

**I. CALL TO ORDER**

The special meeting of the Matanuska-Susitna Borough Assembly was held on August 9, 2012, at the Mat-Su Borough School District Administration Building, 501 N. Gulkana Street, Palmer, Alaska. The meeting was called to order at 6 p.m. by Mayor DeVilbiss for the purpose of public hearing on Ordinance Serial No. 12-105, further deliberations on Ordinance Serial No. 12-103, and discussion of the M/V Susitna.

**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*) (*attended telephonically*)
- Mr. Steve Colligan, Assembly District No. 4
- Mr. Darcie K. Salmon, Assembly District No. 5
- Mr. Jim Colver, Assembly District No. 6
- Mr. Vern Halter, Assembly District No. 7

Staff in attendance were:

- Ms. Lonnie R. McKechnie, Borough Clerk
- Ms. Brenda J. Henry, Executive Assistant to the Borough Clerk
- Mr. John Aschenbrenner, Deputy Borough Attorney
- Ms. Tammy Clayton, Finance Director
- Ms. Shaune O'Neill, Public Works Director
- Mr. Eric Phillips, Community Development Director
- Mr. Marc Van Dongen, Port Director
- Mr. Dennis Brodigan, Emergency Services Director
- Mr. Emerson Krueger, Planner II

**III. APPROVAL OF AGENDA**

Mayor DeVilbiss:

- stated that Resolution Serial No. 12-084 was postponed indefinitely on August 7, 2012 and that Ordinance Serial No. 12-098 was adopted on that date as well;
- advised that no action needed to be taken on those pieces of legislation this evening;
- noted that there was a request to amend the agenda by taking up discussion regarding the M/V Susitna as the first item of business; and
- queried if there was any objection.

There was no objection noted.

Mayor DeVilbiss queried if there were any additional changes to the agenda.

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

#### IV. PLEDGE OF ALLEGIANCE

The pledge of allegiance was led by Mr. Marc Van Dongen, Port Director.

#### V. ITEMS OF BUSINESS

##### E. DISCUSSION REGARDING THE M/V SUSITNA (FERRY)

Mayor DeVilbiss:

- stated that Mr. Dave Cruz, who is a member of the Port Commission had requested this discussion; and
- invited Mr. Cruz to come forward to speak.

Mr. Dave Cruz, Port Commissioner:

- stated that he was speaking tonight as a member of the Port Commission;
- related that the Port Commission is eager to work with the Assembly in resolving issues regarding the M/V Susitna;
- noted that he is still optimistic and that there are viable options concerning the vessel and landings;
- spoke to the floating barge dock that has been looked at for docking the ferry;
- advised that a single skin barge could handle the weight load of the ferry, which is the same type of barge that his company currently uses;
- noted that floating barges go up and down with the tide and have ramps that can be used for access by vehicles as well as people;
- related that a surplus single skin barges cost approximately \$80,000 and can be Coast Guard approved;
- opined that there needs to be a cooperative team to collect cost and other information, as he does not believe that it should cost \$30 million dollars to dock the ferry in the Borough;
- spoke to the extreme tides that Cook Inlet has and how dangerous they are;
- noted that there has been discussion with the Anchorage International Airport concerning Cook Inlet rescues;
- related that the airport does not currently have a vessel that can do an emergency rescue of airplanes;
- opined that the ferry could be a dual purpose vessel, which the Port Commission has discussed;
- spoke to the many options that have been discussed thus far, one of which is dry docking;
- provided an example of what dry docking is;
- noted that the Commission has spoken with marine experts that have opined that dry docking in the Borough could be one of many viable options;

- noted that the Port Commission has addressed the issue of the ferry and docking since its inception; and
- opined that if the Port Commission and the Assembly met with Administration, that a very good option could be vetted, which could drop the cost substantially.

Mayor DeVilbiss queried if the Port Commission supports bringing the ferry to the Borough unanimously.

Mr. Cruz affirmed the query.

Discussion ensued regarding:

- bringing the ferry to the Borough and dry docking it until a later date;
- the possibility of mooring the ferry;
- what would need to be done to winterize the ferry;
- the possibility of placing the ferry in the mud in the Knik Arm;
- the possibility of the ferry being a rescue craft;
- the desire to lessen the cost of the ferry to the tax payers;
- that the ferry is infrastructure not a revenue generator;
- the possible ways of bringing the ferry to the Borough;
- how the ferry could assist with the rail system;
- that the ferry was built to break six-foot thick ice and to land on the beach;
- the desire to figure out an option within the next four to six weeks;
- how to get the Municipality of Anchorage on board;
- the possibility of hiring a design engineer to look at different options;
- that the lack of use of the ferry could impact future funding;
- the different areas that have been looked at for ferry landings;
- that it would be better to make a decision before ice and gulf weather moves in;
- that the vessel will travel to the Borough with ease;
- that people will be excited to see the ferry operating in the inlet;
- how to keep several options open at one time;
- that a plan needs to be agreed on and implemented soon;
- that security at the Port could also be security for the ferry;
- different ways to heat the ferry in the winter;
- that the Port Commission recommends building a barge dock for the ferry;
- the possibility of a design build request for proposal to see what can be done;
- that the barge dock could be used by other vessels as well;
- possible funding for the barge dock;
- that the Federal Transportation Administration has restricted funding until there are landings on both sides of Knik Arm;
- the status of the permits submitted to Anchorage and to the Army Corp of Engineers;
- complications with using the ferry for a passenger vessel from Anchorage;
- the possibility of existing uses that do not require a permit;
- the possibility of having a joint meeting with the Port Commission; and
- that there is a 45-day window during which to bring the ferry to the Borough this year.

MOTION: Assemblymember Arvin moved to direct the Manager to put out a request for proposal to bring the ferry to the Borough and effectively store the vessel in upper Cook Inlet, by either drydocking or mooring the vessel, with a possibility of being put back into the water should it be drydocked.

Assemblymember Woods:

- opined that the body needs to hear the options that the Manager was previously directed to research; and
- agreed that there needs to be a joint meeting with the Port Commission.

Mayor DeVilbiss requested Mr. Moosey to speak to the logistics of bringing the ferry to the Borough.

Mr. Moosey:

- related that there has been some caution given by Alaska Ship and Drydock;
- stated that it is not impossible to bring the ferry to the Borough;
- noted that his dilemma is to keep the costs as low as possible;
- spoke to the study on drydocking;
- stated that it was anticipated that it would be expensive to drydock, but at this point he is not sure;
- noted that it appears that the body may be changing their minds as to what they would like to do with the ferry; and
- agreed with Mr. Cruz that time is dwindling for bringing the ferry to the Borough before winter.

Discussion ensued regarding:

- costs associated with bringing the ferry to the Borough;
- different ways to bring the ferry to the Borough;
- costs associated with beaching the ferry;
- the different reports and options that have been researched;
- the desire to get the ferry in operation;
- the possibility of subject matter experts providing an analysis on costs of locating the ferry in the Borough;
- the current monthly costs associated with the ferry;
- risks associated with consulting with only one firm regarding the ferry;
- a recent meeting with the Alaska Marine Highway;
- listing the ferry with the Federal Register;
- whether or not to place a timeframe within the request for proposal; and
- the hope that a request for proposal would solicit several responses that the Assembly could evaluate.

VOTE: The motion passed with Assemblymember Keogh opposed.

*(Mayor DeVilbiss exited the meeting and Assemblymember Salmon assumed the duties of the Chair.)*

*(The meeting recessed at 7:10 p.m. and reconvened at 7:22 p.m.)*

A. PUBLIC HEARING (Three minutes per person.)

1. Ordinance Serial No. 12-105: AN ORDINANCE ACCEPTING AND APPROPRIATING \$839,285 FROM THE ALASKA STATE DEPARTMENT OF TRANSPORTATION AND PUBLIC FACILITIES FOR THE INGRESS AND EGRESS PROJECT FOR COTTONWOOD ELEMENTARY SCHOOL, PROJECT NO. 40108, FUND 400, AND \$446,362 FOR THE INGRESS AND EGRESS ACCESS PROJECT FOR COTTONWOOD CREEK PUBLIC SAFETY BUILDING, PROJECT NO. 10027, FUND 405.
  - a. IM No. 12-176

Assemblymember Salmon opened the public hearing.

The following persons encouraged the Assembly to work with the Wasilla Fire Service Area Board of Supervisors for improvements: Ms. Ken Slauson, Wasilla-Lakes FSA Board of Supervisors; and Mr. Ben Cottle.

There being no others present who wished to testify, the public hearing closed and discussion moved to the Assembly.

MOTION: Assemblymember Colligan moved to adopt Ordinance Serial No. 12-105.

Assemblymember Colligan requested a staff report.

Ms. O'Neill provided a staff report.

Assemblymember Colligan queried if staff was working with the Wasilla-Lakes Fire Service Area to address their concerns.

Ms. O'Neill affirmed the query.

Discussion ensued regarding:

- whether or not there will be a blinking school light or a stop light;
- the desire to complete the project before school starts;
- that the corner is very congested, especially during rush hour;
- that the congestion has been exacerbated by the widening of Seward-Meridian Road;
- the property that was lost by the school and the public safety building;
- that a light will be included in the next phase;
- the different access points that were researched;
- that the Alaska State Department of Transportation will not allow an additional access at this time;
- the desire to improve traffic flow;
- that the school will get a new playing field;

- that the project will provide additional parking; and
- that the biggest obstacle of the project is that the State has placed the next phase on hold until there is a land exchange with the Borough, as Seward-Meridian was formerly a Borough maintained road, but now belongs to the State.

VOTE: The motion passed without objection.

~~B. Resolution Serial No. 12-084: A RESOLUTION TO SUBMIT AN ADVISORY QUESTION TO THE QUALIFIED VOTERS OF THE BOROUGH AT THE OCTOBER 2, 2012, REGULAR BOROUGH ELECTION TO DETERMINE WHETHER THE PUBLIC SUPPORTS CHANGING THE REGULAR ELECTION DATE FROM THE FIRST TUESDAY IN OCTOBER TO THE FIRST TUESDAY IN NOVEMBER APRIL. (Sponsored by Assemblymember Colligan)~~

~~1. IM No. 12-156~~

[Clerk's note: Resolution Serial No. 12-084 was postponed indefinitely August 7, 2012.]

~~C. Ordinance Serial No. 12-098: AN ORDINANCE PLACING ON THE BALLOT OF THE OCTOBER 2, 2012, REGULAR ELECTION, A QUESTION FOR THE QUALIFIED VOTERS OF THE WILLOW FIRE SERVICE AREA NO. 35 TO INCREASE THE MILL LEVY FOR THE WILLOW FIRE SERVICE AREA NO. 35 FROM 1.37 TO 2.50 EFFECTIVE JULY 1, 2013. (Sponsored by Assemblymember Halter)~~

~~1. IM No. 12-159~~

[Clerk's note: Ordinance Serial No. 12-098 was adopted by the Assembly on August 7, 2012.]

D. Ordinance Serial No. 12-103: AN ORDINANCE PROVIDING FOR A RESIDENTIAL REAL PROPERTY TAX EXEMPTION OF \$20,000 OF THE ASSESSED VALUE FOR AN OWNER OCCUPIED RESIDENCE AND SUBMITTING THE QUESTION TO THE QUALIFIED VOTERS AT THE OCTOBER 2, 2012, REGULAR BOROUGH ELECTION. (Sponsored by Mayor DeVilbiss)

1. IM No. 12-167

MOTION PENDING: Assemblymember Salmon moved to adopt Ordinance Serial No. 12-103.

Ms. McKechnie stated that the amendment made at the previous meeting had been included in the legislation that is in the packet.

MOTION: Assemblymember Halter moved a primary amendment to Ordinance Serial No. 12-103:

- by striking the first whereas clause and inserting a new whereas clause in its place to read: "Whereas, Alaska Statute 29.45.050(i) allows the Matanuska-Susitna Borough to exempt from taxation residential property owned and

occupied by residents who are 65 years of age or older, disabled veterans, and widows or widowers of qualified spouses;”

- by striking the seventh whereas clause and inserting a new whereas clause in its place to read: “Whereas, tax exemptions for primary residences owned by residents 65 years of age or older, disabled veterans, and widows or widowers of a qualified spouse promotes the stability and welfare of the Borough by encouraging property ownership and independence on the part of the people and by preserving a home where the family may be sheltered and live beyond the reach of the economic misfortune;”
- by striking the tenth whereas clause and inserting a new whereas clause in its place to read: “Whereas, granting a tax exemption of \$20,000 of assessed value to owner occupied primary residences of individuals 65 years of age or older, disabled veterans, and widows or widowers of a qualified spouse will encouraged and preserve home ownership and all the positive attributes which accompany it;”
- by striking the eleventh whereas clause and inserting a new whereas clause into its place to read: “Whereas, for seniors and disabled veterans with fixed incomes or low incomes, a tax exemption of \$20,000 of assessed value for their owner occupied primary residence will grant some measure of economic relief and help them stay in their home;”
- by striking the second whereas clause in its entirety;
- by striking the existing language in MSB 3.15.037(B) and inserting the following in its place: “(B) The Standards for determining eligibility for the mandatory senior citizen and disabled veteran tax exemption under MSB 3.15.030 apply to this exemption;
- by striking “January 15” and inserting in its place “April 30” in MSB 3.15.037(C); and
- in the ballot language by:
  - striking the third sentence in its entirety that reads: “The owner must occupy the property for not less than 183 days per year to qualify for the exemption unless the lack of occupancy is for medical reasons;” and
  - striking the date of “January 15” and inserting in its place “April 30.”

Assemblymember Halter stated that the amendment would make the same eligibility standards applicable to this tax exemption and the State mandated tax exemption, so two different standards would not need to be applied.

VOTE: The primary amendment passed without objection.

Assemblymember Keogh:

- noted the memorandum from the Finance Director and the Manager, which outlines the fiscal impacts that would result from adoption of the legislation;
- spoke to concerns with the potential fiscal impacts prior to the legislation being amended; and
- queried if it would be accurate that there would be a reduction in revenues.

Ms. Clayton:

- advised that there would be a total reduction in revenues of approximately \$951,000, which would be spread through all funds; and
- noted that the largest portion of the reduction is in the areawide fund, which is \$671,000.

Assemblymember Halter:

- stated that he realizes that there is a reduction in revenues;
- noted that seniors have paid the most taxes for the longest time;
- opined that disabled veterans should be exempted for their service;
- noted that the goal is to keep those residents in their home; and
- related that he did not agree with the original legislation, but as amended, he is now comfortable with it going before the voters.

Discussion ensued regarding how the amendment improved the legislation.

VOTE:           The main motion passed as amended without objection.

## VI. AUDIENCE PARTICIPATION

The following person requested that the Assembly add active emergency responders to the tax exemption as the Kenai Peninsula Borough has done: Mr. Ken Slauson.

## VII. MAYOR, ASSEMBLY, AND STAFF COMMENTS

Assemblymember Colver:

- requested that the Manager bring forward options to the issues with the Seward-Meridian Road design;
- reiterated that the design of phase II has stopped due to the land swap issue;
- stated that he knows that there are concerns by the service areas of assuming maintenance of a State road;
- stated that it is important that the project is on track;
- related that he received a call from a constituent that has had a driveway in place since 1985;
- noted that the gentleman received a visit from Code Compliance saying that he did not have a valid driveway permit;
- he was told that the driveway was too wide and needed to be narrowed;
- stated that this should not be a priority when there are many other things that need to be done; and
- queried if there are more important things than a 27-year old driveway permit.

Mr. Moosey acknowledged that there are more important things to do.

Assemblymember Colligan:

- stated that he received a note from Academy Charter that would require an amendment to the contract for paving and other items; and
- asked the Clerk what it would take to ensure that the legislation would come forward at the August 21 regular meeting.

Ms. McKechnie advised that she is not sure what it would require but would look into it.

Assemblymember Colligan stated that it would be a contract amendment that was encumbered but not awarded.

Ms. McKechnie stated that she would work with Public Works and Finance to determine what it would take to make it happen.

Assemblymember Woods:

- related that he was with the School Site Selection Committee Monday and today;
- stated that there seems to be upset about the site for the South Palmer School;
- noted that there has been disagreement about the vote that was taken;
- related that they are unsure if they would forward their decision to the Assembly or if they are going to study it further;
- noted that he was appalled to learn that the studies are allowed to take a certain percentage of a proposed bond issue for looking at the area that might be convenient for a school, which was already selected;
- stated that normally he would go to the Manager to find out what was going on; and
- spoke to concerns about an unadvertised quorum of the Assembly with members being present at the meeting.

Assemblymember Salmon:

- clarified that the meeting on Monday was a Joint Assembly/School Board meeting on School Issues, which is a regular meeting;
- opined that they got outside of their purview and began discussing the school site that had been selected; and
- queried if it would have been an violation of the Open Meetings Act if there were three Assemblymembers at the meeting since the meeting had been advertised.

Ms. McKechnie:

- advised that if there are three members of the body there it is not a quorum;
- noted if more than three were present that it would need to be advertised; and
- cautioned that if there were three members and the Mayor, then a quorum is established.

Assemblymember Salmon queried if that were still true even though the meeting was advertised.

Ms. McKechnie:

- affirmed the query; and
- stated that the meeting was not published as an Assembly meeting.

Mr. Moosey

- noted that the Mat-Su Transportation Fair was held this evening;
- spoke to the rail extension information that was included in the packet; and
- stated that he will use some of the information to fine tune the legislative priorities.

Assemblymember Halter:

- opined that there was interesting discussion on the ferry;
- noted that this was the first time the body gave direction to the Manager via a motion;
- opined that the body has forgotten that there are ongoing discussions and negotiations with the State, with a meeting in September;
- stated that part of the discussion could be a total transfer of the ferry to the State;
- opined that it is interesting that the Port Director and Mr. Cruz have totally opposite opinions as to what should happen with the ferry;
- stated that he agrees that there should be a joint meeting with Port Commission; and
- requested that one be scheduled.

Discussion ensued regarding scheduling a joint meeting.

Ms. McKechnie noted that a special meeting could be set on August 21 for a joint meeting before the regular meeting for further discussion regarding the M/V Susitna.

Assemblymember Salmon queried if that was too soon.

Assemblymember Halter stated that he wants to make sure that the meeting is actually conducted.

Assemblymember Keogh:

- thanked Community Development for their assistance to the families affected by the recent Matanuska River erosion;
- thanked the Manager for assisting with an assortment of problems related to erosion;
- opined that the jurisdiction of roads is an unresolved issue;
- noted that there are several roads in District 1 that are projected to change jurisdictions;
- related that rural areas are more impacted by the change in jurisdiction, with more miles to maintain;
- opined that the mill rate would have to be raised in order to maintain the same level of service; and
- stated that this is a very serious issue in his district.

Assemblymember Arvin:

- spoke to an email he received from residents about Frisbee Golf at the Alcantra fields and as to why it is not yet operational;

- requested that the Manager look into it and report back;
- opined that good progress was made concerning the ferry; and
- stated that he is looking forward to the information that will come back.

Assemblymember Salmon

- echoed the concerns of Assemblymember Woods;
- noted that there were more public present at the Borough Area School Site Selection Committee meeting than at the Assembly meeting on Tuesday or tonight;
- related that Assemblymember Colver was appointed Chair, as the previous Chair had stepped down;
- stated that he is unsure if anything new was learned about the ferry this evening;
- stated that he has known that the Port Director and the Port Commission have been at odds concerning the ferry, as the Port Commission is in support of the ferry coming to the Borough and the Port Director is not; and
- spoke to the recent fires at the Point MacKenzie General Store and the Mat-Maid building.

VIII. ADJOURNMENT

The meeting adjourned at 8:04 p.m.

  
LARRY DeVILBISS, Borough Mayor

ATTEST:

  
LONNIE R. McKECHNIE, CMC, Borough Clerk

Minutes Approved: 09/18/12