

I. CALL TO ORDER

The special meeting of the Matanuska-Susitna Borough Assembly was held on June 2, 2009, at the Borough Assembly Chambers, 350 E. Dahlia Avenue, Palmer, Alaska. The meeting was called to order at 3 p.m. by Deputy Mayor Lynne Woods for the purpose of discussion of Ordinance Serial Nos. 09-055(SUB) and 09-056.

II. ROLL CALL

Assembly members present and establishing a quorum were:

Ms. Lynne Woods, Assembly District No. 1 (*Deputy Mayor*)
Mr. Pete Houston, Assembly District No. 2
Ms. Michelle R. Church, Assembly District No. 3
Mr. Mark Ewing, Assembly District No. 4
Ms. Cindy L. Bettine, Assembly District No. 5
Mr. Robert Wells, Assembly District No. 6 (*Arrived at 4:20 p.m.*)

Assembly members absent and excused were:

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
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. Robert Haskell, Chief Animal Care and Regulation Officer
Mr. Dave Hanson, Economic Development Director

III. APPROVAL OF AGENDA

Deputy Mayor Woods inquired if there were any objections to moving audience participation prior to the items of business.

There was no objection noted.

Deputy Mayor Woods inquired if there were any other changes to the agenda.

GENERAL CONSENT: The agenda was approved as amended.

IV. PLEDGE OF ALLEGIANCE

The Pledge of Allegiance was led by Mayor Roger Purcell, city of Houston.

VI. AUDIENCE PARTICIPATION

The following persons spoke in opposition to placing the sales tax proposition on the October ballot: Mr. Dave Jenkins; Ms. Jenni Bettine; Mayor Verne Rupright, city of Wasilla; Mr. Troy Tankserly, city of Wasilla Finance Manager; Ms. Kelli Veech, Director of Administration, city of Palmer; Mayor John Combs, city of Palmer; Mayor Roger Purcell, city of Houston; Ms. Bernadette Rupright, and Ms. Cora Hoff.

The following persons spoke in favor of placing the sales tax proposition on the October ballot: Ms. Teresa Bloom.

V. ITEMS OF BUSINESS

- A. Ordinance Serial No. 09-055: AN ORDINANCE AUTHORIZING THE MATANUSKA-SUSITNA BOROUGH TO ENACT AN AREAWIDE SALES TAX NOT EXCEEDING 3 PERCENT OF SALES, SERVICES, AND RENTALS WITHIN THE BOROUGH AND TO SUBMIT THE QUESTION TO THE QUALIFIED VOTERS OF THE BOROUGH AT THE ~~JUNE 2, 2009, (JUNE 9, 2009) SPECIAL BOROUGH ELECTION~~ OCTOBER 6, 2009, REGULAR BOROUGH ELECTION.
 - 1. Ordinance Serial No. 09-055(SUB): AN ORDINANCE OF THE MATANUSKA-SUSITNA BOROUGH ASSEMBLY AUTHORIZING THE MATANUSKA-SUSITNA BOROUGH TO ENACT AN AREAWIDE REAL PROPERTY TAX LIMIT OF 7.8 MILLS, TO ENACT AN AREAWIDE SALES TAX NOT EXCEEDING 3 PERCENT OF SALES, SERVICES, AND RENTALS WITHIN THE BOROUGH, ENACT AN AREAWIDE RESIDENTIAL REAL PROPERTY TAX EXEMPTION OF \$10,000 OF ASSESSED VALUE, PROVIDE A SUNSET OF THE PROVISION, AND TO SUBMIT THE QUESTIONS TO THE QUALIFIED VOTERS OF THE BOROUGH AT THE OCTOBER 6, 2009, REGULAR BOROUGH ELECTION.
 - 2. Ordinance Serial No. 09-056: AN ORDINANCE ADOPTING MSB 3.35, A UNIFORM SALES TAX.
 - a. IM No. 09-083

MOTION PENDING: Assemblymember Bettine moved to adopt Ordinance Serial Nos. 09-055, 09-055(SUB) and 09-056.

Assemblymember Bettine spoke to the need for the Borough to meet with the cities regarding the sales tax issue.

MOTION: Assemblymember Ewing moved to postpone Ordinance Serial Nos. 09-055, 09-055(SUB), 09-056 to a time certain of July 31, 2009.

Assemblymember Houston:

- noted his opposition to postponement; and
- stated that he is in favor of establishing a meeting for staff to work with the cities to work out any details regarding the sales tax.

Assemblymember Bettine:

- noted her opposition to postponement;
- stated that the entire Borough has more population than the individual cities; and
- opined that the Assembly does require some time to discuss this issue.

Assemblymember Ewing:

- stated that it was on record at the last meeting that staff was directed to meet with the cities;
- spoke to his concern that this has not happened; and
- opined that it is in the best interest of the Borough to do so.

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

VOTE: The motion passed without objection.

VOTE: The motion to postpone to a time certain of July 31, 2009, failed with Assemblymember Ewing in favor.

Discussion ensued regarding:

- the memorandum provided by Ms. Cheyenne Heindel in response to the cities concerns regarding the sales tax;
- multi-jurisdictional issues;
- cash flow concerns;
- audits, reports, and documentation to cities;
- notification to businesses;
- differences of penalties, interest, and fee rates between the Borough and the cities;
- subjective statements within the ordinance;
- preparation of a budget to implement and enforce;
- concerns with increased calls to the Finance Director;
- concerns with sections of the proposed ordinance; and
- exemption cards for building construction.

MOTION: Assemblymember Bettine moved to postpone Ordinance Serial No. 09-055 indefinitely.

VOTE: The motion passed without objection.

MOTION: Assemblymember Bettine moved to postpone Ordinance Serial Nos. 09-055(SUB) and 09-056 to a time certain of June 16, 2009 at 3:00 p.m.

VOTE: The motion passed without objection.

VII. MAYOR, ASSEMBLY, AND STAFF COMMENTS

Mr. Duffy stated that he will report to the Assembly regarding the sales tax meetings with the cities.

Ms. Clayton:

- spoke to the mill rate;
- stated that a sales tax would result in a \$15.5 million reduction in property taxes; and
- estimated that the Borough would net \$18.4 million from the sales tax.

Assemblymember Ewing:

- spoke in opposition to the sales tax; and
- opined that the sales tax will not provide any relief for property taxes.
- opined that the sales tax will impose a full time burden on residents; and
- further added that it will provide relief for recreational land owners.

(Assemblymember Bettine exited the meeting at 5:03 p.m.)

Assemblymember Church:

- advised that she sees the sales tax differently than Assemblymember Ewing;
- stated that it would be a benefit for Borough residents, as it will lower the mill rate;
- stated that she appreciates that staff has been addressing cities concerns;
- stated that she would like to see staff moving forward meeting with the cities; and
- noted that she will attend as many of these meetings as she is able.

Assemblymember Wells:

- stated that he would like to see the work continue on clarifying the ordinances;
- noted that the sales tax issue will ultimately be up to the voters;
- spoke to the Assembly being on the verge of putting the sales tax before the voters in 1993;
- stated that it was the same time the city of Wasilla was putting the question of a sales tax on their ballot; and
- stated that the Borough did not because both ordinances would not pass at the same time.

VIII. ADJOURNMENT

This special meeting adjourned at 5:10 p.m.

ATTEST:

TALIS J. COLBERG, Borough Mayor

LONNIE R. McKECHNIE, CMC, Borough Clerk

Minutes approved: 07/21/09