

**MATANUSKA-SUSITNA BOROUGH
ASSEMBLY**

**SPECIAL MEETING
MAY 9, 2000**

I. CALL TO ORDER

The regular meeting of the Matanuska-Susitna Borough Assembly was held on May 9, 2000, at the Matanuska-Susitna Borough Assembly Chambers, Palmer, Alaska. The meeting was called to order at 6 p.m. by Mayor Darcie K. Salmon.

II. ROLL CALL

Assembly members present and establishing a quorum were:

Mr. Larry DeVilbiss, Assembly District No. 1
Ms. Sara Jansen, Assembly District No. 2
Mr. James Colberg, Assembly District No. 3
Mr. Dan Kelly, Assembly District No. 4 (arrived 6:10 p.m.)
Ms. Jody Simpson, Assembly District No. 5
Mr. Jim Turner, Assembly District No. 6
Mr. Doyle Holmes, Assembly District No. 7 (Deputy Mayor)

Staff in attendance were:

Ms. Sandra Dillon, Borough Clerk
Mr. Michael J. Scott, Borough Manager
Mr. John Duffy, Assistant Manager
Mr. Michael Gatti, Borough Attorney (via teleconference)
Mr. Gary Lebowich, Human Resources Manager
Ms. Elizabeth Manfred, Borough Deputy Clerk
Mr. Jim Swing, Public Works Director
Ms. Tammy Clayton, Finance Director
Mr. Karl Borglum, Borough Assessor
Ms. Cindy Gilder, Planning Director
Mr. Ron Swanson, Community Development Director
Mr. Kevin Koechlein, Public Safety Director
Ms. Kelli Veech, Borough Comptroller

III. APPROVAL OF AGENDA

There was no objection to the agenda as presented.

IV. PLEDGE OF ALLEGIANCE

The pledge of allegiance was led by Assemblymember Holmes.

V. UNFINISHED BUSINESS (6 P.M. TO 7 P.M.)

A. REVIEW OF FISCAL YEAR 2001 BUDGET

Mr. Scott:

- distributed a list of the borough's state and federal legislative priorities and notice of funding received for each.
- noted the additional authorization for school debt request is \$14,143,000 (Sherrod School and technology) and approximately \$3,000,000 for maintenance projects.
- reported that pupil transportation received 99 percent allocation from the state.
- stated the central regions maintenance and operations budget and STIP projects received approximately \$74,000,000.
- spoke to approximately \$7,000,000 received for the rail car money for Port MacKenzie.
- mentioned that the revenue sharing/safe communities fund was decreased by 11 percent.
- remarked that the capital matching grant program was fully funded.
- explained that a grant was received for \$4.5 million for Point Mac Kenzie port development and associated rail line improvements within the borough.
- stated the borough is an applicant for rail building funds and may contract with the railroad for actual construction of the spur to the main line.

The special assembly meeting recessed at 6:20 p.m. and reconvened at 7 p.m.

VI. PUBLIC HEARING

- A. Ordinance Serial No. 00-033: 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, 2000, and Ending June 30, 2001.

Mayor Salmon opened the public hearing.

Mr. John Letton

- requested the assembly support a mill rate increase for Fairview Road Service Area No. 14;
- spoke to the capital improvement plans for Fairview Road Service Area.

Ms. Mia Mangione:

- supported the public safety budget requests;
- asked that the borough consider supporting an additional EMS trainer position;
- remarked that there is a need to standardize EMS training within the borough.

Ms. Cheri Day:

- voiced support for the public safety budget;
- stressed the need for recruiting and training EMS responders.

Ms. Michelle Church:

- requested the assembly hire additional planning staff to meet the needs of rapid population growth within the borough.

Mr. Rob Wells:

- explained the school district budget process;
- stated that the district goal is to reduce classroom size;
- asked for support for the school district budget request.

Ms. Virginia Wilkins

- supported the EMS budget requests;
- expressed the need for additional EMS training and standardized training.

Ms. Ann Riggs:

- voiced support for fully funding the school district budget requests.

Mr. Scott Lapiene

- proposed the borough budget be made available on the internet;
- requested the borough fund the school district budget request;
- advised that the Fairview Road Service Area No. 14 was not noticed of the request for mill rate increase.

Ms. Debbie Lorenz:

- supported the library board budget requests;
- applauded the assembly for their commitment to the borough betterment.

Mr. John Fairfield

- specified that the school district budget request would restore programs previously cut, not fund new programs; and
- requested support for the school district budget proposal.

Ms. Marilyn DeVilbiss

- expressed support for the public safety budget requests.

Ms. Lynne Fuller

- spoke to the need for funding public education.

There being no one else wishing to be heard, Mayor Salmon closed the public hearing and discussion moved to the assembly.

MOTION: Assemblymember Holmes moved to adopt Ordinance Serial No. 00-033.

MOTION: Assemblymember Holmes moved a primary amendment to reduce the mill rate to 11.77 (page xvii of the ordinance) with a corresponding reduction in the property tax revenue of \$1,840,999 (page B-11), resulting in a reduction in general property tax revenue from \$37,812,500 to \$35,971,501.

GENERAL CONSENT: The primary amendment passed without objection

MOTION: Assemblymember Holmes moved a primary amendment to approve the technical corrections presented by administration: (1) to correct the allocation for the Secretarial I position presently funded at 100 percent in assessment to 80 percent assessment (fund 100.120.140) and 20 percent port (fund 100.100.112); (2) to adjust revenue for decrease in surcharge fees for 911 System from \$.75 to \$.65 as adopted on May 2, 2000, Fund 202.

GENERAL CONSENT: The primary amendment passed without objection.

MOTION: Assemblymember Holmes moved a primary amendment to approve a technical correction to Ordinance Serial No. 00-033 for transposed amounts. Areawide MSCVB should be \$409,200, presently shown as \$129,200; and areawide Tourism Infrastructure should be \$129,200, presently shown as \$409,200.

GENERAL CONSENT: The primary amendment passed without objection.

MOTION: Assemblymember Holmes moved a primary amendment to reduce the mill rate for Willow FSA No. 35 (fund 258) from 1.1 mill to .84 mills with a corresponding reduction in the property tax revenue of \$26,580, and to increase the mill rate for Greater Willow RSA No. 20 (fund 276) from 2.26 mills to 2.52 mills with a corresponding increase in the property tax revenue of \$23,600.

GENERAL CONSENT: The primary amendment passed without objection.

MOTION: Assemblymember Jansen moved a primary amendment to increase the mill rate for South Colony RSA No. 16 (fund 273) from 2.25 mills to 2.5 mills, with a corresponding increase in the property tax revenue of \$68,100.

GENERAL CONSENT: The primary amendment passed without objection.

MOTION: Assemblymember Simpson moved a primary amendment to reduce the mill rate for Fairview RSA No. 14 (Fund 271) from 1.5 mills to 1 mill, with a corresponding reduction in the property tax revenue of \$58,300.

GENERAL CONSENT: The primary amendment passed without objection.

MOTION: Assemblymember Holmes moved a primary amendment to reduce the mill rate for Talkeetna Flood Control Service Area No. 7 (Fund 290) from 1.5 mills to 1 mill, with a corresponding reduction in the property tax revenue of \$2,370.

GENERAL CONSENT: The primary amendment passed without objection.

The special assembly meeting recessed at 8 p.m. and reconvened at 8:15 p.m.

MOTION: Assemblymember Simpson moved a primary amendment to reduce the mill rate for the nonareawide fund (fund 200) from .53 mills to .37 mills, with a corresponding reduction in the property tax revenue of \$346,000, to reduce the transfer to capital projects (account 446.500) from \$661,977 to \$322,000, for a reduction of \$339,977, and to increase the transfer to capital projects (account 446.700) in the Land Management Fund 203 from \$50,000 to \$389,977, for an increase of \$339,977.

Assemblymember Simpson:

- explained that it was her understanding that the Big Lake Library construction would not be funded by taxes but it would be funded by the Land Management fund;
- stated that Land Management funds have paid for architects for the proposed library;
- referred to MSB 23.05 070(D)(2) which states what Land Management funds may support.

MOTION: Assemblymember Holmes moved a secondary amendment to insert a phrase to read "any unspent funds shall be returned to the Land Management fund."

GENERAL CONSENT: The secondary amendment passed without objection.

GENERAL CONSENT: The primary amendment as amended passed without objection.

MOTION: Assemblymember Jansen moved a primary amendment to reduce the transfer to capital projects (fund 100, account 446.400) from \$2,220,400 to \$2,170,400, for a reduction of \$50,000 (assembly chambers).

GENERAL CONSENT: The primary amendment passed without objection.

MOTION: Assemblymember DeVilbiss moved a primary amendment to strike \$40,000 from capital projects, grants /pass through (fund 100,account 449.210)for youth programs.

VOTE: The primary amendment passed with Assemblymembers Jansen, Turner, and Kelly opposed.

MOTION: Assemblymember Jansen moved a primary amendment to increase the transfer to education operating (fund 100/account 445.220) from \$24,682,255 to \$26,523,254 for an increase of \$1,840,999 (page B16), to increase the education operating budget (fund 204/account 367.110) from \$24,682,255 to \$26,523,254 for an increase of \$1,840,999 (page J3), and to increase the education operating budget (fund 204/account 406.100) from \$103,847,980 to \$105,688,979 for an increase of \$1,840,999 (page J4).

Assemblymember Jansen:

- stated the requested \$1,840,999 was to restore educational programs previously cut;
- reminded the assembly that the school district did not ask for the state tax cap amount.

Assemblymember Holmes:

- clarified that the requested \$1,840,999 would be raised from a mill levy and not another source of revenue;
- asked the finance officer to state the mill rate needed to support the increased amount.

Ms. Clayton

- stated that the corresponding mill rate would increase to 12.42.

MOTION: Assemblymember Jansen moved a secondary amendment to strike \$1,840,999 and insert \$1,300,000 and change account totals accordingly.

Mayor Salmon stated for the record that he supported the amendment for \$1,840,999.

Mr. Scott:

- noted that the budget message acknowledged that the request from the school board was reasonable;
- acknowledged that the budget was prepared to allow flexibility for the assembly;
- asked the question: "Are we providing a system of education that properly prepares our children to meet the future?";
- recognized the school board for their efforts and spoke in support of their request; and
- suggested that throughout the year the borough should look at providing the school with their requested amount, while at the same time maintaining other governmental services.

Assemblymember Kelly expressed his concern that the school district needed full funding.

GENERAL CONSENT: The secondary amendment passed without objection.

GENERAL CONSENT: The primary amendment as amended passed without objection.

MOTION: Assemblymember Colberg moved a primary amendment to decrease the borough budget one percent across the board in areawide operating budgets to be done in each area by the borough manager, the clerk, and the attorney for a total of [\$360,000] \$180,000, exclusive of wages and benefits.

The Finance Director requested a clarification of the \$360,000, and discussion continued as to the dollar amount.

Assemblymember Colberg then corrected his motion to read \$180,000 exclusive of wages and benefits, which represents one percent of \$18 million. [The above-referenced primary amendment reflects these corrections.]

MOTION: Assemblymember Holmes moved a secondary amendment: (1) to specify that one percent would come out of the clerk's budgets, one percent out of the attorney's budget, and the balance to come out of the other departments at the manager's discretion; and (2) to strike \$180,000 and insert \$137,632.58.

GENERAL CONSENT: The secondary amendment passed without objection.

GENERAL CONSENT: The primary amendment as amended passed without objection.

MOTION: Assemblymember Jansen moved a primary amendment for a reduction of 10 percent from each division in the areawide fund, accounts 426.900 and 429.900, and a reduction of ten percent from each division in the nonareawide fund, accounts 426.900 and 429.900, for a total of \$162,488.

VOTE: The primary amendment passed with Assemblymember Turner opposed.

The special meeting recessed at 9:45 p.m. and reconvened at 9:55 p.m.

MOTION: Assemblymember Simpson moved a primary amendment to eliminate the new Planner II position by reducing the planning department budget (department 130, division 130) by \$60,851 with a corresponding reduction in grant project revenue (account 368.300) of \$60,851; the division budget line item reductions as follows:

411.100, Salary	\$46,259
412.100, Insurance	\$ 7,020
412.300, Medicare	\$ 671
412.400, Retirement	\$ 3,927
412.600, workers comp	\$ 138
412.700, SBS	\$ 2,836

TOTAL:	\$60,851
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Assemblymember Simpson:

- expressed concern that the proposed Planner II position was funded by a grant received for a transportation study with a goal to produce a product and not hire staff;
- questioned the Planner II position being funded by grant revenue not yet received;
- asked if the federal funded \$500,000 grant applied for allowed a new staff position.

Mr. Scott:

- assured the assembly that the Planner II position would not be filled until grant funds were received;
- stated the position would not be filled after the grant funds were expended;
- explained terms and processes of grant applications;
- remarked that if a grant award does not directly fund a new position, the time and grant work is allocated to an existing staff position, receive the revenue, and apply the revenue to the existing position.

MOTION: Assemblymember Simpson moved to withdraw the primary amendment contingent upon receiving a state grant in the amount of \$50,000 and a federal grant in the amount of \$500,000 prior to hire of a Planner II.

GENERAL CONSENT: The motion to withdraw passed without objection.

MOTION: Assemblymember Jansen moved a primary amendment to add a Planner II position by increasing the planning department budget (department 130, division 130) by \$60,851; the division budget line item increases are as follows:

411.100, Salary	\$46,259
412.100, Insurance	\$ 7,020
412.300, Medicare	\$ 671
412.400, Retirement	\$ 3,927
412.600, Workers comp	\$ 138
412.700, SBS	\$ 2,836
TOTAL:	\$60,851

VOTE: The primary amendment failed with Assemblymembers Jansen and Kelly in support.

MOTION: Assemblymember Holmes moved a primary amendment to appropriate a total of \$926,985 as a residual equity transfer from the operating revolving loan fund, fire service area capital revolving loan fund and road service area capital revolving loan fund to the areawide fund.

Mr. Scott:

- remarked that this amendment removes all available cash and prohibits loans to service areas;
- explained that the residual equity funds a variety of emergency loan requests;
- spoke to the differences between estimated cash balance and total fund balance.

MOTION: Assemblymember Colberg moved a secondary amendment to strike \$926,985 and insert \$700,000 as a residual equity transfer from the service area operating revolving loan fund, fire service area capital revolving loan fund, and road service area capital revolving loan fund areawide.

MOTION: Assemblymember Colberg moved to withdraw the secondary amendment to insert \$ 700,000.

GENERAL CONSENT: The motion to withdraw passed without objection.

MOTION: Assemblymember Colberg moved a secondary amendment to strike \$926,985 and insert \$500,000 as a residual equity transfer from the service area operating revolving loan fund, fire service area capital revolving loan fund, and road service area capital revolving loan fund to the areawide fund. (\$100,000 from fire service area capital revolving loan fund, \$100,000 from road service area capital revolving loan fund, and \$300,000 from the service area operating revolving loan fund.)

VOTE: The secondary amendment passed with Assemblymember Turner opposed.

VOTE: The primary amendment as amended passed with Assemblymember Turner opposed.

MOTION: Assemblymember Holmes moved to extend the meeting past 11 p.m.

GENERAL CONSENT: The motion to extend the meeting passed without objection.

MOTION: Assemblymember DeVilbiss moved a primary amendment to decrease the Clerk's budgets by \$49,833 for the Records/Election Technician.

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

MOTION: Assemblymember DeVilbiss moved to strike the \$32,000 from the assembly budget for AML dues.

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

MOTION: Assemblymember DeVilbiss moved a primary amendment to strike \$105,000 from land management fund, economic division, for SBDC and RC&D (account 203.170.135 and 429.900).

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

MOTION: Assemblymember Holmes moved to set the mill rate at 11.94 areawide, .35 non-areawide, to accept the service area mill rates as presented, and to adopt Ordinance Serial No. 00-033 as amended.

GENERAL CONSENT: The motion passed without objection.

RECONSIDERATION: Assemblymember Holmes moved for reconsideration of Ordinance Serial No. 00-033.

VOTE: The motion failed with Assemblymember Jansen in support.

VII. MAYOR, ASSEMBLY, AND STAFF COMMENTS

Assemblymember Holmes voiced appreciation for budget process.

Mayor Salmon applauded the staff and assembly for their effort on the budget process.

VIII. ADJOURNMENT

The special assembly meeting was adjourned at 11:10 p.m.

ATTEST:


DARCIE K. SALMON, Borough Mayor


SANDRA A. DILLON, Borough Clerk

Minutes approved June 6, 2000.