

I. CALL TO ORDER

The special meeting of the Matanuska-Susitna Borough Assembly was held on June 13, 2005, at the Borough Assembly Chambers, 350 E. Dahlia Avenue, Palmer, Alaska. The meeting was called to order at 6 p.m. by Mayor Timothy L. Anderson for the purpose of deliberating the passage of AM No. 05-093.

II. ROLL CALL

Assembly members present and establishing a quorum were:

Ms. Lynne Woods, Assembly District No. 1
Mr. Bill Allen, Assembly District No. 2
Mr. Talis J. Colberg, Assembly District No. 3
Ms. Mary Kvalheim, Assembly District No. 4
Ms. Jody Simpson, Assembly District No. 5
Mr. Jim Colver, Assembly District No. 6 (*Deputy Mayor*) (*via teleconference*)
Ms. Betty Vehrs, Assembly District No. 7

Staff in attendance were:

Mr. John Duffy, Borough Manager
Ms. Michelle M. McGehee, CMC, Borough Clerk
Ms. Teresa S. Williams, Borough Attorney
Ms. Lonnie McKechnie, Executive Assistant to the Borough Clerk
Mr. Russ Krafft, Purchasing Officer
Mr. Marc Van Dongen, Port Director
Mr. Ron Swanson, Community Development Director

III. APPROVAL OF AGENDA

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

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

IV. PLEDGE OF ALLEGIANCE

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

V. ITEMS OF BUSINESS

A. AM No. 05-093: AWARD OF PROPOSAL NO. 05-086 FOR POINT MACKENZIE MINING AND RECLAMATION.

Mr. Russ Krafft, Purchasing Officer, provided a staff report regarding AM No. 05-093.

Mr. Duffy:

- advised regarding the current status of the payments from NPI;
- stated that NPI is no longer in default;
- spoke to the one-year contract time associated with the proposal;
- noted the terms of the Port of Anchorage bid for gravel; and
- spoke regarding how payments for the gravel would be received.

Discussion ensued regarding:

- the competitive bidding process;
- NPI's payment to the Borough under protest;
- further negotiations between the Borough and NPI;
- how the conveyor rate is set and fact finding on the cost associated with the conveyor;
- setting a long-term rate for use of the conveyor;
- the date of the original contract with NPI, December 2003;
- opening up the contract provisions for a possible longer term agreement;
- royalty, wharfage, and dockage rates;
- the proposal not going back out to the public in order to re-bid a shorter term agreement;
- gravel prices in general;
- the amount of gravel requested from the Port of Anchorage;
- Cherry Hill as an alternate source of gravel for the Port contract;
- any possible alternatives available for selling the gravel; and
- not having additional time to solicit further bids.

(The special meeting recessed at 7:03 p.m. and reconvened at 7:07 p.m.)

MOTION: Assemblymember Simpson moved to approve AM No. 05-093.

Assemblymember Simpson spoke in support of AM No. 05-093 and the benefits that the proposal would provide to the Port.

MOTION: Assemblymember Woods moved the previous question (to stop debate.)

VOTE: The motion to stop debate failed with Assemblymembers Simpson, Woods, Colberg, and Allen in support.

Discussion continued regarding the provisions of AM No. 05-093.

MOTION: Assemblymember Simpson moved the previous question (to stop debate).

VOTE: The motion to stop debate passed with Assemblymembers Vehrs, Colver, and Kvalheim opposed.

MOTION: Assemblymember Simpson moved to reconsider AM No. 05-093.

VOTE: The motion to reconsider failed unanimously.

VETO ISSUED: Mayor Anderson issued a written veto of AM No. 05-093.

Mayor Anderson spoke to his reasoning for issuing the veto.

MOTION: Assemblymember Vehrs moved to override the Mayor's veto of AM No. 05-093.

VOTE: The motion to override failed with Assemblymembers Woods, Allen, Colberg, and Simpson in support.

VI. AUDIENCE PARTICIPATION

Mr. Ron Arvin, CEO for NPI, stated that he could not believe what he had heard.

There being no others who wished to address the Assembly, audience participation closed.

VII. MAYOR, ASSEMBLY, AND STAFF COMMENTS

Assemblymember Colberg:

- spoke to the Borough regretting the loss of \$2 million from the port gravel sale; and
- commented that the Borough is getting a bad reputation when it comes to development of any kind.

Assemblymember Colver spoke to the timeframe that was afforded to the Administration in regard to the port gravel sale.

Mayor Anderson:

- stated that he issued his veto this evening so that there would be time for other options to be pursued;
- spoke to the timing of the award; and
- spoke in support of an open public process in regard to rebidding the port gravel contract with the revised provision for a shorter-term contract.

VIII. ADJOURNMENT

The special meeting adjourned at 7:40 p.m.

/S/

TIMOTHY L. ANDERSON, Borough Mayor

ATTEST:

/S/

MICHELLE M. MCGEHEE, CMC, Borough Clerk

Minutes approved: 07/19/05