

I. CALL TO ORDER

The special meeting of the Matanuska-Susitna Borough Assembly was held on May 10, 2011, at the Borough Assembly Chambers, 350 E. Dahlia Avenue, Palmer, Alaska. The special meeting was called to order at 6 p.m. by Mayor Larry DeVilbiss for the purpose of budget deliberations and possible adoption.

II. ROLL CALL

Assembly members present and establishing a quorum were:

Mr. Warren Keogh, Assembly District No. 1
Mr. Noel Woods, Assembly District No. 2
Mr. Ron Arvin, Assembly District No. 3 (*Deputy Mayor*)(*attended telephonically*)
Mr. Mark Ewing, Assembly District No. 4
Ms. Cindy Bettine, Assembly District No. 5
Mr. Jim Colver, Assembly District No. 6
Mr. Vern Halter, Assembly District No. 7

Staff in attendance were:

Ms. Lonnie R. McKechnie, CMC, Borough Clerk
Mr. John Moosey, Borough Manager
Ms. Elizabeth Gray, Assistant Borough Manager
Mr. Nick Spiropoulos, Assistant Borough Attorney
Ms. Brenda J. Henry, Executive Assistant to the Borough Clerk
Ms. Tammy Clayton, Finance Director
Mr. Dennis Brodigan, Emergency Services Director
Mr. Richard Stockdale, Animal Care Manager
Ms. Patty Sullivan, Public Affairs Director
Mr. Chuck Braun, Acting Public Works Director
Ms. Shannon Post, Chief Information Officer
Ms. Sonya Conant, Human Services Director
Ms. Cheyenne Heindel, Financial Analyst
Mr. James Wilson, Assistant to the Borough Manager's Office
Ms. Cathy Mayer, Solid Waste Division Manager

III. APPROVAL OF AGENDA

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

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

I. PLEDGE OF ALLEGIANCE

The pledge of allegiance was led by Mr. Kenneth Forrest, School District Assistant Superintendent.

II. ITEMS OF BUSINESS

A. DELIBERATIONS AND POSSIBLE ADOPTION OF THE FISCAL YEAR 2012 BUDGET

1. Ordinance Serial No. 11-011: AN ORDINANCE APPROPRIATING MONIES FROM THE CENTRAL TREASURY FOR THE BOROUGH OPERATING FUNDS, ENTERPRISE FUNDS, EDUCATION OPERATING FUND, AND CAPITAL FUNDS AND ESTABLISHING THE RATE OF LEVY FOR ALL BOROUGH FUNCTIONS FOR THE FISCAL YEAR BEGINNING JULY 1, 2011, AND ENDING JUNE 30, 2012.

MOTION: Assemblymember Bettine moved to adopt Ordinance Serial No. 11-011, appropriating monies from the central treasury for the Borough operating funds, enterprise funds, education operating fund, and capital funds and establishing the rate of levy for all Borough functions for the fiscal year beginning July 1, 2011, and ending June 30, 2012.

Dr. Kenneth Burnley, School District Superintendent, provided an update regarding the funding that the School District will receive under State Senate Bill 84, which is “An Act amending the funding for statewide residential educational programs; relating to education tax credits; creating a pilot project in the Iditarod Area school district; providing for an effective date by amending the effective date in section 57, chapter 92, SLA 2010; and providing for an effective date.”

Discussion ensued regarding:

- state funding sources for schools;
- lapsed funds for the school district from the previous fiscal year;
- the possibility of laying off teachers in order for the district to remain within their budget; and
- if it is possible for music and physical education teachers to rotate throughout several schools, rather than eliminating those types of positions.

Technical Amendment

FUND 100 – AREAWIDE/REVENUES

B	12	000	000	335.350	State shared Revenue A/W	4,000,000	1,300,000	5,300,000
					NET INCREASE IN REVENUES		1,300,000	

Mayor DeVilbiss inquired if there was any objection to adopting the technical amendment as presented by administration.

GENERAL CONSENT: There was no objection noted.

Amendment No. 1

Reconciliation of Fund Balance: (Tab B, Page 1)

MOTION: Assemblymember Colver moved a primary amendment to the reconciliation of fund balance, fund 100, by striking the first page in its entirety and replacing it with the following:

	2009-2010 Actual	2010-2011 Amended	2011-2012 Proposed
TOTAL REVENUES	109,507,195	107,186,449	111,190,565
TOTAL EXPENDITURES	102,467,132	116,775,469	121,807,563

Fund balance 06/30/2010 56,569,091

2011 fiscal year revenues and transfers 107,186,449
 2011 Capital Projects Transfer 34,783
 2011 fiscal year expenditures and transfers (116,775,469)
 Adjusted Reserves (GASB 31, & MV Allocation (151,451)

Estimated Adjustment to Fund Balance (9,705,688)

Estimated total fund balance 6/30/2011 46,863,403

Fiscal Year 2012 Operations:

Estimated operating revenues 109,812,152
 Recoveries/Other 1,376,413
 Transfers In 2,000
 Estimated operating expenditures (41,745,680)
 Grants/Pass Through (20,000)
 Transfers out:
 Education operating (48,347,365)
 Education debt service (21,000,000)
 Parks & Recreation debt service (345,000)
 Certificate of Participation (417,758)
 Capital projects (8,756,000)
 Dust Control program (1,132,260)
 FSA's (Ambulance Bld Rental) (43,500)

Estimated FY2012 adjustment to fund balance (10,616,998)

Estimated total fund balance 6/30/2012 36,246,405

Appropriated reservations and required adjustments to fund balance:

Reserve (appropriations to accrued wages payable
 Estimated borough sick and annual leave (250,000)
 Reserve for insurance losses (150,000)
 Reserve for Minimum Fund Balance (21,750,964)
 Reserve for Self insurance (150,000)
 Reserve for Compensated absences (250,000)
 Reserve for Assembly project (57,217)

Reserve for Major repairs and renovations	(3,568,000)	
Reserve for Capital	(1,603,248)	
Reserve for Emergency response	(2,356,750)	
Reserve for Administration office space	(1,700,000)	
Reserve for School site acquisition	(4,177,038)	
Reserve for Dispatch services	(22,945)	
Reserve for EMS lease/purchase facility	(200,000)	
Estimated adjustment to fund balance		(36,236,162)

Estimated undesignated fund balance 6/30/2012 10,243

VOTE: The primary amendment passed without objection.

Amendment No. 2

Solid Waste Enterprise Fund: (510.150.401 and 402) (Tab K, Page 5 and 8)

MOTION: Assemblymember Colver moved a primary amendment to the Solid Waste Enterprise Fund, Central Landfill and Transfer Sites, to eliminate the Project Manager position as follows:

- 510.150.401.411.100, Permanent Wages, reduce by \$36,006;
- 510.150.401.412, Benefits, reduce by \$29,683;
- 510.150.402.411.100, Permanent Wages, reduce by \$36,006; and
- 510.150.402.412, Benefits, reduce by \$29,683.

VOTE: The primary amendment passed with Assemblymembers Keogh, Halter, and Bettine opposed.

Amendment No. 3

Fire Service Areas: Wasilla-Lakes FSA (Tab G, Page 22)

MOTION: Assemblymember Ewing moved a primary amendment to the Fire Service Area Fund, Wasilla-Lakes Fire Service Area, by striking the mill rate of “1.95” and inserting in its place the mill rate of “1.68.”

MOTION: Assemblymember Ewing moved a secondary amendment to strike “1.68” and insert in its place “1.83.”

VOTE: The secondary amendment passed with Assemblymember Arvin opposed.

VOTE: The primary amendment passed without objection.

(The special meeting recessed at 7:41p.m. and reconvened at 7:51p.m.)

Amendment No. 4

Land Management: (203.170.141) (Tab F, Page 1 and 10)

MOTION: Assemblymember Keogh moved a primary amendment to the Land Management Budget, from Interest Earnings on Permanent Fund to Salaries and Benefits to create a Land Management Manager as follows:

- Interest Earnings on Permanent Fund – by decreasing in the amount of \$110,343;
- 203.170.141.411.100, Salaries - increase by 64,502; and
- 203.170.141.412, Benefits - increase by \$45,841.

VOTE: The primary amendment failed with Assemblymembers Bettine and Keogh in support.

Amendment No. 5

Areawide: (100.000.000.445.210) (Tab A, Page 16)
(203.000.000.367.110) (Tab F, Page 7)
(203.170.141.429.900) (Tab F, Page 11)

MOTION: Assemblymember Colver moved a primary amendment to the Areawide Fund, to add Transfer to the Land Management Fund in the amount of \$35,000. Also, in the Land Management Fund, add Transfer from the Areawide Fund, \$35,000 and amend Land Management, Community Development, Other Contractual, by striking \$50,000 and inserting \$85,000, for an increase of \$35,000, to hire a consultant to make recommendation on reorganizing Land Management and to review/revise Title 23 and the Policies and Procedures Manual.

MOTION: Assemblymember Woods moved a secondary amendment to insert the words “with cooperation of the manager” at the end of the sentence to read: “Transfer to the Land Management Fund in the amount of \$35,000. Also, in the Land Management Fund, add Transfer from the Areawide Fund, \$35,000 and amend Land Management, Community Development, Other Contractual, by striking \$50,000 and inserting \$85,000, for an increase of \$35,000, to hire a consultant to make recommendation on reorganizing Land Management and to review/revise Title 23 and the Policies and Procedures Manual in cooperation with the Borough Manager.”

VOTE: The secondary amendment passed without objection.

VOTE: The primary amendment passed without objection.

Amendment No. 6

Areawide: (100.130.133.426.900) (Tab B, Page 41)

MOTION: Assemblymember Ewing moved a primary amendment to the Areawide Fund, Planning Administration, Other Professional Charges, by striking \$10,000 and inserting \$5,200, for a decrease of \$4,800.

VOTE: The primary amendment passed without objection.

Amendment No. 7

Areawide: (100.100.100.414.400) (Tab B, Page 53)

CONFLICT OF INTEREST: Assemblymember Bettine raised conflict of interest as she owns a travel agency that sometimes sells tickets for Borough employees with travels need and advised she would be recusing herself from all amendments with regard to travel tickets.

RULING: Mayor DeVilbiss ruled that Assemblymember Bettine had a conflict of interest and would be recused from voting on the issue.

(Assemblymember Bettine exited the meeting at 8:25 p.m.)

MOTION: Assemblymember Ewing moved a primary amendment to the Areawide Fund, Assembly, Travel Tickets, by striking \$15,000 and inserting \$11,000, for a decrease of \$4,000.

VOTE: The primary amendment passed with Assemblymembers Colver and Halter opposed.

Amendment No. 8

Areawide: (100.120.120.414.400) (Tab B, Page 108)

MOTION: Assemblymember Ewing moved a primary amendment to the Areawide Fund, Finance Administration, Travel Tickets, by striking \$41,000 and inserting \$35,000, for a decrease of \$6,000.

VOTE: The primary amendment failed with Assemblymembers Keogh and Ewing in support.

Amendment No. 9

Areawide: (100.160.300.414.400) (Tab B, Page 119)

MOTION: Assemblymember Ewing moved a primary amendment to the Areawide Fund, Emergency Services Administration, Travel Tickets, by striking \$18,322 and inserting \$8,322, for a decrease of \$10,000.

MOTION: Assemblymember Keogh moved a secondary amendment by striking \$8,322 and inserting \$13,322, for a decrease of \$5,000.

VOTE: The secondary amendment failed with Assemblymember Keogh in support.

VOTE: The primary amendment passed with Assemblymembers Halter and Woods opposed.

Amendment No. 10

Areawide: (100.100.110.414.400) (Tab B, Page 69)

MOTION: Assemblymember Ewing moved a primary amendment to the Areawide Fund, Administration, Travel Tickets, by striking \$30,000 and inserting \$24,000, for a decrease of \$6,000.

VOTE: The motion failed with Assemblymembers Keogh, Ewing, and Woods in favor and Assemblymembers Arvin, Halter, and Colver opposed (Tie vote). The motion passed with Mayor DeVilbiss invoking his voting privilege in the affirmative.

(Assemblymember Bettine re-entered the meeting at 8:50 p.m.)

Amendment No. 11

Areawide: (100.120.120.414.200) (Tab B, Page 108)

MOTION: Assemblymember Ewing moved a primary amendment to the Areawide Fund, Finance Administration, Expense Reimbursements Outside Borough, by striking \$49,000 and inserting \$30,000, for a decrease of \$19,000.

WITHDRAWAL: Assemblymember Ewing moved to withdraw the primary amendment.

There was no objection noted.

Amendment No. 12

Areawide: (100.120.120.426.900) (Tab B, Page 109)

MOTION: Assemblymember Ewing moved a primary amendment to the Areawide Fund, Finance Administration, Other Professional Charges, by striking \$92,500 and inserting \$62,500, for a decrease of \$30,000.

WITHDRAWAL: Assemblymember Ewing moved to withdraw the primary amendment.

There was no objection noted.

MOTION: Assemblymember Halter moved a primary amendment to have the Manager bring back suggested amendments to the budget that total \$2,393,706, to the May 12, 2011 meeting.

VOTE: The motion passed with Assemblymember Keogh opposed.

Mayor DeVilbiss inquired if there was any objection to continuing Ordinance Serial No. 11-011 to the May 12, 2011, meeting.

There was no objection noted.

III. AUDIENCE PARTICIPATION

The following person spoke to concerns with Assembly budget cuts to the Emergency Services Budget: Mr. Ken Slausen, FSA Board of Supervisors; Mr. Malin Green, Central Mat-Su Battalion Chief; Ms. Sandy Hoeft, EMS Responder; and Ms. Nancy Hereford.

IV. VETO

A. MOTION TO OVERRIDE ANY POSSIBLE MAYORAL VETO ON FISCAL YEAR 2012 BUDGET ITEMS (ORDINANCE SERIAL NO. 11-011)

(There were no vetoes presented.)

V. MAYOR, ASSEMBLY, AND STAFF COMMENTS

Assemblymember Colver:

- related that he had received numerous calls from the public regarding unnecessary amenities for the Sutton Library/Community Resource Center;
- opined some frills need to be cut out; and
- stated that the Assembly should stay fully informed on Borough projects.

Assemblymember Keogh:

- stated that the bid for the Sutton Library/Community Resource Center project will be awarded by June 4;
- stated that he is unsure what unnecessary amenities the public may be speaking about; and
- related that as he understands it, that in effort to keep costs down, even coat hooks have been eliminated.

Assemblymember Halter:


- stated that he is looking forward to getting RSA mill rates for last the few years; and
- thanked the body for a good meeting.

Assemblymember Arvin stated that he is looking forward to the staff reduction information for the budget.

Assemblymember Ewing advised that after careful consideration that he will have a motion to reconsider Amendment No. 3.

VI. ADJOURNMENT

The special meeting adjourned at 9:20 p.m.


LARRY DeVILBISS, Borough Mayor

ATTEST:


LONNIE R. McKECHNIE, CMC, Borough Clerk

Minutes approved: 06/07/11