

I. CALL TO ORDER

The special meeting of the Matanuska-Susitna Borough Assembly was held on August 7, 2013, at the Palmer City Council Chambers, 231 West Evergreen, Palmer, Alaska. The meeting was called to order at 6 p.m. by Mayor Larry DeVilbiss for the purpose of conducting an executive session and public discussion regarding the M/V Susitna Ferry.

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*)
Mr. Steve Colligan, Assembly District No. 4
Mr. Darcie K. Salmon, Assembly District No. 5 (*entered telephonically at 6:05 p.m.*)
Mr. Jim Colver, Assembly District No. 6

Assemblymembers absent and excused were:

Mr. Vern Halter, Assembly District No. 7

Staff in attendance were:

Ms. Lonnie McKechnie Borough Clerk
Mr. John Moosey, Borough Manager
Mr. Nicholas Spiropoulos, Borough Attorney
Ms. Tammy Clayton, Finance Director
Mr. Marc VanDongen, Port Director

III. APPROVAL OF AGENDA

Mayor DeVilbiss:

- inquired if there were any changes to the agenda;
- noted that the ordinances were voted on at the August 6, 2013, Assembly meeting and are not needed on this 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. ~~Ordinance Serial No. 13-100: An Ordinance Amending MSB 5.25.141 And Placing On The Ballot Of October 1, 2013, Regular Election, The Annexation Of Certain Properties South Of The Palmer Bridge Along The Matanuska-Susitna River, Into The Circle View And Stampede Estates Flood And Water Erosion Control Service Area To Be Renamed As The Lower Matanuska River Flood And Erosion Service Area.~~
1. ~~Resolution Serial No. 13-085: A Resolution Finding The Annexation Of Riverside Properties From The Palmer Bridge To Stampede Estates Into The Circle View And Stampede Estates Flood And Water Erosion Control Service Area Serves The Public Interest Without Circulation Of Petition Among Residents In Said Area, As Allowed By MSB 5.10.015, Initiation By The Assembly.~~
- a. ~~IM No. 13-167~~
- B. ~~Ordinance Serial No. 13-104: An Ordinance Adopting MSB 3.15.035(H) And (I), Authorizing The Borough To Enact A Fifty Percent Tax Exemption For Farm Structures Used Exclusively For Farming Activity And Submitting The Question To The Qualified Voters Of The Borough At The October 1, 2013, Regular Borough Election. (Sponsored By Assemblymember Keogh)~~
1. ~~IM No. 13-173~~
- C. ~~Ordinance Serial No. 13-107: An Ordinance Relating To The Construction, Additions, Improvements, Betterments, Repair, Reconstruction, Or Acquisition Of Public Roads And Facilities Including Improving School Access Related Thereto In The Matanuska-Susitna Borough, Together With All Necessary Equipment And Transportation Facilities, And The Acquisition Of Lands Or Rights In Lands In Connection Therewith, And A Debt Of The Borough, Authorizing The Issuance Of Areawide General Obligation Bonds Of The Borough In An Amount Not To Exceed The Sum Of Fifteen Million Seven Hundred Thousand Dollars (\$15,700,000) To Finance The Cost, In Whole Or In Part, Of Such Public Roads, Facilities And Lands, And Providing For The Submission To The Voters Of The Borough Of A Proposition Ratifying The Authorization Of Such Bonds At The October 1, 2013, Regular Borough Election. (Sponsored by Assemblymembers Arvin, Colver, and Halter)~~
1. ~~IM No. 13-178~~
- D. EXECUTIVE SESSION: *(For Matters, The Immediate Public Knowledge Of Which Would Clearly Have An Adverse Effect Upon The Finances Of The Borough And Matters Which By Law, Municipal Charter, Or Ordinance Are Required To Be Confidential.)*
1. M/V Susitna Disposal Options And Federal Transportation Authority Liability

MOTION: Assemblymember Arvin moved to enter into executive session for matters, which the immediate public knowledge of would clearly have an adverse effect upon the finances of the Borough and matters, which by law, municipal charter, or ordinance are required to be kept confidential. In particular to discuss the M/V Susitna. In the past the Borough had an offer on the ferry. When that offer fell through, the Assembly was notified by a broker that he could not get anyone to offer that amount or anything higher. That had a negative impact on the

Assembly and public knowledge of any disposal has a clear negative impact on the Borough's finances. Also, the Assembly needs to fully discuss options and impacts regarding Federal Transportation Administration liabilities. Those present during the executive session will be the Mayor, the members of the Assembly, the Clerk, the Attorney, the Manager, and the Finance Director.

Mr. Moosey requested that the Port Director be included.

Mayor DeVilbiss queried if there was any objection to including the Port Director.

There was no objection noted.

VOTE: The motion passed without objection and the Assembly entered into executive session at 6:05 p.m.

MOTION: Assemblymember Arvin moved to exit executive session.

VOTE: The motion passed without objection and the Assembly exited executive session at 7:15 p.m.

E. Discussion Regarding The M/V Susitna

Assemblymember Colligan stated that he understands the liabilities and risk involved with the ferry, especially where it concerns the Federal Transportation Administration (FTA).

MOTION: Assemblymember Colligan moved to direct the Manager to analyze and identify any possible opportunities that could be concluded within 90 days and report back to the Assembly as soon as possible.

Mr. Moosey:

- advised that one option is to drydock the ferry at Port MacKenzie;
- stated that the two highest tides when this could occur are mid-September and mid-October; and
- related that the best opportunity is September, with October being another window of opportunity in which to move the ferry.

Assemblymember Colligan queried if that was still within the 90 day window.

Mr. Moosey:

- affirmed the query;
- opined that the decision to drydock the ferry would preclude any other options at that point;
- stated that he is prepared to pursue that avenue; and
- opined that drydocking the ferry makes little sense due to an uncertain future.

Assemblymember Colligan:

- clarified that his intention was to know how quickly the analysis can come back with other options that are out there their costs and risks;

- stated that every option needs to be able to be concluded within a 90 day window to even be considered; and
- related that he is looking for a spreadsheet with actual costs.

Mayor DeVilbiss queried if that information was requested for the next Assembly meeting.

Assemblymember Colligan stated that he would like it as quickly as possible understanding that this is the highest priority.

Ms. McKechnie advised that the next Assembly meeting is August 20, and that the ferry could be included under the Manager's report in case there is the opportunity to provide a report.

Mr. Moosey:

- noted that as far as a sale, that there is contact being made; and
- related that there are a few offers on the ferry right now as a result of those contacts.

MOTION: Assemblymember Arvin moved a primary amendment by striking "90 days" and inserting "August 20" with options that can be concluded by the end of October."

Assemblymember Keogh stated that he wants to ensure that the drydock option is not being precluded in the timeframe in the event it becomes necessary.

Discussion ensued regarding:

- the anticipated window of opportunity for sale and follow up;
- that it would be reasonable to assume that a reasonable offer could be made within 60 days;
- that an additional 30 days, if necessary, could provide for the opportunity for the body to post the ferry for sale online, which is an alternative that has not yet been explored;
- that the State has been successful in selling a jet and a ferry both online;
- the monthly costs associated with ferry;
- concerns with long-term liabilities if the ferry is drydocked; and
- concerns with missing the timeframe for possible drydocking of the ferry.

VOTE: The primary amendment passed without objection.

VOTE: The main motion passed as amended without objection.

Mr. VanDongen:

- spoke to the monthly costs associated with the ferry;
- noted that the ferry is a military prototype;
- stated that the vessel was downsized from a 60 vehicle capacity to a 20 vehicle capacity; and
- opined that this could be a point of argument when going to the FTA for relief, as it cannot carry enough vehicles to cover expenses.

Mr. Moosey noted that the Borough agreed to the downsizing of the ferry.

VI. VETO – Any Possible Mayoral Veto on Propositions for the October 12, 2013, Election.

(There were no vetoes issued.)

VII. AUDIENCE PARTICIPATION

(There was no one present who wished to testify.)


VIII. MAYOR, ASSEMBLY, AND STAFF COMMENTS

Mayor DeVilbiss:

- stated that he pondered long and hard regarding the certificates of participation for the new emergency medical services facility;
- advised that he had considered vetoing the legislation this morning; and
- opined that such items need to be decided by the public.


IX. ADJOURNMENT

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



LARRY DEVILBISS, Borough Mayor

ATTEST:



LONNIE R. McKECHNIE, EMC, Borough Clerk

Minutes Approved: 09/17/13