

I. CALL TO ORDER

The special meeting of the Matanuska-Susitna Borough Assembly was held on May 8, 2008, at the Borough Assembly Chambers, 350 E. Dahlia Avenue, Palmer, Alaska. The meeting was called to order at 6:10 p.m. by Mayor Curtis D. Menard for the purpose of continued budget deliberations (Ordinance Serial No. 08-008).

II. ROLL CALL

Assembly members present and establishing a quorum were:

Ms. Lynne Woods, Assembly District No. 1 (*Deputy Mayor*)(arrived at 6:37 p.m.)
Mr. Pete Houston, Assembly District No. 2
Ms. Michelle R. Church, Assembly District No. 3
Ms. Mary Kvalheim, 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
Mr. Nick Spiropoulos, Borough Attorney
Ms. Amanda E. Charles, Executive Assistant to the Borough Clerk
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
Ms. Tammy Clayton, Finance Director
Ms. Cheyenne Heindel, Financial Analyst
Mr. David Allison, Chief Animal Care and Regulation Officer
Mr. Dave Hanson, Economic Development Director

III. APPROVAL OF AGENDA

Mayor Menard inquired if there was any objection to taking up Audience Participation prior to the item of business.

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

IV. PLEDGE OF ALLEGIANCE

The Pledge of Allegiance was led by Ms. Tammy Clayton, Finance Director.

VI. AUDIENCE PARTICIPATION

The following person spoke regarding future funding for the protection of agricultural land: Mr. Sig Restad, representing Northland Pioneer Grange.

The following person spoke regarding funding for the Alaska Farm Land Trust: Mr. Steve Gallager, Manager of Alaska Farm Land Trust.

V. ITEMS OF BUSINESS (budget deliberations)

A. ADOPTION OF THE FISCAL YEAR 2009 BUDGET

1. Ordinance Serial No. 08-008: AN ORDINANCE APPROPRIATING MONIES FROM THE CENTRAL TREASURY FOR THE BOROUGH OPERATING FUNDS, ENTERPRISE FUNDS AND CAPITAL FUNDS AND ESTABLISHING THE RATE OF LEVY FOR ALL BOROUGH FUNCTIONS FOR THE FISCAL YEAR BEGINNING JULY 1, 2008, AND ENDING JUNE 30, 2009.

MOTION: Assemblymember Kvalheim moved a primary amendment to adopt the technical amendments as presented by Administration.

- Page B-16, 100-000-000-449-100, Transfers-City of Palmer: proposed at \$123,835, amended by \$3,844 (increase), for an adjusted amount of \$177,679.
- Page B-16, 100-000-000-449-200, Transfers-City of Wasilla: proposed at \$151,435, amended by \$64,831 (increase), for an adjusted amount of \$216,266.
- Page B-16, 100-000-000-446-500, Transfers to fund 480: proposed at \$1,500,000, amended by \$1,500,000 (decrease), for an adjusted amount of \$0.
- Page B-16, 100-000-000-446-500, Transfers to fund 480-FTA/FHWA/State: proposed at \$0 amended by \$1,435,000 (increase), for an adjusted amount of \$1,435,000.
- Page B-16, 100-000-000-446-500, Transfers to fund 480-Upper Susitna Soil and Water Conservation: proposed at \$1,435,000, amended by \$7,500 (increase), for an adjusted amount of \$1,442,000.
- Page B-16, 100-000-000-446-500, Transfers to fund 480-Wasilla Soil and Water Conservation: proposed at \$1,442,500, amended by \$7,500 (increase), for an adjusted amount of \$1,450,000.
- Page B-16, 100-000-000-446-500, Transfers to Waste Water: proposed at \$1,450,00, amended by \$50,000 (increase), for an adjusted amount of \$1,500,000.
- Page J-3, 204-000-000-337-300, Education/State: proposed at \$134,260,405, amended by \$26,482,364 (increase), for an adjusted amount of \$160,742,769.
- Page J-4, 204-000-000-406-100, Education Funding: proposed at \$187,517,220, amended by \$26,482,364 (increase), for an adjusted amount of \$213,999,584.

Ms. Clayton stated that the block grants were suppose to be in increments over a five-year period.

MOTION: Assemblymember Kvalheim moved a secondary amendment to strike the block grants as follows:

- Page B-16, 100-000-000-449-100, Transfers-City of Palmer: proposed at \$123,835, amended by \$3,844 (increase), for an adjusted amount of \$177,679.
- Page B-16, 100-000-000-449-200, Transfers-City of Wasilla: proposed at \$151,435, amended by \$64,831 (increase), for an adjusted amount of \$216,266.

VOTE: The secondary amendment passed without objection.

MOTION: Assemblymember Church moved a secondary amendment to reduce 100-000-000-446-500, Transfers to fund 480-FTA/FHWA/State, by \$300,000, for an adjusted amount of \$1,135,000; and to transfer the funds to 100-000-000-446-500, transfers to fund 480, Agricultural Program Match, in the amount of \$300,000.

Assemblymember Bettine queried the intent behind the amendment.

Assemblymember Church stated that it was to protect the utilized farm land.

Assemblymember Wells stated that he would not be able to support the amendment if the money could be used for viewshed lands.

VOTE: The secondary amendment passed without objection.

VOTE: The primary amendment passed without objection.

Amendment No. 2

Solid Waste Enterprise Fund – Capital (510-000-000-466-600)(Tab K, Page 4 and Tab N, Page 30)

MOTION: Assemblymember Bettine moved a primary amendment to the Solid Waste Enterprise Fund, Capital items, to strike the amount of \$315,000, for an adjusted amount (decrease) of \$0.

Assemblymember Bettine:

- stated that this amendment would eliminate the funds budgeted for capital items in the Solid Waste Enterprise Fund; and
- asked if the Solid Waste Enterprise Fund had been removed from the budget at the last meeting.

Ms. Clayton stated that the six new positions were taken from the Solid Waste Enterprise Fund at the previous meeting.

VOTE: The primary amendment passed without objection.

Amendment No. 3

Solid Waste Enterprise Fund: Transfer Sites (510-150-402-411-XXX and 510-150-402-412-XXX)(Tab K, Page 8)

MOTION: Assemblymember Kvalheim moved a primary amendment to the Solid Waste Enterprise Fund, Transfer sites, Six Transfer Site Operators, by reducing the total wages of the operators by \$202,413 and reducing the total benefits by \$192,293, and to direct Administration to prepare a plan showing a reduction in losses at the transfer sites within three months to the Assembly.

Assemblymember Kvalheim:

- stated that this amendment funds the six transfer site operators for three months;
- clarified that it reduces the wages and salaries by 75 percent; and
- noted that the amendment will require that Administration provide the Assembly with a plan showing the reduction in losses at the transfer sites within three months.

VOTE: The primary amendment passed without objection.

Amendment No. 4

Areawide: Borough Gym Fees (100-000-000-341-210)(Tab B, Page 10)

MOTION: Assemblymember Bettine moved a primary amendment to the Areawide Fund, Borough Gym Fees, to strike the amount of \$23,000 and insert \$36,800, for an increase of \$13,800 and to increase the rental fee for the Borough Gym from \$25 per hour to \$40 per hour.

Assemblymember Kluberton queried the possibility of turning the Borough gym into office space.

Mr. Duffy spoke regarding the timeframe for transforming the gym into office space.

VOTE: The motion passed without objection.

Amendment No. 5

Areawide: Law (100-100-111-426-200)(Tab B, Page 48)

MOTION: Assemblymember Church moved a primary amendment to the Areawide Fund, Law (100-100-111-426-200) to strike \$125,000 and to insert \$250,000, for an increase of \$125,000.

Assemblymember Church stated that the amendment would increase the Law Department's professional services budget to hire outside counsel by adding \$125,000 for a total amount of \$250,000.

VOTE: The motion passed without objection.

Amendment No. 6

Areawide: Advertising (100-120-113-422-000)(Tab B, Finance, Page 63)

MOTION: Assemblymember Bettine moved to amend Areawide Fund, Advertising, to strike \$250,000 and insert \$160,000, for a decrease of \$90,000, and to replace the "Borough Page" that is advertised in the Anchorage Daily News to an ad that directs people to the Borough's website to view the calendar.

Assemblymember Bettine:

- stated that in the fiscal year 2007 budget the Borough paid the Anchorage Daily News \$106,000 for publishing the Borough Page; and
- added that this would leave enough funds to cover the publishing of the website address in the Anchorage Daily News, continue publishing the Borough Page in the Frontiersman, and to continue publishing the "Notice of Public Meetings" in the Copper River Record and the Talkeetna Good Times.

VOTE: The motion passed without objection.

Amendment No. 7

Areawide: Capital Projects/Grants/Pass Through (100-100-111-426-200)(Tab N, Page 1)

MOTION: Assemblymember Woods moved to amend the Areawide Fund, Grants/Pass Through, "MSCVB" to strike "\$670,000" and to insert in its place "\$742,000", and under "Tourism Infrastructure" to strike "\$390,000" and to insert "\$318,000", for a decrease of \$72,000.

Assemblymember Kluberton:

- spoke in favor of developing a track in the Talkeetna area; and
- stated that he could not support the amendment.

Assemblymember Woods:

- spoke regarding infrastructure grants; and
- stated that until something substantial is accomplished she would like to continue further funding for MSCVB's marketing budget.

Discussion ensued regarding concerns with how MSCVB expends their allocated funds.

MOTION: Assemblymember Bettine moved a secondary amendment to strike "\$72,000" and insert in its place "\$30,000", to strike "\$390,000" insert "\$360,000" to read as follows: Areawide Fund, Grants/Pass Through, "MSCVB" to strike "\$670,000" and to insert in its place "\$700,000" for an increase of \$30,000, and under "Tourism Infrastructure" to strike "\$390,000" and to insert "\$360,000", for a decrease of \$30,000.

VOTE: The secondary amendment passed with Assemblymember Woods in opposition.

VOTE: The primary amendment passed as amended with Assemblymembers Woods and Houston in opposition.

(The special meeting recessed at 8:05 p.m. and reconvened at 8:19 p.m.)

Assemblymember Wells suggested that the areawide discussions, specifically to education, take place on April 13, 2008.

There was no objection noted.

Road Service Areas

Assemblymember Church stated that she and Assemblymember Bettine attended a Knik-Fairview Community Council meeting on May 7, 2008, where there were discussions regarding a bike trail.

Assemblymember Bettine:

- noted that the bike trail was on a State road; and
- queried the need for a steam-thaw truck.

Mr. Rountree:

- stated that the Borough currently owns one steam-thaw truck;
- explained that the new machine would be used North of Willow; and
- added that the private industry cannot service the Borough's needs on a consistent basis.

Assemblymember Bettine queried the ability to draw the money from the areawide funds instead of road service area funds.

Ms. Clayton stated that the funds would not be able to come from the areawide funds.

Assemblymember Wells queried if the private industry had been notified that they were not servicing the Borough's needs.

Mr. Duffy stated that the businesses had been notified of the Borough's needs.

Discussion ensued regarding the need for purchasing a new steam-thaw truck.

Fire Service Areas

There were no comments noted.

Land Management

Assemblymember Wells noted that the Borough still owns a large amount of property.

Mr. Duffy:

- spoke regarding marketing the gravel at the dock;
- noted that the large blocks of property are in areas with no access;
- elaborated that the parcels need to be broken into smaller pieces; and
- spoke to the possibility of putting in roads to the remote areas.

Assemblymember Wells asked if the focus would be to move forward with Administration's suggestions.

Mr. Duffy

- stated that they could come back with some proposed subdivision budgets; and
- spoke regarding the need to retain Borough property so that it does not have to be bought back at a later date.

Non-areawide

Mr. Duffy stated that the non-areawide fund includes libraries, Economic Development and Animal Care and Regulation.

Ms. Romano:

- stated that they are looking for additional revenue by increasing fees, the bounced check charge, and the contract with the city of Palmer;
- noted that they are working on collecting dues owed from the residents' Permanent Fund Dividends;
- spoke regarding microchipped animals;
- elaborated on the cost savings in microchipping animals;
- spoke to the need for a dispatcher; and
- commented on the work load of the officers.

Assemblymember Church commented on the volunteer coordinator.

Mr. Allison:

- spoke regarding the volunteer coordinator; and
- advised on how the dispatcher will work within the shelter.

Assemblymember Wells queried the economic development budget.

Mr. Hanson provided an overview of the proposed fiscal year 2009 Economic Development budget.

Mayor Menard:

- thanked Mr. Hanson for his report; and
- requested that Ms. Nancy Munoz from the Mat-Su Borough School District, come forward to speak.

Assemblymember Bettine queried the School District's funding.

Ms. Nancy Munoz, School District Budget Supervisor:

- spoke regarding the funding formula;
- stated that the increase in basic needs was approximately \$10,000,000;
- spoke regarding the minimal local contribution which increased by \$2,100,000;
- explained that the \$10,000,000 is reduced by the minimal local contribution;
- advised that the foundation formula comparison is over by approximately \$8,200,000;
- spoke regarding the supplemental funds of \$5,800,000;
- stated that the pupil transportation fund was reduced by \$5,000,000;
- explained that there was a net increase is \$1,900,000;
- commented on the one time energy release funds; and
- clarified that receiving the one-time energy release funds will ultimately reduce next year's budget.

Assemblymember Bettine:

- queried the use of the funds; and
- noted that they appear to be advance purchases for the upcoming year.

Ms. Munoz advised that it was a State appropriation for the fiscal year 2008 only.

Discussion ensued regarding the State appropriation.

Assemblymember Kluberton queried the surplus of fund in prior years, when there is a \$2,300,000 backlog of projects.

Ms. Munoz:

- stated that prior to 1990 the School District budgeted on average salaries;
- spoke to the history of the fund balance; and
- noted a need for discretionary spending.

Assemblymember Kluberton expressed his concerns with the expenditure of the funds.

Discussion ensued regarding the School District's budget.

Assemblymember Wells:

- requested that the Manager bring an ordinance forward, after July 1, 2008, regarding an

- 80/20 split for the School District's lapsed funds; and
- explained that he would like the ordinance to state that 20 percent of the lapsed funds would be reserved for the school site selection fund and 80 percent would revert back to the School District.

There was no objection noted.

VII. VETO

A. MOTION TO OVERRIDE ANY POSSIBLE MAYORAL VETO ON FISCAL YEAR 2009 BUDGET ITEMS (ORDINANCE SERIAL NO. 08-008)

(There were no vetoes presented.)

VIII. MAYOR, ASSEMBLY, AND STAFF COMMENTS

Mr. Duffy requested a meeting with the Assembly on May 20, 2008, to discuss the prison project.

Assemblymember Bettine requested that the meeting begin at 3 p.m.

There was no objection noted.


MOTION: Assemblymember Woods moved to postpone Ordinance Serial No. 08-008 to a time certain of May 13, 2008.

VOTE: There was no objection noted.

Mayor Menard spoke regarding meeting with third graders from Sherrod Elementary School and the mock Assembly meeting that was held.

IX. ADJOURNMENT

The special meeting adjourned at 9:46 p.m.


CURTIS D. MENARD, Borough Mayor

ATTEST:


LONNIE R. McKECHNIE, CMC, Borough Clerk

Minutes approved: 06/03/08