTIONS 1, 3, 4, 10, AND 12, TOWNSHIP 16 NORTH, RANGE 6 WEST, SEWARD MERIDIAN, ALASKA (FISH CREEK AREA) AS WETLAND BANK AND AGRICULTURE; AND LAND WITHIN SECTIONS 5, 8, 10, 20, AND 29, TOWNSHIP 16 NORTH, RANGE 3 WEST, SEWARD MERIDIAN, ALASKA (BIG LAKE AND POINT MACKENZIE AREAS), SECTIONS 10, 29, 31, AND 32, TOWNSHIP 17 NORTH, RANGE 5 WEST, SEWARD MERIDIAN, ALASKA (FISH CREEK AND DELYNDIA LAKE AREAS), SECTIONS 12, 13, 17, 18, 19, 20, 23, 24, AND 30, TOWNSHIP 16 NORTH, RANGE 4 WEST, SEWARD MERIDIAN, ALASKA (POINT MACKENZIE, DIAMOND LAKE, SEVEN MILE LAKE, CARPENTER LAKE AREAS) AS WETLAND BANK AND PUBLIC RECREATION (MSB 004260).
 - a. IM No. 05-054

Mr. Swanson provided a staff report.

Mayor Anderson opened the public hearing.

The following person emphasized the importance of public knowledge and discussed including additional areas in the wetland mitigation bank: Mr. Garvin Bucaria.

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

MOTION: Assemblymember Simpson moved to adopt Ordinance Serial No. 05-043.

Assemblymember Simpson spoke in support of Ordinance Serial No. 05-043.

VOTE: The motion passed without objection.

4. Ordinance Serial No. 05-044: AN ORDINANCE ACCEPTING AND APPROPRIATING \$62,500 FROM THE ALASKA STATE DIVISION OF EMERGENCY SERVICES, AND \$187,500 FROM THE HAZARD MITIGATION GRANT PROGRAM, AND APPROPRIATING \$13,650 FROM THE 2004 SERIES B GENERAL OBLIGATION SCHOOL BOND INTEREST EARNINGS TO FUND 400 FOR THE PURCHASE AND INSTALLATION OF ROOF STRAPPING SYSTEMS FOR SELECTED BOROUGH SCHOOLS.
 - a. Resolution Serial No. 05-037: A RESOLUTION APPROVING THE SCOPE OF WORK AND BUDGET FOR THE SCHOOL ROOF UPGRADES HAZARD MITIGATION, PROJECT NO. 40158, FUND 400.
 - (1) IM No. 05-071

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. 05-044 and Resolution Serial No. 05-037.

VOTE: The motion passed without objection.

5. Ordinance Serial No. 05-045: AN ORDINANCE ACCEPTING AND APPROPRIATING \$2,885.50 TO FUND 480, PROJECT NO. 45009, FROM BARB AND LOUIS LACHER FOR THE SEVEN MILE CANOE LAKE SIGNAGE PROJECT.
 - a. Resolution Serial No. 05-038: A RESOLUTION APPROVING THE SCOPE OF WORK AND BUDGET FOR THE SEVEN MILE CANOE TRAIL SIGN PROJECT.
 - (1) IM No. 05-076

Mr. Swanson 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 Kvalheim moved to adopt Ordinance Serial No. 05-045 and Resolution Serial No. 05-038.

VOTE: The motion passed without objection.

6. Ordinance Serial No. 05-046: AN ORDINANCE REPEALING MSB 3.37, REAL ESTATE TRANSFER FEE.
 - a. Ordinance Serial No. 05-047: AN ORDINANCE REPEALING REGULATIONS FOR THE REAL ESTATE TRANSFER FEE, MSB 3.37.
(Sponsors: Assemblymembers Kvalheim and Vehrs)
 - (1) IM No. 05-079

Mr. Duffy provided a staff report.

Assemblymember Vehrs inquired regarding the amount of funds that the Borough has collected to date.

Ms. Clayton replied that the Borough has collected \$530,000 through the end of February.

Mayor Anderson inquired where the funds would come from for the refund.

Ms. Clayton:

- stated that the real estate transfer fee was credited to the general areawide fund and the refunds would come out of the general areawide fund;
- noted that the funds were included in the budget last year with the corresponding increased amount allocated to education;
- explained that if these funds were refunded the revenue would be reduced and the Borough would have to see what would occur once the fiscal year is closed out; and
- noted that sometimes during the year the Borough collects revenues in excess of the budget, and expenditures do not always equal the budget.

Mayor Anderson inquired what would happen hypothetically if the revenues equaled the expenditures.

Ms. Clayton replied that if the expenditures did equal the revenues then this legislation would reduce the amount of the minimum fund balance and in accordance with code, the Manager would be required within a specified time period to identify how the funds would be made up.

Discussion ensued regarding the effects of repealing and refunding the real estate transfer fee.

Mayor Anderson opened the public hearing.

The following persons spoke in support of Ordinance Serial Nos. 05-046 and 05-047: Mr. Kibe Lucas, Mr. Jim Swing, Ms. Casey Steinau, Mr. Don Zimmerman, Mr. Ron Zmuda, Mr. Mike Price, and Ms. Jean Woods.

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 Nos. 05-046 and 05-047.

Assemblymember Kvalheim spoke in support of Ordinance Serial Nos. 05-046 and 05-047.

VOTE: The motion passed with Assemblymember Allen in opposition.

(The regular meeting recessed at 8:22 p.m. and reconvened at 8:37 p.m.)

7. Ordinance Serial No. 05-048: AN ORDINANCE AMENDING MSB 5.25.022, SOUTH COLONY ROAD SERVICE AREA NO. 16, TO ADD A LEGAL DESCRIPTION AND TO AMEND THE BOUNDARIES AFFECTED BY THE TRUNK ROAD REALIGNMENT.
 - a. Ordinance Serial No. 05-049: AN ORDINANCE AMENDING MSB 5.25.016, MIDWAY ROAD SERVICE AREA NO. 9, TO AMEND THE BOUNDARIES AFFECTED BY THE TRUNK ROAD REALIGNMENT.
 - (1) IM No. 05-084

Ms. McGehee provided a staff report.

Assemblymember Colver requested a map showing the exact location reflecting the legal description.

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 Nos. 05-048 and 05-049.

MOTION: Assemblymember Colver moved to postpone Ordinance Serial Nos. 05-048 and 05-049 to the May 3, 2005, regular Assembly meeting *[in order to obtain more information on the legal description as written]*.

VOTE: The motion to postpone passed without objection.

8. Ordinance Serial No. 05-050: AN ORDINANCE AMENDING MSB 1.50.040, EXEMPTION FOR PARTICULAR RECORDS, TO ADD A SUBSECTION TO ENSURE THAT FINANCIAL INFORMATION SUBMITTED BY PROPERTY OWNERS TO THE BOROUGH ASSESSOR IS CONSIDERED CONFIDENTIAL INFORMATION UNDER MSB 1.50.040.
 - a. IM No. 05-085

Mr. Black provided a staff report.

Assemblymember Colver inquired regarding the approach the Assessments Division uses to determine assessed values.

Mr. Black replied that there are different approaches such as, using income in relationship to value, or using an interest rate and capitalizing net income to value.

Assemblymember Colver:

- stated that normally an appraisal will be done with an income approach and a comparative value approach; and
- inquired if the Borough uses the higher or the lower value.

Mr. Black:

- replied that if the Borough uses more than one approach, they will reconcile the values to attempt to determine which value is the best; and
- noted that it may not be one of the two, it may lay in between the two different values.

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. 05-050.

VOTE: The motion passed without objection.

9. Ordinance Serial No. 05-051: AN ORDINANCE AMENDING MSB 3.15.030(B) CONCERNING ELIGIBILITY REQUIREMENTS FOR SENIOR CITIZENS AND DISABLED VETERANS TO RECEIVE TAX EXEMPTIONS THROUGH USE OF PERMANENT FUND RECORDS.
 - a. IM No. 05-086

Mr. Black 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. 05-051.

VOTE: The motion passed without objection.

10. Ordinance Serial No. 05-052: AN ORDINANCE ACCEPTING AND APPROPRIATING A \$5,500 GRANT TO FUND 440, PROJECT NO. 15015, FROM THE UNITED STATES FISH AND WILDLIFE SERVICE FOR RIVER CROSSINGS AT MCROBERTS CREEK AS PART OF THE PLUMLEY MAUD TRAIL IMPROVEMENTS.
 - a. Resolution Serial No. 05-039: A RESOLUTION APPROVING THE SCOPE OF WORK AND BUDGET FOR RIVER CROSSINGS AT MCROBERTS CREEK AS PART OF THE PLUMLEY MAUD TRAIL IMPROVEMENTS.
 - (1) IM No. 05-087

Mayor Anderson opened the public hearing.

The following person spoke in support of Ordinance Serial No. 05-052 and Resolution Serial No. 05-039: Ms. Jean Woods.

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

MOTION: Assemblymember Woods moved to adopt Ordinance Serial No. 05-052 and Resolution Serial No. 05-039.

Assemblymember Woods:

- commented that it is through the hard work of volunteers that these improvements are occurring; and
- thanked the citizens committed to making these improvements.

VOTE: The motion passed without objection.

C. AUDIENCE PARTICIPATION (Three minutes per person.)

The following persons spoke in opposition to Ordinance Serial No. 05-026(SUB): Mr. Richard Burgener and Mr. William Bouterse.

The following persons spoke in support of Ordinance Serial No. 05-026: Mr. Terry Nininger, a representative of NPI, LLC and Mr. Dale Rich, President of Horizons Natural Resources.

The following person spoke regarding Ordinance Serial No. 05-026 and suggested that the layout of the timber sale may not be conducive to the residents in the Montana Creek area, and urged the Assembly to limit the size of clear cuts on Borough lands: Mr. Garvin Bucaria.

The following person spoke regarding the vice-chair of the Platting Board's comments at the Knik Arm Bridge and Toll Authority meeting and spoke in opposition to Ordinance Serial No. 05-026: Ms. Jean Woods.

The following person spoke regarding non-profit organizations such as Valley Recycling receiving funds from the Borough: Ms. Annette Harpster.

C. MANAGER COMMENTS

1. State/Federal Legislation

Mr. Duffy:

- stated that he, Mayor Anderson, Assemblymember Colberg, and Assemblymember Simpson recently traveled to Washington, D.C. and met with the Federal Delegation, the Delegation's various staff members, staff members of various agencies, the Borough's federal lobbyist team, and members of the Governor's Office;
- discussed the meetings that took place in Washington, D.C.;
- noted that the latest federal lobbyist report has been included in the Manager's report;
- reported that on April 14, 2005, he and Mr. Gillespie met with Senator Green and Representatives Stoltze, Newman, and Kohring, and Alaska State Department of Corrections Commissioner Antrim to discuss the Sutton Prison expansion proposal;
- noted that they also discussed the status of the Hatcher Pass project, school construction funding, and the need to secure funding for the Public Employees Retirement System/Teacher Employee Retirement System (PERS/TERS);
- noted that he met with Senator Huggins on April 15, 2005, to discuss the Hatcher Pass project, road maintenance funding, Matanuska River erosion management, and transportation funding in general;

- stated that at Senator Green's request, he and Mr. Brodigan met with Mr. Healy and Chief Boatright from the city of Palmer, Mayor Keller, and Chief Savage from the city of Wasilla, and Deputy Commissioner Bachman of the Alaska State Department of Public Safety to address the newly proposed legislation that makes basic dispatch services eligible for 911 funding;
- noted that the agenda for the Big Lake Watershed Forum to be held on April 20, 2005, at the Wasilla Sports Complex from 8 a.m. to 4 p.m., has been included in the Manager's report;
- noted that draft legislation on timber harvesting in the Borough has been placed in the red folder and requested that the Assembly schedule a work session to discuss the legislation; and
- stated that the Borough received notice today from the Alaska State Department of Transportation and Public Facilities that they have been issued an exception for the Matanuska River project.

Assemblymember Vehrs:

- directed the Manager to develop and schedule an work session where the Assembly may discuss the draft documents distributed tonight on forest management, the economics associated with various forest uses, and to allow information from other commercial and non-commercial users of our forests such as house log firms, birch syrup companies, bowl manufacturers, forest biologist or conservationist, and tourism/recreation groups; and
- requested that the Clerk place this item on the tracking report.

Assemblymember Colver voiced concern regarding the 911 surcharge legislation.

Mayor Anderson:

- opined that the Manager's report and the report from the federal lobbyist do not accurately represent the Washington D.C. trip;
- discussed the need to support the priority list adopted by the Assembly when lobbying; and
- asked that the Assembly to consider requiring the presentations that will be presented on these trips be given to the Assembly ahead of time for review.

Assemblymember Simpson:

- opined that the reports did accurately reflect the trip; and
- stated that individual members of the Assembly should be speaking for the Assembly as a team whether or not they individually support the project.

Assemblymember Vehrs stated that she would like to see a tentative agenda and any presentations before these trips occur.

Discussion ensued regarding:

- the recent trip to Washington D.C.; and
- policies for future trips.

D. ATTORNEY COMMENTS

(There were no attorney comments presented.)

E. CLERK COMMENTS

Ms. McGehee:

- reviewed the upcoming meeting schedule for April and May; and
- noted that the public hearings for the budget are tentatively scheduled for May 5th and 10th at the Central Mat-Su Public Safety Building.

Mayor Anderson:

- noted that the public hearing scheduled for May 10, 2005, needed to be rescheduled to May 12, 2005;
- stated that some members of the Assembly will be out of town on May 10th and discussed the importance of everyone being in attendance; and
- asked if there was any objection to scheduling special meetings on May 24, 2005, and May 26, 2005, for finalization and adoption of the budget.

There was no objection noted.

Ms. McGehee noted that she has received a request for a work session on crime mapping.

Assemblymember Colver requested that a crime map be prepared and that the Assembly schedule a work session to discuss the crime map with the Mayor's Blue Ribbon Task Force on Police Powers.

Mayor Anderson:

- stated that he would also like to schedule a work session to discuss police powers in the Borough; and
- suggested scheduling the meeting in June with the intention that the Assembly draft legislation for the ballot regarding police powers and how the Borough would pay for them.

Discussion ensued regarding a work session on police powers in the Borough.

Ms. McGehee inquired if the Assembly wanted to move forward with scheduling a work session on forest management.

Mr. Duffy recommended that the Assembly take a couple of weeks to review the proposed legislation and discuss scheduling a work session at the May 17, 2005, regular Assembly meeting.

Ms. McGehee:

- noted that no Committee of the Whole meetings regarding economic development have been scheduled, as Administration is gathering some information;
- noted that the agendas for the April 26, 2005, work session, April 28, 2005, joint Assembly/Municipality of Anchorage, and April 28, 2005, joint Assembly/Houston, Palmer, and Wasilla City Councils has been included in the Clerk's report;
- reported that she has scheduled school tours for Sherrod Elementary School 3rd Grade on June 1 and 3;
- requested that the Assembly contact her with any budget amendments;
- noted that the new Acumen project employee, Sonja Posey, has started her training this week at the Borough;
- provided an update on the quasi-judicial boards; and
- noted that the tracking report has been included for the member's review.

F. CITIZEN AND OTHER CORRESPONDENCE

1. MSB Board/Committee Minutes:
 - a. Emergency Medical Services Board: 02/02/05, 03/02/05
 - b. Enhanced 911 Advisory Board: 02/08/05, 03/08/05
 - c. Library Board: Resolution Serial No. 05-01
 - d. Local Emergency Planning Committee: 02/16/03
 - e. Talkeetna Fire Service Area No. 24: 02/24/05, 03/24/05
 - f. Talkeetna Water and Sewer Service Area No. 36: 02/24/05
 - g. Parks, Recreation, and Trails Advisory Board: 02/28/05, Resolution Serial No. 05-06
2. Community Council Correspondence:
 - a. Glacier View Community Council: 03/24/05
 - b. Y Community Council: 03/03/05
3. Other Board/Committee Correspondence:
 - a. Cook Inlet Aquaculture Association: 01/15/05

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

G. INFORMATIONAL MEMORANDUMS

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

VIII. UNFINISHED BUSINESS

- A. Ordinance Serial No. 05-026: AN ORDINANCE AUTHORIZING THE SALE OF TIMBER WITHIN APPROXIMATELY 900 ACRES OF BOROUGH-OWNED LAND DESCRIBED AS THE NORTH SHEEP CREEK FOREST MANAGEMENT UNIT TO APPLICANT NPI, LLC. (MSB004323) WITH A VALUE GREATER THAN \$25,000. *(Motion pending 03/01/05) (Proposed substitute included in packet.)*
 1. IM No. 05-038

2. IM No. 05-058

MOTION PENDING: Assemblymember Vehrs moved to adopt Ordinance Serial No. 05-026.

MOTION: Assemblymember Vehrs moved to postpone Ordinance Serial No. 05-026 indefinitely.

Assemblymember Vehrs:

- referred to MSB 23.10.090(B)(2), which states that a person is not a qualified applicant or bidder if, “the person is currently in breach or default on any contract or lease for real property transactions in which the borough has an interest;”
- stated that NPI, LLC is currently in default with the Borough; and
- spoke to postponing the legislation indefinitely.

Assemblymember Simpson:

- spoke in opposition to postponing indefinitely;
- opined that the payments in default could be worked out; and
- spoke in support of postponing the legislation to a time certain.

Assemblymember Vehrs spoke to postponing the legislation indefinitely.

Assemblymember Simpson:

- stated that the Borough should have reasonable access to their resources;
- noted that 70 percent of assessed property is in the core area;
- commented that it costs \$19,495 to educate a student in Trapper Creek;
- noted that the solid waste facility in Trapper Creek is losing approximately \$58,000 per year and that the Talkeetna solid waste facility is losing approximately \$80,000 per year;
- stated that the Borough needs to use our resources to offset some of the costs; and
- urged the Assembly not to postpone the legislation indefinitely.

Assemblymember Woods spoke in support of postponing to a time certain in order to address the issues with the timber sale.

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

MOTION: Assemblymember Simpson moved to postpone Ordinance Serial No. 05-026 to the August 2, 2005, regular Assembly meeting.

VOTE: The motion to postpone to a time certain passed without objection.

B. AM No. 05-041: AUTHORIZATION OF CHANGE ORDER NO. 4 TO LOUNSBURY & ASSOCIATES, CONTRACT NO. 04-093, IN THE AMOUNT OF \$20,000 FOR ADDITIONAL WORK ON THE MEADOW LAKES ELEMENTARY SCHOOL TURN LANES AND HIGHWAY LIGHTING DESIGN PROJECT. *(Motion pending 04/05/05)*

MOTION PENDING: Assemblymember Vehrs moved to approve AM No. 05-041.

Mr. Shiesl:

- reported that the majority of the costs in the change order are in administrative services, which were not included in the original contract; and
- noted that the total project cost is estimated to be less than \$20,000.

VOTE: The motion passed without objection.

IX. NEW BUSINESS

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

1. Ordinance Serial No. 05-053: AN ORDINANCE ACCEPTING AND APPROPRIATING A \$14,500 GRANT FROM THE ALASKA STATE DEPARTMENT OF NATURAL RESOURCES, DIVISION OF AGRICULTURE TO FUND 480, PROJECT NO. 20205, FOR A MATERIALS ASSESSMENT WITHIN THE FISH CREEK MANAGEMENT PLAN AREA.
 - a. Resolution Serial No. 05-045: A RESOLUTION APPROVING THE SCOPE OF WORK AND BUDGET FOR PROJECT NO. 20205, FUND 480 AND AUTHORIZING THE MANAGER TO ENTER INTO A CONTRACTUAL SERVICES AGREEMENT WITH THE STATE OF ALASKA FOR A MATERIALS ASSESSMENT WITHIN THE FISH CREEK MANAGEMENT PLAN AREA.
 - (1) IM No. 05-090
2. Ordinance Serial No. 05-054: AN ORDINANCE REAPPROPRIATING \$40,000 FROM FUND 100, AREAWIDE FUND, COMMUNITY DEVELOPMENT ADMINISTRATION DIVISION FISCAL YEAR 2005 OPERATING BUDGET TO FUND 480, PROJECT NO. 45159 FOR THE STUDENT CONSERVATION ASSOCIATION AND AMERICORPS SUMMER 2005 WORK PROJECTS.
 - a. Resolution Serial No. 05-046: A RESOLUTION APPROVING THE SCOPE OF WORK AND BUDGET FOR THE STUDENT CONSERVATION CORPS AND AMERICORPS CREWS FOR THE SUMMER 2005 WORK SEASON.
 - (1) IM No. 05-091
3. Ordinance Serial No. 05-055: AN ORDINANCE APPROPRIATING \$50,000 OF THE INTEREST EARNINGS ON THE PROCEEDS OF THE 2001 SERIES A, GENERAL OBLIGATION BONDS TO FUND 400, SCHOOL CAPITAL PROJECTS, PROJECT NO. 40158 TO ALLOW COMPLETION OF THE DESIGN OF THE ROOF REPLACEMENT AT SU VALLEY HIGH SCHOOL.
 - a. Resolution Serial No. 05-047: A RESOLUTION AMENDING THE SCOPE OF WORK AND BUDGET FOR THE SU VALLEY HIGH SCHOOL ROOF REPLACEMENT.
 - (1) IM No. 05-093

4. Ordinance Serial No. 05-056: AN ORDINANCE APPROVING THE REAPPROPRIATION OF \$48,171 FROM THE PLANNING DEPARTMENT'S OPERATING BUDGET, FUND 100, TO FUND 480, PROJECT NO. 20349 FOR THE HUMAN SERVICES COMMUNITY MATCHING GRANT PROGRAM.
 - a. Resolution Serial No. 05-048: A RESOLUTION AUTHORIZING THE MANAGER TO AMEND THE HUMAN SERVICES COMMUNITY MATCHING GRANT AGREEMENTS.
 - (1) IM No. 05-096

5. Ordinance Serial No. 05-057: AN ORDINANCE ACCEPTING AND APPROPRIATING \$4,120 FROM THE ALASKA STATE DIVISION OF HOMELAND SECURITY AND EMERGENCY MANAGEMENT TO THE BOROUGH LOCAL EMERGENCY PLANNING COMMITTEE, FUND 480, PROJECT NO. 20259, FOR FISCAL YEAR 2005 OPERATIONS.
 - a. Resolution Serial No. 05-049: A RESOLUTION AMENDING THE SCOPE OF WORK AND BUDGET FOR PROJECT NO. 20259, FUND 480, FOR THE FISCAL YEAR 2005 LOCAL EMERGENCY PLANNING COMMITTEE OPERATIONS.
 - (1) IM No. 05-099

- B. INTRODUCTION (For public hearing - 05/05/05, 7 p.m., Central Mat-Su Public Safety Building and on 05/12/05, 7 p.m., Central Mat-Su Public Safety Building)
 1. Ordinance Serial No. 05-005: AN ORDINANCE APPROPRIATING MONIES FROM THE CENTRAL TREASURY AND ESTABLISHING THE RATE OF LEVY FOR ALL BOROUGH FUNCTIONS FOR THE FISCAL YEAR BEGINNING JULY 1, 2005 AND ENDING JUNE 30, 2006.

- C. INTRODUCTION (For public hearing - 06/07/05, 7 p.m., Borough Assembly Chambers)
 1. Ordinance Serial No. 05-036: AN ORDINANCE CREATING SILVER BULLET CIRCLE ROAD PAVING LOCAL IMPROVEMENT DISTRICT NO. 409, 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. 05-072

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 hearings for May 3, 2005, May 5, 2005, May 12, 2005, and June 7, 2005, respectively.

VOTE: The motion passed without objection.

B. CONSENT AGENDA (Resolution Serial No. 05-054 and AM No. 05-050 were pulled from the consent agenda and addressed separately. See pp. 19 of 23)

1. RESOLUTIONS

a. Resolution Serial No. 05-050: A RESOLUTION AMENDING THE SCOPE OF WORK AND BUDGET FOR THE WILLOW PUBLIC SAFETY BUILDING (STATION 12-1), PROJECT NO. 45089, TO ALLOW FOR MAINTENANCE, REPAIRS, AND IMPROVEMENTS TO THE FACILITY.

(1) IM No. 05-094

b. Resolution Serial No. 05-051: A RESOLUTION ESTABLISHING THE MINIMUM LEVEL OF FUNDING FOR THE MATANUSKA-SUSITNA BOROUGH SCHOOL DISTRICT FOR THE FISCAL YEAR ENDING JUNE 30, 2006.

(1) IM No. 05-095

c. Resolution Serial No. 05-052: A RESOLUTION APPROVING THE SCOPE OF WORK AND BUDGET FOR THE PURCHASE OF RESCUE EQUIPMENT TO BE LOCATED AT THE GREATER PALMER FIRE SERVICE AREA, PROJECT NO. 45167, FUND 425.

(1) IM No. 05-098

d. Resolution Serial No. 05-053: A RESOLUTION AMENDING THE DATES THE BOARD OF EQUALIZATION MEETS TO HEAR THE 2005 APPEALS.

(1) IM No. 05-103

2. ACTION MEMORANDUMS

a. AM No. 05-043: APPROVAL OF CHANGE ORDER NO. 3 TO MCCOOL CARLSON GREEN IN THE AMOUNT OF \$59,156 FOR ADDITIONAL WORK ON THE WASILLA AREA ELEMENTARY SCHOOL DESIGN SERVICES, PROJECT NO. 40146.

b. AM No. 04-044: AWARD OF BID NO. 05-112 TO ARCTIC STRIPING INC., IN THE AMOUNT OF \$49,805 FOR PAINTING YELLOW CENTERLINES ON APPROXIMATELY 30 MILES OF EXISTING ROADS AND WHITE EDGE LINES ON SELECTED ROADS.

c. AM No. 05-045: AUTHORIZING THE MANAGER TO ENTER INTO AN AUTOMATIC AND MUTUAL AID IN FIRE AND RESCUE AGREEMENT WITH THE CITY OF HOUSTON.

d. AM No. 05-046: AUTHORIZING THE MANAGER TO ENTER INTO AN AUTOMATIC AND MUTUAL AID IN FIRE PROTECTION AGREEMENT WITH THE CITY OF PALMER.

- e. AM No. 05-047: APPROVAL OF THE RESCUE SERVICES CONTRACT WITH THE CITY OF PALMER IN THE AMOUNT OF \$24,000 AND AUTHORIZING THE MANAGER TO ENTER INTO A MUTUAL AID AGREEMENT FOR RESCUE SERVICES.
- g. AM No. 05-051: AWARD OF PROPOSAL NO. 05-063 TO MCCOOL CARLSON GREEN IN AN AMOUNT NOT TO EXCEED \$1,518,720 FOR ARCHITECTURAL/ENGINEERING SERVICES TO DESIGN THE NEW CAREER CENTER-VOCATIONAL HIGH SCHOOL.
- h. AM No. 05-052: AWARD OF BID NO. 05-106 TO GOERTZ CONSTRUCTION FOR THE CONTRACT AMOUNT OF \$859,223 TO COMPLETE THE FIRE SPRINKLER SYSTEM AND REPLACE OVERHEAD LIGHTING IN SELECTED AREAS OF PALMER JUNIOR MIDDLE SCHOOL.

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.

- e. Resolution Serial No. 05-054: A RESOLUTION SUPPORTING HOUSE BILL (HB) 49, RELATING TO MUNICIPAL AID GRANTS. (*Sponsor: Mayor Anderson*)
(1) IM No. 05-104

MOTION: Assemblymember Colberg moved to adopt Resolution Serial No. 05-054.

Assemblymember Colberg noted his opposition to the resolution.

Assemblymember Woods inquired if this would include areas such as Chickaloon, Butte, and Sutton.

Mayor Anderson stated that it includes incorporated cities and recognized tribal councils.

VOTE: The motion passed with Assemblymember Colberg in opposition.

- f. AM No. 05-050: APPROVAL OF CHANGE ORDER NO. 4 TO TRYCK, NYMAN, HAYES, INC., IN THE AMOUNT OF \$358,118 TO COMPLETE THE DESIGN, PRELIMINARY ENGINEERING, AND GEOTECHNICAL WORK FOR THE FERRY LANDINGS, TERMINAL BUILDINGS, AND PARKING LOTS AT PORT MACKENZIE AND THE PORT OF ANCHORAGE.

MOTION: Assemblymember Colver moved to approve AM No. 05-050.

Assemblymember Colver:

- voiced concern regarding the large number of change orders;
- referred to a packet of change orders and invoices he was given from the Finance Department; and
- asked that the other members of the Assembly be provided with the packet or a summary of the information in the packet.

MOTION: Assemblymember Colver moved to postpone AM No. 05-050 to the May 3, 2005, regular Assembly meeting.

VOTE: The motion to postpone passed without objection.

C. MAYORAL NOMINATIONS AND APPOINTMENTS

1. VACANCY REPORT

Mayor Anderson made the following recommendations:

Emergency Medical Services Board

Nicolas Mihalow

Shelia Lamar

Enhanced 911 Advisory Board

Richard Roberts

Dale Adams

George Boatright

Gina Wheeler

Clint Vardeman

Platting Board

Michelle Church

Senior Citizens Advisory Board

Rhonda Atkins

Barbara Leckwold

Bogard RSA No. 25

Garry Hessmer

Mayor Anderson requested the following confirmations:

Board of Equalization

Janice Strong

Lynn Berry

Historical Preservation Commission

John Stuart

Platting Board

Jack Easley

John Abshire

Transportation Advisory Board

Chris Remick

Willow FSA No. 35

Theodore Smith

Alpine RSA No. 31

Michael Eskelson

Caswell Lakes RSA No. 15

Arthur Petersen

Circle View and Stampede Estates Flood and Water Erosion Control SSA No. 131

Patti Huntsman

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

MOTION: Assemblymember Vehrs moved to divide the question of approving the board and commission confirmations to remove the name of Barbara Leckwold to the Senior Citizen Advisory Board from the confirmation column.

Assemblymember Vehrs:

- stated that she is making this motion at the request of Mayor Anderson who finds Ms. Leckwold more appropriately recommended to a different position on the same board; and
- noted that her name would be moved to the confirmation column by Mayor Anderson for the Assembly's consideration at the May 3, 2005, regular Assembly meeting.

VOTE: The motion to divide the question passed without objection.

MOTION: First segment of the motion: To confirm the Mayor's appointments and resignations up for confirmation this evening with the exception of Barbara Leckwold to the Senior Citizens Advisory Board.

VOTE: The first segment, to confirm the Mayor's appointments and resignations up for confirmation this evening with the exception of Barbara Leckwold to the Senior Citizens Advisory Board, passed without objection.

MOTION: Second segment of the motion: To remove Barbara Leckwold from the confirmation column of the Senior Citizen's Advisory Board.

VOTE: The second segment of the motion, to remove Barbara Leckwold from the confirmation column of the Senior Citizen's Advisory Board, passed without objection.

MOTION: Assemblymember Colver moved to extend the meeting past 11 p.m. but not later than midnight.

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

D. OTHER NEW BUSINESS

(There was no other new business.)

X. RECONSIDERATION

(There were no reconsiderations presented.)

XI. VETO

A. Ordinance Serial No. 05-033: AN ORDINANCE APPROVING A REAPPROPRIATION OF \$575,000 FROM THE LAND MANAGEMENT FUND BALANCE, FUND 203, \$120,000 FROM THE AREAWIDE FUND BALANCE, FUND 100, AND \$155,000 FROM THE NON-AREAWIDE FUND BALANCE, FUND 200, TO FUND 450 FOR A CONTINGENCY RESERVE FOR THE PORT MACKENZIE DEEP DRAFT DOCK CONSTRUCTION PROJECT. *(Veto issued by Mayor Anderson on 04/04/05)*

1. IM No. 05-060

(There was no action taken on the veto.)

(Executive Session continued from pp. 4 of 23)

MOTION: Assemblymember Colver moved to re-enter 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 NPI, LLC port contract with the Borough and the non-claim overages on the Port MacKenzie deep draft dock construction.

VOTE: The motion to re-enter executive session passed without objection and the Assembly entered executive session at 10:47 p.m. Those present during the executive session were the Mayor, members of the Assembly, the Manager, the Clerk, the Attorney, the Finance Director, the Port Director, the Assistant Manager, and Mr. Glenn Price. Mr. Price was present only during the NPI, LLC port contract discussion.

MOTION: Assemblymember Colver moved to exit executive session.

VOTE: The motion to exit executive session passed without objection and the Assembly exited executive session at 11:40 p.m.

XIII. MAYOR AND ASSEMBLY COMMENTS

Assemblymember Allen spoke to his disappointment that the real estate transfer fee was repealed.

Assemblymember Vehrs stated that she was disappointed that Ordinance Serial No. 05-026 was not postponed indefinitely.

Mayor Anderson inquired if the real estate transfer fee was built into the proposed budget for fiscal year 2006.

Mr. Duffy replied that the real estate transfer fee was removed from the proposed budget.

Mayor Anderson inquired regarding the status of the timber sale legislation.

Mr. Duffy replied that the proposed legislation is included in the red folder tonight.

Mayor Anderson inquired regarding the legislation for a conditional use permit for transmission lines.

Mr. Duffy replied that he would check on the status of that legislation.

Mayor Anderson requested a summary and a timeline of the port enterprise fund.

XIV. ADJOURNMENT

The regular meeting adjourned at 11:45 p.m.

/s/

TIMOTHY L. ANDERSON, Borough Mayor

ATTEST:

/s/

MICHELLE M. MCGEHEE, CMC, Borough Clerk

Minutes approved: May 17, 2005