

I. CALL TO ORDER

The regular meeting of the Matanuska-Susitna Borough Assembly was held on August 7, 2007, at the Borough Assembly Chambers, 350 E. Dahlia Avenue, Palmer, Alaska. The meeting was called to order at 6:07 p.m. by Deputy Mayor Lynne Woods.

II. ROLL CALL

Assembly members present and establishing a quorum were:

Ms. Lynne Woods, Assembly District No. 1 (*Deputy Mayor*)
Mr. Bill Allen, Assembly District No. 2
Ms. Michelle R. Church, Assembly District No. 3
Ms. Mary Kvalheim, Assembly District No. 4
Mr. Robert Wells, Assembly District No. 6
Mr. Tom Kluberton, Assembly District No. 7

Staff in attendance were:

Ms. Michelle M. McGehee, CMC, Borough Clerk
Mr. John Duffy, Borough Manager
Mr. Nicholas Spiropoulos Borough Attorney
Ms. Amanda E. Charles, Executive Assistant to the Borough Clerk
Ms. Marian Romano, Deputy Borough Manager
Ms. Tammy Clayton, Finance Director
Mr. Keith Rountree, Public Works Director
Mr. Dennis Brodigan, Emergency Services Director
Mr. Sev Jones, Acting-Planning and Land Use Director
Ms. Patty Sullivan, Public Relations Manager
Ms. Linda Brenner, Division Manager of Recreational Services

III. APPROVAL OF AGENDA

Deputy Mayor Woods 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 Deputy Mayor Lynne Woods.

V. MINUTES OF PRECEDING MEETINGS

A. Special Assembly/School Board Meeting: 06/12/07

Deputy Mayor Woods inquired if there were any corrections to the special meeting minutes of June 12, 2007.

GENERAL CONSENT: The minutes were approved as presented without objection.

B. Special Assembly Meeting: 06/19/07

Deputy Mayor Woods inquired if there were any corrections to the special meeting minutes of June 19, 2007.

GENERAL CONSENT: The minutes were approved as presented without objection.

C. Special Assembly Meeting: 06/26/07

Deputy Mayor Woods inquired if there were any corrections to the special meeting minutes of June 26, 2007.

GENERAL CONSENT: The minutes were approved as presented without objection.

D. Special Assembly/Planning Commission Meeting: 06/26/07

Deputy Mayor Woods inquired if there were any corrections to the special Assembly/School Board meeting minutes of June 26, 2007.

GENERAL CONSENT: The minutes were approved as presented without objection.

E. Regular Assembly Meeting: 06/19/07

Deputy Mayor Woods inquired if there were any corrections to the special meeting minutes of June 19, 2007.

GENERAL CONSENT: The minutes were approved as presented without objection.

VI. REPORTS/CORRESPONDENCE

Deputy Mayor Woods read a letter from Mr. John Madden, Director of the Alaska State Department of Military and Veterans Affairs, Division of Homeland Security and Emergency Management, in recognition of Mayor Menard's CERT training throughout the Borough.

A. AGENCY REPORTS

1. Reports from cities
2. Matanuska-Susitna Borough School District

B. COMMITTEE REPORTS

1. Joint Assembly/School Board Committee on School Issues

Mr. Wells:

- provided a report from the August 6, 2007, meeting;
- spoke regarding revisions to the Matanuska-Susitna Borough code regarding charter schools; and
- noted that discussions occurred regarding Ordinance Serial No. 07-089.

2. Assembly Public Relations

Assemblymember Allen:

- noted that he met with the Palmer City Council; and
- stated that there would be a report on the Palmer-Wasilla Highway under the Manager's Report.

C. MANAGER COMMENTS

1. State/Federal Legislation

Mr. Duffy:

- spoke regarding the state lobbyist's contract;
- noted that a committee was being formed in reference to Ordinance Serial No. 07-096 and Resolution Serial No. 070;
- asked Mr. Scott Thomas, Regional Traffic Engineer for the Department of Transportation, and Mr. Arnold Harden of Kinney Construction, to provide a synopsis report regarding the Palmer Urban Traffic Study; and
- added that there would be a public meeting held on August 22, 2007, at the Railroad Depot.

2. Su Valley High School Update

D. ATTORNEY COMMENTS

Mr. Spiropolous stated that he would be interviewing later this week for the new Borough Attorney's position.

E. CLERK COMMENTS

Ms. McGehee:

- spoke regarding the upcoming meeting schedule;
- extended an invitation for TRIM training on August 22, 2007, provided by the TOWER software corporation;
- stated that there are only four ballot types for this year's election;
- noted that she received another initiative petition application from MEA; and
- asked for approval from the Assembly regarding her possible decision to serve as Secretary for the Alaska Association of Municipal Clerk's Executive Board.

No objection was noted.

F. CITIZEN AND OTHER CORRESPONDENCE

1. MSB Board/Committee Minutes:

- a. Port Commission: 6/18/07, Resolution Serial. No. 07-004
- b. Real Property Asset Management Board Resolution Serial Nos. 07-10, 07-11

2. Community Council Correspondence:

- a. Meadow Lakes Community Council Resolution No. 07-01
- b. Sutton Community Council: 5/10/07, 6/14/07

G. INFORMATIONAL MEMORANDUMS

- 1. IM No. 07-188: AN INFORMATIONAL MEMORANDUM REGARDING A GRANT AGREEMENT WITH THE VALLEY COMMUNITY FOR RECYCLING SOLUTIONS IN THE AMOUNT OF \$75,000.

VII. NEW BUSINESS

A. INTRODUCTION (For public hearing - 08/21/2007, 7 p.m., Borough Assembly Chambers)

- 1. Ordinance Serial No. 07-115: AN ORDINANCE AMENDING MSB 17.28, INTERIM MATERIALS DISTRICT, TO INCLUDE PROVISIONS FOR REGULATING EXCAVATION INTO THE SEASONAL HIGH WATER TABLE.

a. IM No. 07-100

- 2. Ordinance Serial No. 07-116: AN ORDINANCE AUTHORIZING THE MATANUSKA-SUSITNA BOROUGH TO ISSUE AND SELL NOT TO EXCEED \$5,750,000 ANIMAL CARE FACILITY LEASE CERTIFICATES OF PARTICIPATION, 2007; THE EXECUTION AND DELIVERY OF A LEASE AND A LEASE PURCHASE AGREEMENT AND TRUST INDENTURE TO SECURE THE CERTIFICATES; THE EXECUTION OF A CERTIFICATE PURCHASE AGREEMENT; AND PROVIDING FOR RELATED MATTERS.

- a. Ordinance Serial No. 07-117: AN ORDINANCE AUTHORIZING THE MATANUSKA-SUSITNA BOROUGH TO ISSUE AND SELL NOT TO EXCEED \$3,750,000 PUBLIC SAFETY BUILDING LEASE CERTIFICATES OF PARTICIPATION, 2007; TO DEFEASE AND REFUND THE EXISTING CERTIFICATES OF PARTICIPATION FOR THE PUBLIC SAFETY BUILDING; THE EXECUTION AND DELIVERY OF A LEASE AND A LEASE PURCHASE AGREEMENT AND TRUST INDENTURE TO SECURE THE CERTIFICATES; THE EXECUTION OF A CERTIFICATE PURCHASE AGREEMENT; AND PROVIDING FOR RELATED MATTERS.

(1) IM No. 07-111

3. Ordinance Serial No. 07-118: AN ORDINANCE ACCEPTING AND APPROPRIATING \$16,500 FROM THE ALASKA STATE OFFICE OF HISTORY AND ARCHAEOLOGY, TO FUND 480, PROJECT NO. 20358, TO CONTINUE RESEARCHING THE FEASIBILITY OF A NATIONAL HERITAGE AREA DESIGNATION FOR THE MATANUSKA, KNIK AND SUSITNA RIVER VALLEYS LOCATED WITHIN THE MATANUSKA-SUSITNA BOROUGH.
 - a. Resolution Serial No. 07-087: A RESOLUTION APPROVING THE SCOPE OF WORK AND BUDGET TO CONTINUE RESEARCHING THE FEASIBILITY OF A NATIONAL HERITAGE AREA DESIGNATION FOR THE MATANUSKA, KNIK AND SUSITNA RIVER VALLEYS LOCATED WITHIN THE MATANUSKA-SUSITNA BOROUGH.
 - (1) IM No. 07-190
4. Ordinance Serial No. 07-119: AN ORDINANCE REAPPROPRIATING \$25,000 FROM THE DUST CONTROL PROGRAM, PROJECT NO. 35000, FUND 410, TO FUND 415, FOR THE TALKEETNA SEWER AND WATER REPAIRS, UPGRADE, AND EXPANSION PROJECT, PROJECT NO. 25037, TO ALLOW FOR THE REPAVING OF B STREET.
 - a. Resolution Serial No. 07-088: A RESOLUTION AMENDING THE SCOPE OF WORK AND BUDGET FOR THE TALKEETNA SEWER AND WATER REPAIRS, UPGRADE, AND EXPANSION, PROJECT NO. 25037.
 - (1) IM No. 07-193
5. Ordinance Serial No. 07-120: AN ORDINANCE ACCEPTING AND APPROPRIATING \$22,081 FROM THE U.S. FISH AND WILDLIFE SERVICE TO FUND 480, PROJECT NO. 20368 FOR THE STRATEGIC CONSERVATION PLANNING THROUGH GREEN INFRASTRUCTURE PROGRAM.
 - a. Resolution Serial No. 07-089: A RESOLUTION APPROVING THE SCOPE OF WORK AND BUDGET AND AUTHORIZING THE MANAGER TO ENTER INTO THE NECESSARY AGREEMENTS FOR THE STRATEGIC CONSERVATION PLANNING THROUGH GREEN INFRASTRUCTURE PROGRAM.
 - (1) IM No. 07-195
6. Ordinance Serial No. 07-121: AN ORDINANCE AMENDING MSB 17.02.010, INTENT AND APPLICABILITY, TO EXCLUDE THE CITY OF HOUSTON FROM THE REQUIREMENTS OF MSB 17.02, MANDATORY LAND USE PERMIT.
 - a. IM No. 07-196
7. Ordinance Serial No. 07-122: AN ORDINANCE REAPPROPRIATING \$119,991 FROM THE FISCAL YEAR 2008 AREAWIDE DUST CONTROL PROGRAM, PROJECT NO. 35000, FUND 410, TO FUND 830, FOR A FISCAL YEAR 2006 ROAD LOCAL IMPROVEMENT DISTRICT PROGRAM SHORTFALL.
 - a. IM No. 07-197

8. Ordinance Serial No. 07-123: AN ORDINANCE ACCEPTING AND APPROPRIATING \$17,800 FROM THE ALASKA STATE DIVISION OF HOMELAND SECURITY AND EMERGENCY MANAGEMENT FOR THE BOROUGH LOCAL EMERGENCY PLANNING COMMITTEE, FUND 480, PROJECT NO. 20259, FOR FISCAL YEAR 2008 OPERATIONS.
 - a. Resolution Serial No. 07-090: A RESOLUTION APPROVING THE SCOPE OF WORK AND BUDGET FOR THE ALASKA STATE DIVISION OF HOMELAND SECURITY AND EMERGENCY MANAGEMENT GRANT, PROJECT NO. 20259, FUND 480, FOR THE BOROUGH LOCAL EMERGENCY PLANNING COMMITTEE.
 - (1) IM No. 07-199
9. Ordinance Serial No. 07-124: AN ORDINANCE ACCEPTING AND APPROPRIATING AN ADDITIONAL \$5,287 FROM THE ALASKA STATE DIVISION OF HOMELAND SECURITY AND EMERGENCY MANAGEMENT, TO FUND 480, PROJECT NO. 45126, TO ALLOW FOR THE CONTINUATION OF THE CITIZEN CORPS PROGRAM.
 - a. Resolution Serial No. 07-091: A RESOLUTION AMENDING THE BUDGET FOR THE CITIZEN CORPS PROGRAM, PROJECT NO. 45126, FUND 480, TO ALLOW FOR THE CONTINUATION OF THE CITIZEN CORPS PROGRAM.
 - (1) IM No. 07-202
10. Ordinance Serial No. 07-125: AN ORDINANCE AMENDING MSB 25.05.090, PROHIBITION ON USE OF PUBLIC MONEYS, TO PROMOTE PASSAGE OF BALLOT PROPOSITIONS. *(Sponsored by: Assemblymember Church)*
 - a. IM No. 07-205

Ms. McGehee read the introductions into the record.

MOTION: Assemblymember Allen moved to moved to introduce the legislation as read into the record by the Clerk and set the public hearings for August 21, 2007.

VOTE: The motion passed without objection.

B. MAYORAL NOMINATIONS AND APPOINTMENTS

1. VACANCY REPORT

Mayor Menard requested the removal of the following:

Board of Ethics

Mr. Chris Ornquist

MOTION: Assemblymember Allen moved to confirm the Mayor's recommendation for removal this evening.

VOTE: The motion passed without objection.

VIII. UNFINISHED BUSINESS

- A. Ordinance Serial No. 07-089: AN ORDINANCE AMENDING MSB 19.08, SCHOOL BUILDING DESIGN AND CONSTRUCTION.
1. IM No. 07-146

MOTION: Assemblymember Wells moved to postpone Ordinance Serial No. 07-089 to a time certain of August 21, 2007.

VOTE: The motion passed without objection.

IX. RECONSIDERATION *(Filed by Assemblymember Kvalheim, 7/18/07)*

- A. Ordinance Serial No. 07-093: AN ORDINANCE PLACING ON THE BALLOT OF THE OCTOBER 2007 REGULAR BOROUGH ELECTION, A PLAN FOR SCHOOL BOARD MEMBERSHIP STRUCTURE, SPECIFICALLY IN REGARD TO DISTRICTING SEATS OF SCHOOL BOARD MEMBERS AND QUALIFICATIONS OF OFFICE BY AMENDING MSB 19.04.020 AND MSB 19.04.040, AND AMENDING MSB 25.15.010(A), CANDIDATE QUALIFICATIONS. *(Sponsored by: Assemblymember Bettine)*
1. IM No. 07-159

MOTION: Assemblymember Kvalheim moved to reconsider Ordinance Serial No. 07-093.

Assemblymember Church supported her original decision to place this item on the ballot.

Assemblymembers Allen, Wells, and Kluberton stated their support to reconsider the item.

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

VOTE: The motion to reconsider passed with Assemblymember Church in opposition.

VOTE: The main motion failed with Assemblymember Church in support.

(The regular meeting recessed at 6:47 p.m. and reconvened at 7:05 p.m.)

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

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

1. Mr. David Pepper Re: revision to MSB 8.52.

Mr. David Pepper, Pastor at Church on the Rock:

- spoke regarding revisions to MSB 8.52;
- stated that his research shows allowances for noise vibrations across property lines from 7 a.m. until 10 p.m.;
- requested proper zoning throughout the Borough; and
- stated his support of boroughwide code compliance.

B. PUBLIC HEARINGS (Three minutes per person.)

1. Ordinance Serial No. 07-098: AN ORDINANCE ACCEPTING AND APPROPRIATING AUGUST 2006 SOUTH-CENTRAL FLOOD DISASTER RELIEF MONIES IN THE AMOUNT OF \$1,803,785 FROM THE ALASKA STATE DIVISION OF HOMELAND SECURITY AND EMERGENCY MANAGEMENT (DHS AND EM) AND THE FEDERAL EMERGENCY MANAGEMENT AGENCY (FEMA), TO FUND 445, PROJECT NO. 55013.
 - a. Resolution Serial No. 07-074: A RESOLUTION APPROVING THE SCOPE OF WORK AND BUDGET FOR THE AUGUST 2006 SOUTH-CENTRAL FLOOD DISASTER RELIEF MONIES, PROJECT NO. 55013.
 - (1) IM No. 07-165

Mr. Duffy stated that these funds were received from FEMA.

Deputy Mayor Woods 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 Allen moved to adopt Ordinance Serial No. 07-098 and corresponding Resolution Serial No. 07-074.

VOTE: The motion passed without objection.

2. Ordinance Serial No. 07-099: AN ORDINANCE AMENDING MSB 1.50.040(A)(3), EXEMPTIONS FOR PARTICULAR RECORDS, BY DELETING MSB 1.50.040(A)(3).
 - a. IM No. 07-160

Mr. Spiropolous:

- stated that this portion of code is inconsistent with State law; and
- requested that this portion of code be removed.

Deputy Mayor Woods 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 Allen moved to adopt Ordinance Serial No.07-099.

VOTE: The motion passed without objection.

3. Ordinance Serial No. 07-100: AN ORDINANCE ACCEPTING AND APPROPRIATING \$80,000 FROM THE NATURE CONSERVANCY IN ALASKA, TO FUND 410, PROJECT NO. 30084, FOR THE FISH PASSAGE CONSTRUCTION PROJECT.
- a. Resolution Serial No. 07-075: A RESOLUTION APPROVING THE SCOPE OF WORK AND BUDGET FOR THE NATURE CONSERVANCY IN ALASKA GRANT FOR THE FISH PASSAGE CONSTRUCTION PROJECT, PROJECT NO. 30084.
- (1) IM No. 07-163

Deputy Mayor Woods 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 Wells moved to adopt Ordinance Serial No. 07-100 and accompanying Resolution Serial No. 07-075.

VOTE: The motion passed without objection.

4. Ordinance Serial No. 07-101: AN ORDINANCE CLASSIFYING AS RESERVE USE – PUBLIC PURPOSE AND RETAINING IN PUBLIC OWNERSHIP LOT 7, BLOCK 1; LOT 10, BLOCK 1; LOT 1, BLOCK 4; LOT 9, BLOCK 4; AND LOT 12, BLOCK 10; WINDSONG SUBDIVISION IN THE GOAT CREEK AREA; AND 17N02E02B004, 17N02E02B005, 17N02E02B002, AND 17N02E02B003 IN THE BUTTE AREA, WHICH WERE ACQUIRED THROUGH TAX FORECLOSURE, AND APPROVING A SUPPLEMENTAL APPROPRIATION IN AN AMOUNT NOT TO EXCEED \$24,367.00 FROM THE LAND MANAGEMENT FUND, FUND 203, FUND BALANCE TO PAY ALL DELINQUENT TAXES, PENALTIES, INTEREST, AND FORECLOSURE COSTS UP TO CLERK’S DEED AND ALL DELINQUENT LOCAL IMPROVEMENT SPECIAL ASSESSMENT PRINCIPAL AND INTEREST FOR PARCELS 17N02E02B002 AND 17N02E02B005.
- a. IM No. 07-166

Ms. Linda Brenner:

- provided a staff report; and
- clarified that the reclassification of these properties is for public purposes due to health and safety reasons.

Deputy Mayor Woods 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 Allen moved to adopt Ordinance Serial No. 07-101.

VOTE: The motion passed without objection.

5. Ordinance Serial No. 07-102: AN ORDINANCE ACCEPTING AND APPROPRIATING \$250,892 FROM THE ALASKA STATE DEPARTMENT OF HEALTH AND SOCIAL SERVICES, TO FUND 475, PROJECT NO. 20367, HUMAN SERVICES COMMUNITY MATCHING GRANT.
 - a. Resolution Serial No. 07-076: A RESOLUTION APPROVING THE SCOPE OF WORK AND BUDGET FOR PARTICIPATION IN THE HUMAN SERVICES COMMUNITY MATCHING GRANT PROGRAM.
 - (1) IM No. 07-167

Mr. Duffy:

- stated these funds were received from the State; and
- noted that the funds would be allocated for non-profit organizations.

Deputy Mayor Woods queried if this was the amount that was requested.

Assemblymember Kvalheim stated the request was for more than the actual funds received from the State.

Deputy Mayor Woods 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 Allen moved to adopt Ordinance Serial No. 07-102 and accompanying Resolution Serial No. 07-076.

VOTE: The motion passed without objection.

6. Ordinance Serial No. 07-103: AN ORDINANCE ACCEPTING AND APPROPRIATING A \$38,500 ALASKA COASTAL MANAGEMENT (306 PROGRAM, REQUIRED TASKS) GRANT TO FUND 480, PROJECT NO. 20158, FOR FISCAL YEAR 2008 REQUIRED TASKS.
 - a. Resolution Serial No. 07-077: A RESOLUTION ESTABLISHING THE SCOPE OF WORK AND BUDGET FOR THE ALASKA COASTAL MANAGEMENT (306 PROGRAM, REQUIRED TASKS) GRANT FOR FISCAL YEAR 2008.
 - (1) IM No. 07-168

Mr. Duffy reported that that the funds were being received to pay the staff to conduct a Coastal Consistency Review.

Deputy Mayor Woods 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 Allen moved to adopt Ordinance Serial No. 07-103 and accompanying Resolution Serial No. 07-077.

VOTE: The motion passed without objection.

7. Ordinance Serial No. 07-104: AN ORDINANCE APPROVING AN APPROPRIATION OF \$10,000 FROM THE GREATER TALKEETNA ROAD SERVICE AREA NO. 29 FUND BALANCE, FUND 283, TO FUND 445, PROJECT NO. 55014, FOR REPAIRS TO THE MONTANA CREEK BRIDGE AT YODER ROAD.
 - a. Resolution Serial No. 07-078: A RESOLUTION APPROVING THE AMENDED BUDGET FOR MONTANA CREEK FLOODING PROJECT NO. 55014.
 - (1) IM No. 07-169

Mr. Rountree:

- stated the ordinance was to receive monies for the damage to Montana Creek Bridge at Yoder Road from the floods;
- noted that there was not enough money to complete the project in the current fund balance; and
- requested \$10,000 to increase the fund balance to \$50,000.

Deputy Mayor Woods 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 Kluberton moved to adopt Ordinance Serial No. 07-104 and accompanying Resolution Serial No. 07-078.

VOTE: The motion passed without objection.

8. Ordinance Serial No. 07-105: AN ORDINANCE APPROVING A SUPPLEMENTAL APPROPRIATION OF \$30,000 FROM THE BIG LAKE ROAD SERVICE AREA NO. 21 FUND BALANCE, FUND 277, TO THE BIG LAKE ROAD SERVICE AREA NO. 21 FISCAL YEAR 2008 OPERATING BUDGET, FUND 277.
 - a. IM No. 07-171

Mr. Rountree reported that there was not enough funds in the current operating budget to make the necessary repairs to the bridge.

Deputy Mayor Woods 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 Wells moved to adopt Ordinance Serial No. 07-105.

VOTE: The motion passed without objection.

9. Ordinance Serial No. 07-106: AN ORDINANCE PROVIDING FOR THE SALE OF CERTAIN BOROUGH-WIDE REAL PROPERTY ACQUIRED THROUGH TAX FORECLOSURE FOR DELINQUENT REAL PROPERTY TAXES YEARS 1999, 2000, AND 2001, AND PRIOR AND FOR DELINQUENT SPECIAL ASSESSMENTS FOR THE YEAR 2003 AND PRIOR, AND NOT NEEDED FOR PUBLIC PURPOSE.
 - a. IM No. 07-175

Ms. Brenner:

- provided a timeline of procedures prior to a foreclosure sale;
- noted that six letters are sent to the property owner(s) before the land is foreclosed on;
- stated that there are also numerous newspaper publications of the pending foreclosure; and
- requested the Assembly's approval of this ordinance.

Mr. Duffy clarified that the monies owed on the properties in question were for back taxes and penalties incurred.

Assemblymember Kvalheim queried if there were public postings at the property.

Ms. Brenner:

- affirmed the query, with the exception of remote properties; and
- stated if there is no bid placed at public sale, they are available at the public counter for ten years thereafter for purchase.

Deputy Mayor Woods opened the public hearing.

The follow persons spoke regarding their property contained within Ordinance Serial No. 07-106: Mr. Kerry Shorthill and Ms. Tina Shorthill.

MOTION: Assemblymember Allen moved to adopt Ordinance Serial No. 07-106.

VOTE: The motion passed without objection.

10. Ordinance Serial. No. 07-107: AN ORDINANCE TO AUTHORIZE THE MATANUSKA-SUSITNA BOROUGH TO INCUR INDEBTEDNESS IN THE AMOUNT OF \$3,500,000 FROM THE STATE OF ALASKA DEPARTMENT OF ENVIRONMENTAL CONSERVATION TO CONSTRUCT A LINED REFUSE DISPOSAL CELL, CELL III.
 - a. IM No. 07-177

Mr. Rountree:

- reported that the money was for an addition to the landfill;
- stated that the best viable option is to take out a loan;
- clarified that it is not their intent to use the entire \$3.5 million loan; and

- noted that they are seeking grants to supplement the loan.

Assemblymember Allen queried if he was advised to pay off existing debt with grant money.

Mr. Rountree affirmed the query.

Deputy Mayor Woods 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 Allen moved to adopt Ordinance Serial No. 07-107.

VOTE: The motion passed without objection.

11. Ordinance Serial. No. 07-108: AN ORDINANCE APPROPRIATING THE LOAN PROCEEDS IN THE AMOUNT OF \$3,500,000 FROM THE ALASKA STATE DEPARTMENT OF ENVIRONMENTAL CONSERVATION TO THE SOLID WASTE ENTERPRISE FUND, FUND 510, AND REAPPROPRIATING \$3,500,000 FROM THE SOLID WASTE ENTERPRISE FUND TO FUND 420, PROJECT NO. 25050, CENTRAL LANDFILL CELL III DEVELOPMENT.
 - a. Resolution Serial No. 07-079: A RESOLUTION APPROVING THE SCOPE OF WORK AND BUDGET FOR PROJECT NO. 25050 TO ALLOW FOR THE CONSTRUCTION OF NEW LINED CELL, CELL III AT THE CENTRAL LANDFILL.
 - (1) IM No. 07-178
 - (2) AM No. 07-106: AWARD OF BID NO. 08-004 TO STEPPERS CONSTRUCTION, INC., FOR THE CONTRACT AMOUNT OF \$2,973,385.00 FOR THE CONSTRUCTION OF CELL III AT THE CENTRAL LANDFILL.

Deputy Mayor Woods 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 Allen moved to adopt Ordinance Serial No. 07-108, accompanying Resolution Serial No. 07-079, and Action Memorandum No. 07-106.

VOTE: The motion passed without objection.

12. Ordinance Serial No. 07-109: AN ORDINANCE AMENDING MSB 5.15.010, OPERATION OF SERVICE AREAS; ORGANIZATION OF BOARDS OF SUPERVISORS. *(Sponsored by: Assemblymember Bettine)*
 - a. IM No. 07-181

Mr. Duffy:

- stated the ordinance would provide specific items that the RSAs would discuss at their quarterly meetings; and
- noted that this would help improve communications between the RSAs and administration.

Assemblymember Church asked if there were term limits contained within the ordinance.

Mr. Duffy stated that they were not discussed within the ordinance.

Deputy Mayor Woods opened the public hearing.

The following persons spoke regarding their lack of support for Ordinance Serial No. 07-109: Mr. Marty Quaas, Mr. Henry Corbin, and Mr. Jim Norcross.

MOTION: Assemblymember Allen moved to adopt Ordinance Serial No. 07-109.

MOTION: Assemblymember Allen moved to postpone to a time certain of October 16, 2007.

VOTE: The motion for postponement passed without objection.

13. Ordinance Serial. No. 07-110: AN ORDINANCE APPROVING AN APPROPRIATION OF \$440,000 FROM THE E-911 FUND BALANCE, FUND 202, TO FUND 480, PROJECT NO. 45184, TO PURCHASE AND INSTALL NECESSARY HARDWARE, SOFTWARE AND RELATED EXPENSES TO IMPLEMENT THE PHASE II WIRELESS CAPABILITIES IN THE E-911 SYSTEM.
 - a. Resolution Serial No. 07-080: A RESOLUTION APPROVING THE SCOPE OF WORK AND BUDGET FOR THE PHASE II WIRELESS CAPABILITIES IN THE E-911 SYSTEM PROJECT.
 - (1) IM No. 07-182

Mr. Brodigan:

- provided a staff report;
- noted that this would allow cellular phone numbers and locations to be transmitted to the E-911 operators;
- stated that the location range is within 30 feet of where the cellular phone is located;
- noted that there may be blind spots in remote areas of the Borough; and
- clarified that this is a federal mandate.

Deputy Mayor Woods opened the public hearing.

The following person spoke regarding her concern of the budget and money expenditures of the E-911 system: Ms. Angela Long, member of the E-911 Advisory Board.

MOTION: Assemblymember Allen moved to adopt Ordinance Serial No. 07-110 and accompanying Resolution Serial No. 07-080.

Assemblymember Allen noted his concern if Borough board members cannot receive financial reports.

Ms. Clayton:

- spoke regarding the account reports that were requested at a meeting;
- noted that those reports went out in a timely manner; and
- stated that there was a \$67,000 check that was distributed to the cities of Wasilla and Palmer.

Mr. Duffy clarified that the money was distributed to the cities at the end of the FY07 budget because the monies are only distributed if there is money remaining in the budget at the end of the fiscal year.

Discussion ensued regarding the timeliness of reports being provided to the boards.

MOTION: Assemblymember Allen moved to postpone Ordinance Serial No. 07-110- and accompanying Resolution Serial No. 07-080 to a time certain of August 21, 2007.

VOTE: The motion to postpone to a time certain passed without objection.

14. Ordinance Serial. No. 07-111: AN ORDINANCE APPROVING AN APPROPRIATION OF \$220,000 FROM THE E-911 FUND BALANCE, FUND 202, TO FUND PROJECT NO. 45184, FUND 480, TO PURCHASE AND INSTALL THE NECESSARY HARDWARE, SOFTWARE AND RELATED EXPENSES TO IMPLEMENT THE DISPATCH BACK-UP AND OVERFLOW CAPABILITY IN THE E-911 SYSTEM.
 - a. Resolution Serial No. 07-081: A RESOLUTION APPROVING THE SCOPE OF WORK AND BUDGET FOR THE DISPATCH BACK-UP AND OVERFLOW PROJECT.
 - (1) IM No. 07-183

Mr. Brodigan:

- stated that this money will be allocated to connect the Palmer and Wasilla dispatch centers; and
- added that the monies will also purchase the needed hardware and software for MATCOM.

Deputy Mayor Woods 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 Allen moved to adopt Ordinance Serial No. 07-111 and accompanying Resolution Serial No. 07-081.

MOTION: Assemblymember Allen moved to postpone to a time certain of August 21, 2007.

VOTE: The motion for postponement passed without objection.

(The regular Assembly meeting recessed at 8:20 p.m. and reconvened at 8:36 p.m.)

15. Ordinance Serial No. 07-112: AN ORDINANCE ADOPTING MSB 3.35, A UNIFORM SALES TAX.
- a. Ordinance Serial No. 07-113: AN ORDINANCE 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 THREE 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 2, 2007, REGULAR BOROUGH ELECTION.
- (1) IM No. 07-185

Ms. Clayton:

- provided a report;
- clarified the ballot language;
- stated that this would add a 3 percent sales tax on top of the cities' sales taxes;
- referenced the real property tax exemption of \$10,000; and
- added that this ordinance included a sunset of June 30, 2011.

Assemblymember Church requested clarification on the results of the sales tax survey.

Mr. Duffy:

- stated that the survey showed an overwhelming support of a 3 percent sales tax;
- reported that the survey was done during the week of July 9, 2007, and the results were:
 - o 88 percent of the respondents owned, 11 percent rented;
 - o 48 percent of respondents preferred a combination of sales tax and property tax, 18 percent preferred a property only, and 23 percent preferred a sales tax only;
 - o in reference to Ordinance Serial Nos. 07-112 and 07-113, 25 percent of the respondents strongly support the ordinance, 32 percent mildly support, 9 percent mildly oppose, and 19 percent strongly oppose the ordinances.
 - o exemptions:
 - medicine - 89 percent said yes, 9 percent said no;
 - alcohol – 11 percent said yes, 87 percent said no;
 - food – 65 percent said yes, 32 percent said no;
 - day care – 65 percent said yes, 28 percent said no; and
 - o 50 percent of the respondents preferred a 3 percent sales tax with property tax relief, and 33 percent of the respondents said they preferred a 2 percent sales tax with less property tax relief.

Assemblymember Church:

- questioned the procedures for collecting and disbursing the sales tax; and
- noted that the city of Palmer's resolution was in objection to the Borough collecting the sales tax and then disbursing them.

Ms. Clayton:

- spoke regarding previous discussions with the city of Palmer and the collection of the city's and borough's sales tax; and
- clarified that there has been no discussions this year on that topic.

The following person objected to paying tax on MSB 33.35.02(A) for money they don't collect: Mr. Bill Fuger, President of Triple AAA Gravel.

The public hearing closed and discussion moved to the Assembly.

MOTION: Assemblymember Allen moved to adopt Ordinance Serial No. 07-112 and accompanying Ordinance Serial No. 07-113.

Assemblymember Kluberton queried if the mill rate is in power of the voters.

Assemblymember Allen:

- stated that an increase would need to go before the voters, and
- clarified that the Assembly may lower the mill rate.

Mr. Spiropolous stated that if any portion is repealed or overturned, it would then repeal the entire enactment.

MOTION: Assemblymember Kvalheim moved a primary amendment to item no. 5 to exempt all purchases of unprepared or uncooked food, and to renumber all numbers there after.

Assemblymember Allen:

- opined there is an exemption for food there is no reason to have a sales tax;
- clarified that there would be no gain, only expense; and
- concluded that the purpose of a sales tax is to generate a revenue and to lower the property tax.

Mr. Duffy stated that with a food exemption there would be a loss in revenue, thus the mill levy cap would have to go up.

Assemblymember Allen spoke regarding convenience to the merchants.

Assemblymember Kluberton queried the availability to exempt locally grown food.

Mr. Spiropolous stated that the Supreme Court of the United States has ruled that there cannot be a tax exemption for locally produced goods.

VOTE: The primary amendment failed with Assemblymembers Kvalheim and Church in support.

MOTION: Assemblymember Church moved to postpone Ordinance Serial No. 07-112 and accompanying Ordinance Serial No. 07-113 indefinitely.

VOTE: The motion to postpone indefinitely failed with Assemblymembers Woods, Allen and Wells in objection.

MOTION: Assemblymember Church moved a primary amendment to increase the mill rate from 7.8 to 9.2.

Assemblymember Allen:

- spoke regarding the growth of the Borough population;
- opined that the economy is not stable;
- stated that the Borough needs to find a way to lower the cost of owning a home;
- noted that the economy has surged in the last four to five years, based primarily on new house growth;
- added that the commercial sector should pay more, but there is not a large commercial sector; and
- concluded that the sales tax is to lessen the overall burden on individuals who live in the Borough.

Assemblymember Church:

- stated her belief in researching all the options available to the Borough;
- noted that she wants to find different sources of income,
- opined that this ordinance is not thought out enough;
- suggested increasing the mill levy in order not to tax food; and
- opined that a sales tax is regressive.

Assemblymember Kluberton queried if there was a way to solely tax luxury items and to exempt basic necessities.

Mr. Spiropolous would need to rework the entire ordinance to be less regressive through exemptions.

MOTION: Deputy Mayor Woods called for the question (to stop debate).

VOTE: There was no objection noted.

VOTE: The primary amendment failed with Assemblymember Church in support.

Assemblymembers Church and Kvalheim stated that they see the necessity for a sales tax but not in the form it is presented in Ordinance Serial No. 07-112 and Ordinance Serial No. 07-113.

Assemblymember Allen stated that there are people in the community who are awaiting the passage of this item in order to start publicly supporting the sales tax.

Assemblymember Wells:

- stated that he supports the sales tax;
- spoke to the sunset clause included in the ordinance; and
- spoke regarding the necessity for more avenues to generate revenue for the Borough.

VOTE: The main motion failed with Assemblymembers Woods, Allen, and Wells in support.

16. Ordinance Serial No. 07-114: AN ORDINANCE ESTABLISHING A TAX ON A NATURAL RESOURCE WHENEVER THE NATURAL RESOURCE IS SEVERED FROM PROPERTY WITHIN THE MATANUSKA-SUSITNA BOROUGH AND PROVIDING FOR PENALTIES FOR FAILURE TO PAY TAXES DUE BY ADOPTING MSB 3.55, NATURAL RESOURCE SEVERANCE TAX. *(Sponsored by: Assemblymember Allen)*
 - a. IM No. 07-186

Ms. Clayton:

- provided a staff report;
- noted that the money received will help in providing matching funds for grants;
- added that current grants received require matching funds from 5 percent to 20 percent; and
- concluded that there would be approximately \$1 million in revenue per year.

Assemblymember Kluberton:

- queried if the Borough would be charging an inventory tax on stock piles that await sale; and
- asked for a comparison of revenues if we were to drop the inventory tax and only go with the separation tax.

Ms. Clayton:

- stated that she is unable to respond to the quantities each company holds in inventory; and
- reported that she can gather the information.

Discussion ensued regarding the inventory tax.

Deputy Mayor Woods opened the public hearing.

The following person spoke regarding exemptions for government agencies:
Ms. Mary Jane Sutliff.

The following person spoke regarding his opposition to Ordinance Serial No. 07-114:
Mr. Paul Welch.

MOTION: Assemblymember Allen moved to extend the regular meeting past 10 p.m., but no later than 11 p.m.

VOTE: The motion passed without objection.

The following persons spoke regarding their opposition to Ordinance Serial No. 07-114: Mr. Steve Silverstein, Mr. Bill Fuger, Mr. Wes VanderMartin, Mr. Bob Hales, Mr. Trevor Edmondson, Mr. Lloyd Melone, Mr. Dale Morman.

MOTION: Assemblymember Allen moved to adopt Ordinance Serial No. 07-114.

Assemblymember Allen spoke regarding his support of Ordinance Serial No. 07-114.

Assemblymember Kluberton spoke regarding the need for a work session in order to further discuss the ordinance with the industry leaders.

Assemblymember Church spoke regarding taxing equitably.

MOTION: Assemblymember Allen moved to postpone Ordinance Serial No. 07-114 to a time certain of November 6, 2007, with a preceding work session at 3 p.m.

VOTE: The motion for postponement passed with Assemblymember Wells in objection.

(The regular meeting recessed at 10:12 p.m. and reconvened at 10:21 p.m.)

C. AUDIENCE PARTICIPATION (Three minutes per person.)

The following person spoke regarding a necessity for a revision to MSB 8.52: Mr. Chris LaCroix, Mr. Kim Hervey, Mr. William Pepper, and Ms. Margaret Haley.

The following person spoke regarding the necessity for a peer review of MEA's integrated resource plan: Ms. Catherine Jones.

D. CONSENT AGENDA

1. RESOLUTIONS

- a. Resolution Serial No. 07-083: A RESOLUTION AMENDING THE BUDGETS FOR TEELAND MIDDLE SCHOOL CONSTRUCTION, PROJECT NO. 40129, AND SELDON ROAD CHANNELIZATION, PROJECT NO. 40129, AND APPROVE THE SCOPE OF WORK AND BUDGET FOR THE CONSTRUCTION OF A FIRE APPARATUS ROAD AT TEELAND MIDDLE SCHOOL.

(1) IM No. 07-198

- b. Resolution Serial No. 07-084: A RESOLUTION AMENDING THE BUDGETS FOR THE INTERIOR AND EXTERIOR PAINTING OF BUTTE PUBLIC SAFETY BUILDING AND THE BUTTE FIRE EQUIPMENT PROJECTS AND APPROVING THE SCOPE OF WORK FOR BUTTE FIRE EQUIPMENT, PROJECT NUMBER 45026, FUND 405, TO PURCHASE PERSONAL PROTECTIVE EQUIPMENT.

(1) IM No. 07-200

- c. Resolution Serial No. 07-085: A RESOLUTION ENCOURAGING THE STATE LEGISLATURE TO ADOPT EDUCATION FUNDING CRITERIA THAT ADEQUATELY AND FAIRLY FUNDS ALL ALASKA SCHOOL DISTRICTS.
(1) IM No. 07-207

- d. Resolution Serial No. 07-086: A RESOLUTION REGARDING THE PROPOSAL TO PLACE COOK INLET BULUGA WHALES ON THE ENDANGERED SPECIES LIST.
(1) IM No. 07-208

2. ASSEMBLY MEMORANDUMS

- a. AM No. 07-092: AWARD OF BID NO 07-175 TO WM CONTRACTING, INC., FOR AN ANNUAL AMOUNT NOT TO EXCEED \$261,438.24 FOR ROAD SERVICE AREA #9, MIDWAY ANNUAL ROAD MAINTENANCE.
- b. AM No. 07-095: AWARD OF BID NO. 07-178 TO L & N VENTURES FOR AN ANNUAL AMOUNT NOT TO EXCEED \$527,331.90 FOR ROAD SERVICE AREA #27, MEADOW LAKES ANNUAL ROAD MAINTENANCE.

Ms. McGehee read the above legislation into the record.

MOTION: Assemblymember Allen moved to approve the consent agenda as read into the record by the Clerk.

VOTE: The motion passed without objection.

B. OTHER NEW BUSINESS

XI. VETO

(There were no vetoes presented.)

XII. EXECUTIVE SESSION *(for matters, the immediate public knowledge of which would clearly have an adverse effect upon the finances of the borough and for matters which by law, municipal charter, or ordinance are required to be confidential, specifically to discuss Nash v. Matanuska-Susitna Borough, Case No. 3PA-03-328CI, in particular to discuss litigation strategy.)*

MOTION: Assemblymember Allen moved to enter into executive session to discuss, matters the immediate public knowledge of which would clearly have an adverse effect upon the finances of the borough and for matters which by law, municipal charter, or

ordinance are required to be confidential, specifically to discuss Nash v. Matanuska-Susitna Borough, Case No. 3PA-03-328CI, in particular to discuss litigation strategy.

VOTE: The motion passed without objection and the Assembly entered the executive session at 10:37 p.m. Those present during the executive session were the members of the Assembly, the Deputy Mayor, the Borough Attorney, and the Borough Clerk.

XIII. MAYOR AND ASSEMBLY COMMENTS

Deputy Mayor Woods welcomed Assemblymember Wells back to the meetings.

XIV. ADJOURNMENT

The regular meeting adjourned at 11:02 p.m.