

I. CALL TO ORDER

The special meeting of the Matanuska-Susitna Borough Assembly was held on July 12, 2005, at the Borough Assembly Chambers, 350 E. Dahlia Avenue, Palmer, Alaska. The meeting was called to order at 6:06 p.m. by Mayor Timothy L. Anderson for the purpose of continued deliberation of Ordinance Serial Nos. 05-065 and 05-066, regarding a sales tax and to address platting vacations.

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. Jody Simpson, Assembly District No. 5
Mr. Jim Colver, Assembly District No. 6 (*Deputy Mayor*)
Ms. Betty Vehrs, Assembly District No. 7

Assembly members absent and excused were:

Ms. Mary Kvalheim, Assembly District No. 4

Staff in attendance were:

Mr. John Duffy, Borough Manager
Ms. Michelle M. McGehee, CMC, Borough Clerk
Ms. Teresa S. Williams, Borough Attorney
Ms. Janice A. Case, Deputy Borough Clerk
Ms. Tammy Clayton, Finance 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 Representative Carl Gatto, Alaska State Legislature.

Mayor Anderson inquired if there was any objection to addressing new business prior to unfinished business.

There was no objection noted.

VI. NEW BUSINESS

- A. AM No. 05-107: APPROVAL OF THE VACATION OF A PUBLIC TRAIL EASEMENT 50 FEET IN WIDTH, BEING CENTERED ON AND RUNNING ALONG AN EXISTING JIM CREEK TRAIL WHICH WILL BE A FLOATING EASEMENT THAT WAS RESERVED IN THE QUITCLAIM DEEDS FROM THE MATANUSKA-SUSITNA BOROUGH, AND TO VACATE ANY PUBLIC INTEREST IN THE KNIK GLACIER TRAIL (RS2477) AND TO RELOCATE THE TRAIL ON THE SOUTHERN BOUNDARY OF SECTION 29, TOWNSHIP 17 NORTH, RANGE 3 EAST, SEWARD MERIDIAN, ALASKA, LOCATED WITHIN THE SOUTH 1/2, SECTION 29, TOWNSHIP 17 NORTH, RANGE 3 EAST, SEWARD MERIDIAN, ALASKA, LYING EAST OF THE SOUTH CAUDILL ROAD AND EAST SULLIVAN AVENUE INTERSECTION, LOCATED IN THE BUTTE COMMUNITY COUNCIL AREA.

Mr. Duffy provided a staff report.

MOTION: Assemblymember Woods moved to approve AM No. 05-107.

VOTE: The motion passed without objection.

- B. AM No. 05-108: APPROVAL OF THE VACATIONS THROUGH THE PROPOSED NEW HORIZONS SUBDIVISION NO. 2: ON PORTIONS OF THE 100-FOOT SECTION LINE EASEMENT COMMON TO SECTIONS 21 AND 28; ON NORTH LABARGE CIRCLE, NORTH DALL CIRCLE, AND PORTIONS OF EAST SHELDON JACKSON DRIVE; AND ON UTILITY AND SLOPE EASEMENTS ADJOINING THE ABOVE-LISTED AREAS, LOCATED WITHIN THE SOUTHWEST 1/4 OF SECTION 21, AND THE NORTHWEST 1/4 OF SECTION 18, TOWNSHIP 18 NORTH, RANGE 1 EAST, SEWARD MERIDIAN, ALASKA, LOCATED IN THE NORTH LAKES COMMUNITY COUNCIL AREA.

Mr. Duffy provided a staff report.

MOTION: Assemblymember Colver moved to approve AM No. 05-108.

Assemblymember Colver:

- spoke to correspondence received from Matanuska Electric Association (MEA) objecting to the vacation, which was submitted after the comment period closed; and
- spoke in support of AM No. 05-108.

VOTE: The motion passed without objection.

- C. AM No. 05-109: APPROVAL OF THE VACATION OF ANY PUBLIC INTEREST IN THE "POSSIBLE" 33-FOOT WIDE SECTION LINE EASEMENT ALONG THE SOUTH BOUNDARY OF LOTS 1 THROUGH 7, BLOCK 4, IN COLONIAL PARK SUBDIVISION, PLAT NO. 78-71, LOCATED WITHIN THE SOUTH 1/2 SOUTHEAST 1/4, SECTION 5, TOWNSHIP 17 NORTH, RANGE 1 EAST, SEWARD

MERIDIAN, ALASKA, LYING WEST OF NORTH HYER ROAD AND SOUTH OF EAST PILGRIM COURT AND EAST COLUMBUS WAY, LOCATED IN THE SOUTH LAKES COMMUNITY COUNCIL AREA.

Mr. Duffy provided a staff report.

MOTION: Assemblymember Colberg moved to approve AM No. 05-109.

VOTE: The motion passed without objection.

Mayor Anderson inquired if there was any objection to addressing audience participation at this time.

There was no objection noted.

VII. AUDIENCE PARTICIPATION

The following person spoke in opposition to Ordinance Serial Nos. 05-065 and 05-066: Mr. James Garhart.

The following person spoke in support of Ordinance Serial Nos. 05-065 and 05-066 and suggested researching property assessments as remaining a flat value until the property is sold: Mr. Ron Rucker, Classified Employees Association President.

The following person spoke in support of Ordinance Serial Nos. 05-065 and 05-066 and discussed the property assessments remaining a flat value until the property is sold in California: Ms. Anne Kilkenny.

The following person spoke regarding AM No. 05-108 and Matanuska Electric Association's letter of objection: Mr. Jim Walker, Matanuska Electric Association.

There being no others who wished to testify, Mayor Anderson closed audience participation.

V. UNFINISHED BUSINESS

- A. Ordinance Serial No. 05-065: AN ORDINANCE AUTHORIZING THE MATANUSKA-SUSITNA BOROUGH TO LEVY A SALES TAX NOT EXCEEDING 2 PERCENT OF SALES, SERVICES, AND RENTALS WITHIN THE BOROUGH, AND TO SUBMIT THE QUESTION OF THE LEVYING OF THE SALES TAX TO THE QUALIFIED VOTERS OF THE BOROUGH AT THE OCTOBER 4, 2005, REGULAR BOROUGH ELECTION.
 - 1. Ordinance Serial No. 05-066: AN ORDINANCE ADOPTING MSB 3.35, A UNIFORM SALES TAX. (*Motion pending: 06/23/05*)
 - a. IM No. 05-113

MAIN MOTION PENDING: Assemblymember Vehrs moved to adopt Ordinance Serial Nos. 05-065 and 05-066.

MOTION PENDING: Assemblymember Vehrs moved a primary amendment to Ordinance Serial No. 05-065, to amend the ballot proposition language to insert after the word Borough, “effective only if the annual mill rate does not exceed nine mills” to read, “Levy a sales tax not exceeding 2 percent on sales, services, and rentals of \$500 or less within the Borough, effective only if the annual mill rate does not exceed nine mills, as more fully described in Ordinance Serial No. 05-066?”

Assemblymember Simpson:

- stated that at the last meeting she made an amendment regarding non-profit organizations;
- noted that she currently works for a non-profit organization; and
- stated that she has spoken with the Attorney regarding a conflict of interest and was advised that there was no conflict of interest.

Ms. Clayton:

- reviewed the forecasted potential mill levies with a 2 percent sales tax; and
- discussed the effects of the proposed optional residential property tax exemptions.

Assemblymember Colver inquired what percentage of the tax base would be eligible for the exemption.

Ms. Clayton replied that she would have to research the percentage of people eligible for the exemption.

Assemblymember Allen inquired under what authority the Assembly is unable to dedicate revenue.

Ms. Williams:

- replied that the Alaska Statutes state that appropriations cannot be made by voter-approved initiatives and that the court views appropriations as a dedication of funds; and
- stated that as a body, the Assembly is able to dedicate revenues and does dedicate revenues.

Discussion ensued regarding:

- how to inform the voters that the proposed sales tax would be used to decrease property taxes; and
- the forecasted potential mill levies with a 2 percent sales tax.

Assemblymember Vehrs inquired regarding the effective date of the primary amendment.

Ms. Clayton replied that the limit on the mill rate would become effective the next fiscal year as the Assembly had already set the mill rate for this fiscal year.

VOTE: The primary amendment failed with Assemblymember Simpson, Colver, and Vehrs in support and Assemblymembers Woods, Allen, and Colberg in opposition (*Tie vote*). The primary amendment **passed** with Mayor Anderson invoking his voting privilege in the affirmative

MOTION: Assemblymember Vehrs moved a primary amendment to Ordinance Serial No. 05-065 to section 4, Effective Date, to insert “with the 9 mill rate limitation effective for fiscal year 2007” to read, “Section 2 of this ordinance shall take effect on January 1, 2006, with the 9 mill rate limitation effective beginning fiscal year 2007, only if the proposition described in section 3 is approved by a majority of the qualified voters voting on the proposition at the regular Borough election on October 4, 2005.”

VOTE: The primary amendment passed without objection.

(The special meeting recessed at 7:07 p.m. and reconvened at 7:15 p.m.)

MOTION: Assemblymember Simpson moved a primary amendment to the proposition language in Ordinance Serial No. 05-065 to read, “The revenues collected from the general sales tax authorized by this proposition shall be substituted for property taxes.”

Assemblymember Simpson spoke in support of the primary amendment.

Assemblymember Woods voiced concern regarding the cap being at 9 mills.

Assemblymember Colberg stated that he understands the intent of the primary amendment, but with the floating variable of the assessment, an individual’s property taxes may still increase regardless of the mill levy.

Discussion ensued regarding the amendment.

VOTE: The primary amendment passed without objection.

VOTE: The main motion failed as amended with Assemblymembers Simpson and Woods in favor.

VIII. MAYOR, ASSEMBLY, AND STAFF COMMENTS

Assemblymember Allen commented that his mother will be in town for the next two weeks visiting.

Assemblymember Colver spoke regarding a platting notice he received on more vacation requests.

Mayor Anderson stated that he will not be at the meeting on July 19, 2005, because he attending an Alaska Municipal League conference.

IX. ADJOURNMENT

The special meeting adjourned at 7:32 p.m.

/ S /

TIMOTHY L. ANDERSON, Borough Mayor

ATTEST:

/ S /

MICHELLE M. MCGEHEE, CMC, Borough Clerk

Minutes approved: 08/02/05