

I. CALL TO ORDER

The regular meeting of the Matanuska-Susitna Borough Assembly was held on May 17, 2011, at the Borough Assembly Chambers, 350 E. Dahlia Avenue, Palmer, Alaska. The meeting was called to order at 6 p.m. by Mayor Larry DeVilbiss.

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. Ronald Arvin, Assembly District No. 3 (*Deputy Mayor*)(*arrived telephonically at 6:16 p.m.*)
Mr. Mark Ewing, Assembly District No. 4
Ms. Cindy L. Bettine, Assembly District No. 5
Mr. Jim Colver, Assembly District No. 6 (*arrived at 6:16 p.m.*)
Mr. Vern Halter, Assembly District No. 7

Staff in attendance were:

Mr. John Moosey, Borough Manager
Ms. Lonnie R. McKechnie, Borough Clerk
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. Chuck Braun, Acting Public Works Director
Ms. Christine Nelson, Planning and Land Use Director
Mr. Dennis Brodigan, Emergency Services Director
Ms. Patty Sullivan, Public Affairs Director
Mr. Brad Sworts, Transportation and Environmental Manger
Ms. Sharon Huckins, Administrative Secretary I
Mr. Emerson Krueger, Planner II
Mr. Mark Whisenhunt, Code Compliance Officer
Ms. Cheyenne Heindel, Financial Analyst

III. APPROVAL OF AGENDA

Mayor DeVilbiss inquired if there were any objections to removing the budget ordinance from the agenda, as the budget was adopted on May 16, 2011.

There was no objection noted.

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

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

IV. PLEDGE OF ALLEGIANCE

The Pledge of Allegiance was led by Mr. Emerson Krueger, Planner II.

V. MINUTES OF PRECEDING MEETINGS

(There were no minutes provided.)

VI. SPECIAL ORDERS OF THE DAY

A. Proclamation in Recognition of Foster Parent Appreciation Month

Mayor DeVilbiss:

- read the proclamation into the record; and
- spoke regarding Foster Parent Appreciation Month.

VII. REPORTS/CORRESPONDENCE

A. AGENCY REPORTS

1. Reports from cities

(There were no reports provided.)

2. Matanuska-Susitna Borough School District

(There were no reports provided.)

B. COMMITTEE REPORTS

1. Joint Assembly/School Board Committee on School Issues

Assemblymember Colver:

- noted that he spoke with Dr. Burnley and Mr. Forrest regarding bonding; and
- requested that the Clerk schedule a meeting for the committee to discuss school bonds.

2. Assembly Public Relations

Assemblymember Woods:

- stated that he recently spoke with Representative Bill Stolze;
- related that Representative Stolze was disappointed that the Borough did not lobby the State Redistricting Board to keep him within the Borough Boundaries; and
- noted that Representative Stolze has been very supportive of Borough projects.

3. Mayor's Blue Ribbon Sportsmen's Committee

Assemblymember Colver advised that this item could be removed from future agendas.

Mayor DeVilbiss inquired if there was any objection to removing the Mayor's Blue Ribbon Sportsmen's Committee from future agendas.

There was no objection noted.

B. MANAGER COMMENTS

1. State/Federal Legislation
2. Strategic Planning Issues
3. State Redistricting

Mr. Moosey:

- spoke to the approved State capital budget for the Borough;
- related that funds have been received for the Port MacKenzie Rail, the Big Lake Community Impact Assessment, substandard roads and bridges, South Denali Gateway, Hatcher Pass Scenic Overlook and Trailhead, and Trunk Road Reconstruction;
- noted that the total to be received is approximately \$200,000,000;
- related that the letter and map approved by the Assembly regarding Borough redistricting has been passed on to the State Redistricting Board; and
- requested that Mr. Madden provide a report regarding the ferry.

Mr. Lew Madden provided an update regarding the status of the M/V Susitna.

Assemblymember Ewing queried when Mr. Madden's contract with the Borough will be concluded.

Mr. Madden stated that his contract expires in October 2011.

Assemblymember Bettine queried if Mr. Madden was overseeing the sea trials for the ferry and whether he was involved in the design phase.

Mr. Madden affirmed the query.

Assemblymember Bettine queried how involved Mr. Madden has been with testing landings.

Mr. Madden:

- stated that he has not had much involvement with the testing of landings;
- related that he was involved in writing the interface specifications for landings, so far as what the ship would need in order to land; and
- noted that his expertise is regarding the ferry itself.

Discussion ensued regarding:

- the requirements for ferry landings;
- the ferry's ability to land on beaches;
- the risks to the ferry associated with ice in Cook Inlet;
- the tonnage that the ferry can accommodate;
- daily operational costs of the ferry;
- projected long term overhead costs;
- how daily operational costs will decrease over time;
- how the ferry will increase jobs within the area;
- when design changes to the ferry occurred that made it a high-speed vessel;
- the feasibility of performing new cost analysis studies on the ferry;
- the timeframe of when the Borough might take possession of the ferry;
- wharf fees for ferry storage in Ketchikan;
- the possibility for the M/V Susitna to provide ferry service for coastal communities that are interested in it;
- the challenge of engaging the Port of Anchorage in the ferry landing project;
- how maritime laws affect the way the ferry would be staffed; and
- overall concerns with revenue and expenditures of the ferry.

A. ATTORNEY COMMENTS

(There was no report provided.)

B. CLERK COMMENTS

Ms. McKechnie:

- spoke regarding the upcoming meeting schedule;
- noted that the Planning Session is scheduled for June 4;
- stated that the priorities the Assembly came up with in January 2010 are attached to the Clerk's report; and
- related that the Jay Nolfi Fish Creek Park dedication and picnic is scheduled for 5 p.m. immediately following the Planning Session.

Mr. Spiropoulos:

- stated that his annual evaluation is due in June; and
- queried if the Assembly had any objections to scheduling it for June 7 at 4 p.m.

There was no objection noted.

Ms. McKechnie:

- stated that her annual evaluation is due in July; and
- queried if the Assembly would like to schedule the evaluation for July 19.

Assemblymember Colver opined that it is not necessary to evaluate Ms. McKechnie as she is doing a fantastic job.

Mayor DeVilbiss queried if there was any objection to not scheduling the annual evaluation of Ms. McKechnie.

There was no objection noted.

Assemblymember Woods:

- spoke to recent actions taken by the Planning Commission regarding a interim materials use district in the Kashwitna Lakes area; and
- opined that the Planning Commission is not aware that the Assembly is very much in favor of economic development.

Assemblymember Colver:

- acknowledged that there is a large agenda before the body this evening; and
- stated that he would like to have operational costs of the ferry from Mr. Madden prior to the end of the meeting.

Mayor DeVilbiss inquired if Mr. Madden could provide that information later in the evening.

Mr. Madden affirmed the query.

C. CITIZEN AND OTHER CORRESPONDENCE

1. MSB Board/Committee Minutes:
 - a. Emergency Medical Services Board: 02/02/11
 - b. Local RSA Advisory Board: 01/20/11
 - c. Planning Commission: 01/03/11, 02/07/11, 03/07/11, Resolution Serial No. 11-03
 - d. Platting Board: 03/17/11
 - e. Transportation Advisory Board: 02/23/11, Resolution Serial Nos. 11-02, 11-03, 11-04, 11-05, 11-06
2. Community Council Correspondence:
 - a. Big Lake Community Council: 02/09/11
 - b. Willow Area Community Organization: 02/14/11

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

D. INFORMATIONAL MEMORANDUM

1. IM No. 11-105: MONTHLY REPORTING OF AMENDED CONTRACTS AND NEW AWARDS UNDER \$100,000, ALONG WITH SOLE SOURCE PROCUREMENTS, FOR THE PERIOD OF APRIL 1, 2011, TO APRIL 30, 2011.

The informational memorandum was presented and no comments were noted.

VIII. UNFINISHED BUSINESS

- A. AM No. 11-033: AWARD OF BID NO. 11-083, TO HOWDIE, INC. FOR DOROTHY SWANDA JONES BUILDING DOOR HARDWARE AND SECURITY UPGRADES IN THE CONTRACT AMOUNT OF \$213,428.

MOTION PENDING: Assemblymember Colver moved to adopt AM No. 11-033.

Mayor DeVilbiss inquired if there was anything new to report since the last time that the legislation was before the Assembly.

Mr. Braun:

- related that he had previously reported that the software for the keycards was operational; and
- noted that the software had recently crashed, but that luckily the Information and Technology Department was able to patch it back together.

Assemblymember Ewing:

- opined that there should be no further funds spent on improvements to the Dorothy Swanda Jones Building until a long term decision is made on how to address space issues; and
- queried if the lock system is what would be upgraded as a result of this legislation.

Mr. Braun affirmed the query.

Assemblymember Colver:

- spoke to other funds that have been set aside to renovate the Dorothy Swanda Jones Building;
- stated that usually locks are part of the finishing phase when a project is renovated; and
- opined that funds should not be spent on the hardware and security upgrades at this time.

MOTION: Assemblymember Colver moved to postpone AM No. 11-033 indefinitely.

Assemblymember Arvin:

- opined that AM No. 11-033 should be postponed to a time certain rather than indefinitely; and
- further added that there is value in the Assembly discussing this legislation.

MOTION: Assemblymember Colver moved to withdraw the motion.

VOTE: There was no objection noted.

MOTION: Assemblymember Colver moved to postpone AM No. 11-035 to a time certain of June 21, 2011.

Assemblymember Keogh queried if there would be any negative impacts if the legislation is postponed.

Mr. Braun:

- stated that a delay should not be problematic; and
- noted that the new proposed system would be compatible and has enough capacity to handle the new proposed addition should that be something the Assembly wants to do.

VOTE: The motion to postpone to a time certain passed with Assemblymembers Woods, Keogh, and Bettine opposed.

(The regular meeting recessed at 6:55 p.m. and reconvened at 7:03 p.m.)

B. ~~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.~~**

(The budget ordinance was pulled from the agenda at the approval of the agenda.)

X. SPECIAL ORDERS (to begin at 7 p.m.)

- A. PERSONS TO BE HEARD (Three minutes per person.)**

(There were no persons to be heard.)

- B. PUBLIC HEARINGS (Three minutes per person.)**

- 1. Ordinance Serial No. 11-055: AN ORDINANCE APPROVING A SUPPLEMENTAL APPROPRIATION OF \$34,500 FROM THE BUTTE FIRE SERVICE AREA FUND BALANCE, FUND 251, TO THE BUTTE FIRE SERVICE AREA FISCAL YEAR 2011 OPERATING BUDGET, FUND 251, TO PROVIDE ADDITIONAL FUNDING FOR NON-EMPLOYEE COMPENSATION WAGES AND RESPONDER TRAINING.**
- a. IM No. 11-093**

Mayor DeVilbiss opened the public hearing.

The following person spoke in support of Ordinance Serial No. 11-055: Mr. Butch Moore.

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

MOTION: Assemblymember Keogh moved to adopt Ordinance Serial No. 11-055.

VOTE: The motion passed without objection.

2. Ordinance Serial No. 11-056: AN ORDINANCE AMENDING MSB 2.08 AND 2.12, TO CHANGE THE DATE ELECTED OFFICIALS TAKE OFFICE; AND TITLE 25, ELECTIONS, TO MAKE CHANGES TO THE ELECTION BROCHURE PROCEDURE, AND WHEN ABSENTEE BY-MAIL BALLOT REQUESTS CAN BE MAILED. *(Sponsored by Assemblymember Keogh)*
 - a. IM No. 11-101

Mayor DeVilbiss 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 Keogh moved to adopt Ordinance Serial No. 11-056.

VOTE: The motion passed without objection.

C. AUDIENCE PARTICIPATION (Three minutes per person.)

The following person spoke regarding Ordinance Serial No. 11-058 and Resolution Serial No. 11-070: Mr. Marvin Yoder.

The following persons spoke in support of the Human Services Community Matching Grant Program: Ms. Sunny Radebaugh, Ms. Barbara Lee Brown, and Mr. Patrick Johnson.

The following person spoke in support of the Assembly overriding the Mayor's vetoes on the budget: Ms. Lauren Kruer.

The following person welcomed the new Borough Manager: Mr. Neil Snider.

The following person spoke to the need for the West-Lakes Fire Service Area Board of Supervisors to do a better job communicating what is needed for a mill rate: Mr. Ken Slausen.

The following person spoke in support of Resolution Serial No. 11-068: Mr. Butch Moore.

- D. CONSENT AGENDA (Resolution Serial Nos. 11-065, 11-067, and 11-068 and AM No. 11-037 were pulled from the consent agenda and addressed separately. *See pp. 9-12*)

1. RESOLUTIONS

- b. Resolution Serial No. 11-066: A RESOLUTION APPROVING CERTAIN UNINCORPORATED COMMUNITIES AND THE INCORPORATED

NONPROFIT ENTITY FOR PARTICIPATION IN THE FISCAL YEAR 2012
COMMUNITY REVENUE SHARING PROGRAM.

(1) IM No. 11-107

2. ACTION MEMORANDUMS

- a. AM No. 11-035: AUTHORIZING THE BOROUGH MANAGER TO ENTER INTO A GRAVEL SALE CONTRACT WITH KENNERSON EXCAVATION, INC. FOR THE POINT MACKENZIE ACCESS ROAD PROJECT (MSB006600).
- b. AM No. 11-036: APPROVAL OF CHANGE ORDER NO. 2 TO CONTRACT NO. 10-037, WITH ALASKA EMERGENCY MEDICAL CONSULTANTS, FOR A ONE YEAR EXTENSION IN AN AMOUNT NOT TO EXCEED \$85,000 FOR MEDICAL SERVICES DIRECTOR.

Ms. McKechnie 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.

- a. Resolution Serial No. 11-065: A RESOLUTION AMENDING THE BUDGETS FOR PROJECT NO. 10057, FIRE ALARMS AND SUPPRESSION REPAIRS, AND PROJECT NO. 10057, ADMINISTRATION BUILDING REPAIR AND MAINTENANCE FUND TO SUPPLEMENT THE FUNDING FOR BUILDING MAINTENANCE.

(1) IM No. 11-102

MOTION: Assemblymember Ewing moved to adopt Resolution Serial No. 11-065.

MOTION: Assemblymember Ewing moved to postpone Resolution Serial No. 11-065 to a time certain of June 21, 2011.

Assemblymember Ewing:

- spoke to concerns with the high amount of funds within the legislation; and
- opined that legislation regarding any changes to the Dorothy Swanda Jones Building should not be brought forward until such a time as a decision has been made regarding expansion of the building.

Assemblymember Keogh queried if the total amount in the legislation was \$19,132.

Ms. Clayton affirmed the query.

WITHDRAWN: Assemblymember Ewing moved to withdraw his motion for postponement.

There was no objection noted.

VOTE: The motion passed without objection.

- c. Resolution Serial No. 11-067: A RESOLUTION APPROVING THE AMENDED SCOPE OF WORK FOR THE CULVERT REPLACEMENTS IN LITTLE SUSITNA/BIG LAKE WATERSHEDS AND HYRDOSEEDING OF PAST PROJECTS, PROJECT NO. 30107, TO INCLUDE MEADOW LAKES AREA CULVERT REPLACEMENT (ML26, ML27, ML28).

(1) IM No. 11-109

MOTION: Assemblymember Woods moved to adopt Resolution Serial No. 11-067.

Assemblymember Woods queried if these funds were remaining from past projects.

Mr. Braun affirmed the query.

VOTE: The motion passed without objection.

- d. Resolution Serial No. 11-068: A RESOLUTION AMENDING THE SCHEDULE OF FEES AUTHORIZED UNDER MSB 27.05.030, FOR ROAD INSPECTION FEES.
(Sponsored by Assemblymember Ewing)

(1) IM No. 11-111

MOTION: Assemblymember Bettine moved to adopt Resolution Serial No. 11-068.

Assemblymember Bettine queried what is done when roads are inspected.

Mr. Braun:

- stated that the word inspection is somewhat misleading, as it is not just a single site visit;
- related that there are many things that occur prior to the actual inspection such as a pre-application review, construction site plan verification, a review of the preliminary plat, a Platting Board attendance, individual meetings with developers and their engineers, pre-construction conferences as required, interim inspections as required, filings, final inspection as required, final plat review and drainage plan review;
- stated that in 2010, the Public Works Department had one engineer who worked on a total of six road projects valued at \$447,000;
- noted that the Borough collected fees in the amount of \$20,955 for that work; and
- advised that under the new proposed fees that a total of \$3,000 would have been collected.

Assemblymember Woods queried if the funds for the employee are included in the budget.

Mr. Braun affirmed the query.

Discussion ensued regarding:

- the role of the engineer in road inspection;
- current fees for road inspections;
- how subdivision development affects road construction;
- the need to address this issue in depth when Title 27 is taken up;
- when and why road inspection fees were increased from one percent to five percent;
- the costs associated with road inspections;
- certification of engineers performing inspections; and
- how the road inspections are conducted.

MOTION: Assemblymember Colver moved a primary amendment to Resolution Serial No. 11-068, to strike the words “\$500” and insert in its place “one percent of construction cost with a minimum fee of \$500.00.”

Assemblymember Colver:

- opined that if there is a problem with the quality of roads being constructed that the roads will not be approved;
- further added that plats would not be able to be recorded and therefore the lot will not be able to be sold;
- stated that there is a lot of motivation for developers to build roads to Borough standards;
- opined that five percent of construction costs is a lot of money to not have anything on the ground;
- spoke to the number of regulatory measures that must be taken in order to build a road;
- opined that a reasonable fee should be put into place;
- stated that if the fee needs to be revisited later that the Assembly can always do that; and
- noted that if a developer is not following the rules that it has to be dealt with through other proper channels.

Assemblymember Keogh:

- stated that he had heard many times from private developers that the five percent fee is onerous;
- noted that the Assembly has been told that there are times that private developers are not building roads to Borough standards, which causes a lot of extra work for staff;
- stated that he is unsure how to approach this issue; and
- stated that he has an amendment that will provide a middle ground.

MOTION: Assemblymember Keogh moved a secondary amendment to strike “one percent” and insert in its place “three percent.”

Assemblymember Ewing:

- opined that three percent is still excessive; and
- stated that the Borough needs to show that it is open for business.

Assemblymember Bettine:

- noted her support of the amendment; and
- spoke to concerns that tax payers should not be supplementing developers.

Assemblymember Arvin noted he does not support the secondary amendment.

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

Assemblymember Woods:

- noted that on a \$400,000 job that the Borough would receive \$4,000 with the one percent rate;
- opined that one-half percent would be sufficient; and
- noted his opposition to the amendment.

Assemblymember Ewing requested support of the primary amendment.

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

VOTE: The motion passed without objection.

VOTE: The primary amendment passed with Assemblymember Keogh opposed.

VOTE: The main motion passed as amended with Assemblymember Keogh opposed.

c. AM No. 11-037: AWARD OF PROPOSAL NO. 11-081 TO USKH, INC. IN THE CONTRACT AMOUNT NOT TO EXCEED \$700,000 FOR THE WASILLA MIDDLE AND HIGH SCHOOL ROOF REPAIR/REPLACEMENT.

MOTION: Assemblymember Colver moved to adopt AM No. 11-037.

Assemblymember Colver:

- spoke to concerns with ongoing change orders;
- opined that change orders are not necessary, as consultants should be able to bring projects in on budget; and
- stated that it is up to staff to ensure that the scope of work is adequately set up.

Assemblymember Ewing queried if \$700,000 was adequate to complete the project.

Assemblymember Colver noted that this is only for the design phase.

Mr. Braun:

- related that this is a two phase design project; and
- stated that it is approximately 200,000 square feet of roof that will be replaced.

VOTE: The motion passed without objection.

Mayor DeVilbiss inquired if there was any objection to allowing Mr. Madden to continue his update regarding the ferry.

There was no objection noted.

Mr. Madden:

- stated that the average fuel cost for the ferry is \$580 per hour, using four engines at high power, with constant operation;
- related that crew costs are \$314 per hour, based on Alaska Marine Highway System (AMHS) salaries; and
- stated that a crew of five makes \$171 per hour, averaging \$14 per hour for seamen and up to \$45 per hour for a captain.

Discussion ensued regarding:

- the cost of average operating hours;
- the fact that costs will go down as operations increase;
- daily costs and total annual costs;
- the numerous ways that costs can be reduced;
- the necessity of having a qualified crew;
- hiring crew members from within the Borough in order to reduce costs;
- rates of other ferries on the AHMS and throughout the United States;
- the length of time for trips across the inlet;
- regulations that govern the transport of prisoners on the ferry; and
- vehicle transport fees.

(The regular meeting recessed at 8:20 p.m. reconvened at 8:30 p.m.)

Mayor DeVilbiss inquired if there was any objection to taking the introductions while the veto packet is emailed to Assemblymember Arvin.

There was no objection noted.

I. NEW BUSINESS

A. INTRODUCTIONS (For public hearing – 06/07/11, 7 p.m., Borough Assembly Chambers)

1. Ordinance Serial No. 11-057: AN ORDINANCE APPROPRIATING \$30,000 FROM TALKEETNA FLOOD CONTROL SERVICE AREA NO. 7 FUND BALANCE, FUND 290, TO FUND 490, FOR THE TALKEETNA FLOOD REVETMENT CONTROL PROJECT, PROJECT NO. 75004.
 - a. Resolution Serial No. 11-069: A RESOLUTION APPROVING THE SCOPE OF WORK AND BUDGET FOR THE TALKEETNA FLOOD CONTROL PROJECT, FUND 490, PROJECT NO. 75004.
- (1) IM No. 11-104

2. Ordinance Serial No. 11-058: AN ORDINANCE APPROPRIATING \$300,000 FROM THE INTEREST EARNINGS FROM THE LAND MANAGEMENT PERMANENT FUND, FUND 203, TO FUND 435, IN ORDER TO SUPPLEMENT THE FUNDING FOR THE SUTTON LIBRARY/COMMUNITY CENTER CONSTRUCTION PROJECT NO. 10168.
 - a. Resolution Serial No. 11-070: A RESOLUTION APPROVING THE SCOPE OF WORK AND BUDGET FOR PROJECT NO. 10168 FOR THE SUTTON LIBRARY/COMMUNITY CENTER CONSTRUCTION PROJECT.
 - (1) IM No. 11-108
3. Ordinance Serial No. 11-059: AN ORDINANCE APPROPRIATING FUNDS IN THE AMOUNT OF \$85,600 FROM THE BUTTE FIRE SERVICE AREA NO. 2 FUND BALANCE, FUND 251, TO FUND 405, PROJECT NO. 45142, FOR A 3000 GALLON VAC TANKER.
 - a. Resolution Serial No. 11-071: A RESOLUTION AMENDING THE BUDGET FOR BUTTE FIRE SERVICE AREA PROJECT NO. 45142, FOR A 3000 GALLON VAC TANKER.
 - (1) IM No. 11-110
4. Ordinance Serial No. 11-060: AN ORDINANCE AMENDING MSB 2.70; MSB 4.38 , AND MSB 2.29 REGARDING THE CODE OF ETHICS.
 - a. IM No. 11-113

Ms. McKechnie 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 June 7, 2011.

VOTE: The motion passed without objection.

Mayor DeVilbiss inquired if there was any objection to taking up the vacancy report next.

There was no objection noted.

B. MAYORAL NOMINATIONS AND APPOINTMENTS

1. VACANCY REPORT

Mayor DeVilbiss requested the following confirmations:

Animal Care and Regulation Board
Dawn Vogt
Enhanced 911 Advisory Board
Charley McAnally, removal
Labor Relations Board
Toni Bluel

Parks, Recreation, and Trails Advisory Board
James Gustafson
Fred Miller
Ryan Towry
Todd Rinaldi
Willow FSA No. 35
Gail Just-Cornelius
Knik RSA No. 17
Tod Becker

Mayor DeVilbiss made the following recommendations:

Caswell FSA No. 135
Kenneth Eggleston
Alpine RSA No. 31
Steve Hudson
Knik RSA No. 17
Michelle DeLong

MOTION: Assemblymember Colver moved to approve the Mayor's recommendations up for confirmation this evening.

MOTION: Assemblymember Halter moved to divide the question to take up the confirmation of Gail Just-Cornelius to the Willow FSA No. 35 separately.

VOTE: The motion passed without objection.

VOTE: First segment to approve the Mayor's recommendations up for confirmation this evening passed without objection.

Assemblymember Halter spoke to concerns with the lack of movement of people on the vacancy report who have applied several months back.

Mayor DeVilbiss opined that the vacancy report is best as it is presented.

Assemblymember Bettine opined that the animosity over the vacancy report has gone on too long.

VOTE: Second segment to confirm Gail Just-Cornelius to the Willow FSA No. 35 failed with Assemblymembers Ewing, Arvin, and Woods in support.

IX. VETO

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

Veto No. 1 - Administrative Assistant for Mayor/Manager

Reducing the following budgets to remove the Administrative Assistant for the Mayor/Manager:

- Administration -100.100.110.411s and 412s, Wages and Benefits – \$98,250; and
- Mayor - 100.110.104.411s and 412s, Wages and Benefits – \$24,563.

MOTION: Assemblymember Colver moved to override Veto No. 1.

Assemblymember Halter opined that the Mayor should have his own staff support.

Assemblymember Keogh:

- stated that he appreciates that the Mayor is attempting to do his own administrative work;
- related that all of the Assembly already receives all of their support from the Clerk's Office; and
- noted that he agrees with Assemblymember Halter.

Assemblymember Ewing:

- spoke to the many budget cuts that have been made;
- stated that the Mayor is showing good leadership by making cuts within his own budget; and
- noted that he supports the Mayor's decision to cut his staff.

Assemblymember Bettine stated that she thought that there could be serious ramifications for eliminating this position.

Discussion ensued regarding:

- the class elimination study required by the State (PERS);
- whether or not to eliminate this position;
- reclassifying one of the other positions in Administration to include administrative support for the Mayor;
- the economic feasibility of eliminating this position;
- the possibility of not back filling the position for at least a year;
- the possibility of hiring a temporary employee to fill the position; and
- the possibility of leaving the decision up to the Manager whether or not to fill the position permanently.

VOTE: The motion to override passed with Assemblymember Colver opposed.

Veto No. 2 - Media Design Specialist

Reducing the following budgets to remove the Media Design Specialist:

- Administration -100.000.000.411.100, Wages – \$40,836 and 100.000.000.412.xxx, Benefits – \$32,351; and
- Port - 520.100.112.411.100, Wages – \$10,209 and 520.100.112.412.xxx, Benefits – \$8,088.

MOTION: Assemblymember Bettine moved to override Veto No. 2.

Assemblymember Bettine:

- noted that she thought at one time that this position could be contracted out;
- related that she did some research and discovered that it would be quite a bit more expensive to do so; and
- opined that things are running well and that this position is important in order to promote Borough projects.

Assemblymember Halter:

- noted that the Public Relations Department is a type of sales department and should be kept; and
- stated that it is important for the Assembly to properly promote Borough projects.

Assemblymember Keogh:

- spoke to State funding that is in a large part due to the quality of the work that was produced to promote Borough projects;
- noted that there is only one person in public relations that does a fantastic job; and
- stated that she is deserving of support and that the Borough would be well served to retain this position.

Discussion ensued regarding:

- the possibility of contracting the position out;
- the need to retain the position;
- that this is a brand new position and would have no ramifications with PERS if eliminated;
- the need to revise the way professional contracts are awarded; and
- the possibility of the salary for this position being charged only to projects.

[Clerk's note: there was some confusion regarding the process of calling for the question.]

Assemblymember Bettine requested that the Clerk provide an explanation of the process to call for the question.

Ms. McKechnie:

- stated that a member must be recognized by the Mayor in order to call for the question;
- advised that when a member has the floor means that they are recognized by the Mayor;
- further added that if a member does not have the floor and calls for the question that the Mayor does not have to acknowledge that the member has called for the question;
- noted that once the question has been called for debate must stop immediately; and
- related that the call for the question is not debatable and a two-thirds vote is needed to close debate.

Discussion ensued regarding how to call for the question.

Assemblymember Arvin:

- opined that the work that has come out of Public Relations is impressive;
- spoke to concerns that if the position is contracted out, that the Borough would lose a measure of control over how projects are promoted;
- noted that the person in the position currently attends many meetings; and
- stated that he is concerned that if it were a contracted position that attendance at meetings would result in high billable hours.

VOTE: The motion to override passed with Assemblymember Ewing opposed.

Veto No. 3 - Assistant Attorneys (2)

Reducing the Law Department's budget to remove two (2) assistant attorney positions:

- 100.100.111.411s and 412s, Wages and Benefits – \$290,854.

MOTION: Assemblymember Keogh moved to override Veto No. 3.

Assemblymember Halter:

- spoke to complex litigation that the Law Department handles;
- stated that any legal questions of the Assembly have been addressed immediately; and
- opined that their work is top notch.

Assemblymember Keogh queried if the cost to the Law Department budget would increase if these two positions were eliminated.

Mr. Spiropoulos:

- stated that it would cost approximately \$460,000 per year for an outside attorney; and
- related that the internal cost for the same position is \$145,000, which includes benefits.

Mayor DeVilbiss queried if there is an anticipated reduction in the Law Department's case load.

Mr. Spiropoulos:

- related that the work load has actually increased;
- stated that the cut would take the Law Department back to 2002 staffing levels; and
- opined that this would cause a significant impact on Borough business.

Assemblymember Arvin queried if there are reserve accounts that could cover the costs of hiring outside attorneys should the override fail.

Ms. Clayton stated that there are reserve accounts that require different types of votes to authorize the movement of funds.

Assemblymember Colver:

- stated that hiring an outside attorney would be costly in bringing them up to speed on Borough issues alone; and
- opined that this is not a staffing cut that should be made.

Mayor DeVilbiss opined that by cutting administrative positions it sets a precedent on how government works.

Assemblymember Colver:

- stated that Borough employees are not feeling as though their work is valued;
- spoke to the number of employees that have shown up to the budget meetings;
- noted that staff has been very tense and worried whether or not they will have a job to support themselves and their families;
- opined that the Assembly and the Mayor have failed to acknowledge that Borough staff are taxpaying constituents;
- stated that he would like to convey to the employees that the Assembly and the staff are all a team; and
- opined that the Assembly has not properly conveyed that employees are valuable to the work done within the Borough.

Assemblymember Ewing queried the hourly rate for hiring outside counsel.

Mr. Spiropoulos:

- stated that the average hourly rate is \$250 per hour;
- noted that it can be higher depending on the firm that is available; and
- related that an in-house attorney costs \$78 per hour each.

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

VOTE: The motion passed without objection.

VOTE: The motion to override passed without objection.

Assemblymember Bettine stated that she would like to take up Veto No. 10.

The Mayor inquired if there was any objection to taking up Veto No. 10 next.

There was no objection noted.

Veto No. 10 - Grants/Pass – Human Services Matching Grant

Reducing the Grants/Pass Through by striking the Human Services Grant Match in the amount of \$150,000.

MOTION: Assemblymember Bettine moved to override Veto No. 10.

Assemblymember Bettine:

- spoke to the large public input in favor of keeping the matching grant program; and
- opined that it should be kept.

Mayor DeVilbiss:

- acknowledged that there has been a lot of anxiety that this program will be eliminated;
- advised that he has established a benevolent human services matching fund to provide matching funds from voluntary contributions from supportive community individuals and organizations; and
- stated that he will be soliciting contributions to the fund.

Assemblymember Halter:

- stated that he appreciates the Mayor's efforts in setting up the fund;
- opined that there is nothing wrong with government being benevolent; and
- further opined that the most compelling testimony received on the budget has been regarding the matching grant program.

Assemblymember Ewing:

- noted that \$150,000 is less than \$1.60 per household to contribute to this program;
- stated that he is not willing to see people go hungry; and
- opined that it is appropriate for government to do this type of thing.

Assemblymember Keogh:

- noted his support of the override;
- noted that there has been overwhelming support in retaining the human service matching grant program;
- spoke to the volumes of email he has received in support of the program; and
- noted that if the Borough does not step up to the plate to contribute to this program, that it sets a bad example for others who contribute to it as well.

Assemblymember Bettine:

- stated that she thought the account the Mayor has set up will be really good for next year;
- spoke to many local businesses who are very generous in donating;
- opined that it will remain to be seen the amount of funds the account will generate; and
- stated that she is in support of retaining the matching grant program.

Mayor DeVilbiss:

- stated that being benevolent should not result in taxpayers homes being foreclosed on;
- spoke to the advertisement in the paper that lists over 2,000 properties that are in foreclosure; and
- requested Ms. Clayton provide a report on current foreclosures.

Ms. Clayton:

- stated that the first step is to advertise, which is where the foreclosures the Mayor spoke to are at;
- related that since the listing was published in the paper, there have been approximately 1,400 that have come current;
- noted that the next step is to go to judgment, which lasts approximately a year and then it goes to Clerk's Deed; and
- related that last year, there had been only 14 properties out of 1,900 that were actually foreclosed on at the outcry auction.

Discussion ensued regarding the foreclosure process.

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

VOTE: The motion passed without objection.

VOTE: The motion to override passed unanimously.

Assemblymember Colver stated that he would like to go back to taking the vetoes in order as numbered.

There was no objection noted.

Veto No. 4 - Community Development – Community Enrichment

Reducing Community Enrichment – 100.170.146, by striking the program in its entirety in the amount of \$33,200

MOTION: Assemblymember Colver moved to override Veto No. 4.

Assemblymember Colver:

- stated that he recalls this being a benevolent program set up to provide services to rural constituents; and
- noted it provides for cabin fever relief.

Assemblymember Halter:

- opined that this is important to the communities farther north, especially in the winter;
- further opined that residents in northern communities are isolated from the amenities that the core area has access to;
- noted that there is a lot of community support for this program; and
- stated that this program provides family activities, which enriches the community.

(Assemblymember Arvin exited the meeting at 9:40 p.m.)

VOTE: The motion to override passed with Assemblymember Ewing opposed.

Veto No. 5 - Code Compliance – Vehicle and Junk Removal

Reducing Vehicle and Junk Removal

- 100.160.134.429.600 – striking \$10,000 and inserting \$0.

MOTION: Assemblymember Bettine moved to override Veto No. 5.

Assemblymember Bettine:

- related that she receives more calls on junk and trash removal than anything else;
- stated that it is unfortunate that funds must be spent on this; and
- requested support of the override.

VOTE: The motion to override failed with Assemblymembers Colver, Keogh, Bettine, and Woods in support (requires five votes to pass).

Veto No. 6 - Environmental Division – Other Professional Charges

Reducing Other Professional Charges

- 100.130.137.426.900 – striking \$12,000 and inserting \$0.

MOTION: Assemblymember Colver moved to override Veto No. 6.

Assemblymember Colver:

- spoke to the handout that outlines the scope of work for genetic studies in order to prepare for the legislative request;
- stated that it was prepared by Kramer Fish Sciences;
- spoke to the other funding mechanisms that are in place for this program; and
- opined that this should not be cut.

VOTE: The motion to override passed without objection.

Veto No. 7 - Areawide/Capital – Reflections Lake Viewing Tower

Reducing Areawide/Capital, by striking the Reflections Lake Viewing Tower project – \$15,000.

MOTION: Assemblymember Ewing moved to override Veto No. 7.

Assemblymember Ewing noted that he is not in support of overriding the veto.

VOTE: The motion to override failed with Assemblymembers Colver, Keogh, Halter and Bettine in support (requires five votes to pass).

Veto No. 8 - Areawide/Capital – Block Grants to Cities

Reducing Areawide/Capital, Grant/Pass Through, by striking the Block Grants to the cities:

- City of Palmer Block Grant – \$59,227;
- City of Wasilla Block Grant – \$72,089; and
- City of Houston Block Grant – \$25,000.

MOTION: Assemblymember Keogh moved to override Veto No. 8.

Assemblymember Keogh:

- stated that the Assembly spent a considerable amount of time trying to reach a compromise on this issue;
- spoke to concerns with areawide funds being used for non-areawide programs; and
- noted that he supports the override.

Assemblymember Halter:

- spoke to the importance of building good relations with the cities; and
- recognized that there is no library in Houston, but that the funds can be spent however a city may choose.

VOTE: The motion to override passed without objection.

Veto No. 9 - Capital – Community Development – Parks & Outdoor Recreation Trail Improvements

Reducing Capital by striking Trail Improvements in the amount of \$200,000.

MOTION: Assemblymember Halter moved to override Veto No. 9.

Assemblymember Halter:

- noted that when users come from Anchorage to use trails that it could be seen as a privilege;
- stated that when it is viewed from the point of increasing tourism it can be seen differently, as providing trails and infrastructure are essential government functions;
- noted that tourism supports small family owned businesses, which in turn is good business for the Borough; and
- related that freighting companies have developed in response to the needs of constituents that are located on trails.

VOTE: The motion to override failed with Assemblymembers Colver, Keogh, Halter and Bettine in support (requires five votes to pass).

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

VOTE: The motion passed with Assemblymembers Ewing and Halter opposed.

Veto No. 11 - Grants/Pass Through – Youth Court

Reducing the Grants/Pass Through by striking the Youth Court funds in the amount of \$20,000.

MOTION: Assemblymember Colver moved to override Veto No. 11.

Mayor DeVilbiss:

- stated that this program was started with seed money with the caveat that they seek funding elsewhere in later years, which has not happened; and
- opined that they need to learn fundraising skills.

Assemblymember Halter:

- stated that he was impressed by the demeanor of the students who testified in favor of funding for Youth Court; and
- noted his support of the motion to override.

Assemblymember Ewing:

- stated that the program receives in-kind donations from the city of Wasilla;
- opined that if Youth Court does not receive funding from the Borough that the program will not be killed; and
- noted that he understands the benefits of the program.

VOTE: The motion to override failed with Assemblymembers Colver, Keogh, and Halter in support (requires five votes to pass).

Mayor DeVilbiss inquired if there was any objection to taking up Veto Nos. 12 and 13 together.

There was no objection noted.

Veto Nos. 12 and 13

Veto No. 12 - Reducing Capital, in the amount of \$853,248, with the capital projects to be reduced to be determined by Administration; and

Veto No. 13 - Reducing Capital, in the amount of \$1,606,750 with the capital projects to be reduced to be determined by the manager.

MOTION: Assemblymember Halter moved to override Veto Nos. 12 and 13.

Assemblymember Colver:

- spoke to concerns with passing the powers of the Assembly to the Manager; and
- further spoke to concerns with the Assembly losing their appropriation powers.

Assemblymember Bettine stated that she is concerned with the Borough's ability to bond in the future if the reserves are depleted.

Mayor DeVilbiss:

- stated that he is not touching the 25 percent reserve required for the bond rating;
- related that Mr. Wilson had reviewed the reserve accounts and believes that the Borough is way over reserved for purposes of bonding; and
- further stated that Mr. Wilson was of the opinion that non-area-wide reserves could be used for bonding as well.

Assemblymember Bettine:

- stated that she does not recall Mr. Wilson's resume noting that he is an expert on bonding or finances;
- opined that the Assembly is in a difficult position due to Mr. Wilson's opinions and what the Finance Director is advising the Assembly on;
- noted that the Finance Director has received numerous awards for the work she has done regarding Borough finances; and
- requested that the Finance Director speak to how reserves affect the Borough's ability to bond.

Ms. Clayton:

- stated that in August of 2010 she travelled to San Francisco in an effort to get the bond rating increased with Fitch, who performed a surveillance review;
- further added that the surveillance report was not issued till December, at which time the Borough's bond rating was upgraded;
- related that at the end of January after the rating presentations were made to Standard and Poor, that the Borough's rating was raised to that of Anchorage, which is higher than Fairbanks Northstar Borough;
- related that Fitch also stated that, "The reserves in the general fund balance will remain strong throughout 2011. Moreover, there are a variety of reserves that could be used for non-designated purposes;"
- stated that with Fitch, the Borough is rated higher than Fairbanks, with the rating from Moody maintained where is currently is;
- noted that the rating from Moody was because of high reserves and low financial debt levels;
- stated that because of the upgrades with Fitch and Standard and Poor, that the Borough was able to save \$1,900,000 over the life of the bonds just issued.

Mayor DeVilbiss inquired if it was the opinion of Ms. Clayton that these reserves figured into the bond rate increases.

Ms. Clayton affirmed the query.

Mayor DeVilbiss inquired if the reserves could be used to pay down debt

Ms. Clayton:

- advised that most of the Borough's debt is reimbursed, so the full benefit of it, if the reserves are used would not go to the Borough;
- stated that the Borough school bonds are reimbursed between 60 and 70 percent;

- noted that would basically be telling the State that there would be 60 to 70 percent of the payment that they could give to someone else, which would mean that taxpayers would not receive the benefit of it; and
- stated that the only bonds that could be paid down would be Parks and Recreation bonds.

Assemblymember Ewing queried what the mill rate would be if these two vetoes are not overridden.

Ms. Clayton stated that areawide would be 9.715 with a rebate of .724 reflected on the tax bills for net mill rate of 8.991.

Assemblymember Ewing:

- noted that is close to the mill rate the Mayor had in mind; and
- stated that he will not support the override.

Assemblymember Colver:

- opined that this approach to bringing down the reserves is cumbersome and could be handled a different way;
- stated that it would be cleaner to reduce the reserve fund and bring it into revenue rather than to abdicate the authority of the Assembly; and
- noted that he is concerned with losing projects that are in the budget.

Discussion ensued regarding:

- moving the funds from the reserves; and
- the possibility of withdrawing Veto Nos. 12 and 13.

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

VOTE: The motion failed with Assemblymember Ewing in support.

MOTION: Assemblymember Bettine moved to extend the meeting past 10:30 and not to exceed 11 p.m.

VOTE: The motion passed with Assemblymember Ewing opposed.

(The regular meeting recessed at 10:25 p.m. and reconvened at 10:32 p.m.)

Assemblymember Colver requested that the Clerk provide direction to the Assembly on how Veto Nos. 12 and 13 could be set aside to take up reducing the reserves.

Ms. McKechnie:

- advised that if the motion to override was withdrawn, the Assembly could move to amend something previously adopted (Ordinance Serial No. 11-011); and
- stated that because there has been no prior notice and that Assemblymember Arvin is no longer on the line, it will require five votes in order to pass rather than four.

Mayor DeVilbiss inquired if there was any objection to withdrawing the motion to override Vetoes No. 12 and 13.

There was no objection noted.

(Assemblymember Arvin re-entered the meeting at 10:36 p.m.)

MOTION: Assemblymember Colver moved to amend Ordinance Serial No. 11-011, which was previously adopted on May 16, 2011, for the purpose of transferring \$1,606,750 in Emergency Response Reserve and \$853,248 from the Capital Reserve and bring into Fiscal Year 2012 budget to add to the existing rebate.

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

VOTE: The motion failed with Assemblymember Ewing in support.

Mayor DeVilbiss requested that Ms. Clayton show the Assembly what the rebate will be as a result of the motion.

Ms. Clayton stated that it would change the mill rate to 10.051 mills with a rebate of 1.06, for a net mill rate of 8.991.

VOTE: The motion passed without objection.

Mayor DeVilbiss inquired if there was any objection to him rescinding Veto Nos. 12 and 13.

There was no objection noted.

C. OTHER NEW BUSINESS

(There was no other new business.)

XII. RECONSIDERATION

- A. Ordinance Serial No. 11-036: AN ORDINANCE AMENDING TITLE 27, SUBDIVISIONS; AND MSB 18.10, POINT MACKENZIE PORT DEVELOPMENT STANDARD DISTRICT, CONCERNING SUBDIVISION REQUIREMENTS WITHIN THE PORT DISTRICT AND OTHER AREAS. *(Reconsideration filed on 04/20/11 by Assemblymember Bettine)(carried forward from the May 3, 2011, regular meeting agenda)*
1. IM No. 11-032

Mayor DeVilbiss inquired if the Assembly would like to take up discussion of the motion for reconsideration.

There were no comments noted.

XIII. EXECUTIVE SESSION

(There was no executive session held.)

XIV. MAYOR, ASSEMBLY, AND STAFF COMMENTS

Mr. Moosey:

- thanked the Mayor and Assembly for the confidence placed in staff by hearing recommendations for budget cuts;
- noted that he is excited to work with the Assembly; and
- stated that he is looking forward to the Planning Session on June 4.

Mr. Spiropoulos stated that he is looking forward to the Planning Session.

Assemblymember Ewing

- spoke to an emergency issue that had come about during the weekend;
- thanked Mr. Moosey, Ms. Gray, and Mr. Spiropoulos for their assistance with the issue;
- noted that he appreciates all their hard work; and
- thanked the body for their work on the budget.

Assemblymember Woods:

- stated that he spoke with the Manager for the city of Palmer;
- related that they have a problem with the nutrition center having been promoted to the Federal Aviation Administration (FAA) as a major source of freight and material handling through the airport;
- noted that has not happened and as a result, the FAA is demanding fair market value of the lease be instituted; and
- spoke to concerns with the lack of a regional waste water system.

Assemblymember Halter:

- stated that it was a good process suggested by Assemblymember Colver for moving the reserves;
- opined that the minimum reserve should be raised, as they are not adequate; and
- requested that staff bring forward legislation to raise the mandatory reserve \$1, 250,000, for each of those accounts; and
- opined that there was ample evidence provided by Ms. Clayton that reserves are important.

Assemblymember Keogh:

- stated that at the invitation of the Lake Louise Community Council, he would be attending J-park at Elmendorf Air Force Base; and
- noted that any comments he may provide will be within the boundaries of the resolution the Assembly previously put forward.

Mayor DeVilbiss thanked the Assembly for the budget process, as he is happy with the result.

XV. ADJOURNMENT

The regular meeting adjourned at 11 p.m.


LARRY DeVILBISS, Borough Mayor

ATTEST:


LONNIE R. McKECHNIE, CMC, Borough Clerk

Minutes approved: 06/07/11