

I. CALL TO ORDER

The regular meeting of the Matanuska-Susitna Borough Assembly was held on August 19, 2003, 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.

II. ROLL CALL

Assembly members present and establishing a quorum were:

Mr. Bill Allen, Assembly District No. 2
Ms. Mary Kvalheim, Assembly District No. 4
Ms. Jody Simpson, Assembly District No. 5
Mr. Jim Colver, Assembly District No. 6 (Deputy Mayor)
Ms. Kelly Ladere, Assembly District No. 7

Assembly members absent and excused were:

Mr. J. Bruce Bush, Assembly District No. 1
Mr. Talis J. Colberg, Assembly District No. 3

Staff in attendance were:

Ms. Sandra A. Dillon, CMC, Borough Clerk
Mr. John Duffy, Borough Manager
Ms. Teresa S. Williams, Borough Attorney
Mr. David Germer, Assistant Borough Manager
Ms. Janice Case, Borough Clerk's Secretary
Mr. Daniel Graham, Public Works Director
Ms. Tammy Clayton, Finance Director
Mr. Dennis Brodigan, Emergency Services Deputy Director
Mr. Ron Swanson, Community Development Director
Ms. Susan Dickinson, Planning Director

III. APPROVAL OF AGENDA

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

GENERAL CONSENT: The agenda was approved as presented.

IV. PLEDGE OF ALLEGIANCE

The Pledge of Allegiance was led by Mr. Dan Kelly, a former member of the Assembly.

V. MINUTES OF PRECEDING MEETINGS

Mayor Anderson referenced the minutes of the August 5, 2003, regular meeting and August 5, 2003, special meeting and asked if there were any corrections thereto.

GENERAL CONSENT: The minutes of the August 5, 2003, regular meeting and August 5, 2003, special meeting minutes were approved as presented without objection.

VI. REPORTS/CORRESPONDENCE

A. AGENCY REPORTS

1. Reports from cities

Wasilla City

Councilmember Rob Sande:

- reported that the final interviews for the sports complex manager would take place this week and a decision would be made on Friday, August 22; and
- thanked Mr. Germer for participating in the interviews.

2. Matanuska-Susitna Borough School District

(There was no report presented.)

B. COMMITTEE REPORTS

1. Joint Assembly/School Board Committee on School Issues

Mayor Anderson stated there are no meetings until September.

2. Regional Transportation Planning Organization (RTPO)

Mayor Anderson reported that the next RTPO meeting will be held on August 25, 2003, at the MTA Building.

C. MANAGER COMMENTS

Mr. Duffy:

- reported that the Finding of No Significant Impact has been issued by the Federal Transit Administration, and the Borough's \$10.6 million grant is now in the process of being awarded;
- stated that the grant funds will be used to move forward with the port terminal building, parking lots and lighting, and ferry landing at the Borough's dock;

- noted that a general approach and schedule for the South Denali Visitor Center project has been completed and that the National Park Service has issued a Notice of Intent to Prepare the Environmental Impact Statement for the project;
- stated that the National Park Service has agreed to commit \$35,000 to community planning activities in the Y and Trapper Creek communities;
- informed that the funds will be matched by existing planning study funds within the Planning Department;
- referenced two letters of appreciation included in the Manager's report, one letter complimenting Mr. Hulbert and Ms. McGuire for recent platting assistance and another complimenting Ms. Dillon and Ms. McGehee for assistance on the proposed Talkeetna Fire Service Area annexation;
- thanked Mr. Brodigan for his help in implementing the Medic One-Pilot Program, which addresses the growing need for paramedic services in the Borough;
- noted that the library circulation statistics for July 2003 have been included in the Manager's report;
- stated that Borough libraries have shown tremendous growth over the past year;
- addressed concern regarding the decrease in the federal motor tax fuel receipts, which has caused a related decrease in the amount of funding available for transportation projects; and
- discussed several Borough road projects proposed for delay.

Assemblymember Colver requested the Manager research the total percentage of Statewide Transportation Improvement Program funds allocated throughout the state of Alaska within the past few years.

Mr. Duffy replied that administration has asked for a review of the statewide program.

D. ATTORNEY COMMENTS

(There were no comments presented.)

E. CLERK COMMENTS

Ms. Dillon:

- reviewed the upcoming Assembly meetings;
- reminded the Assembly that a special meeting has been scheduled for Thursday, August 21 at 7 p.m. to address a proposed ballot proposition relating to the port;
- noted that the AML conference nomination forms are attached to the Clerk's report;
- stated that in September there will be two joint meetings, one with the Municipality of Anchorage and one with the school board; and
- informed that a memorandum regarding the promotion of ballot propositions has been included in the Clerk's report.

F. CITIZEN AND OTHER CORRESPONDENCE

1. MSB Board/Committee Minutes:
 - a. Animal Care and Regulation Board: 06/09/03
 - b. Knik Road Service Area No. 17: 08/03/03
 - c. Mat-Su Fire Chiefs Association: 07/30/03
 - d. Midway Road Service Area No. 9: 07/31/03
 - e. Planning Commission: 07/21/03

The citizen and other correspondence were presented and no comments were noted.

G. INFORMATIONAL MEMORANDUMS

1. IM No. 03-222: AN INFORMATIONAL MEMORANDUM TO REPORT AN AMENDMENT TO THE TOTAL EXPENDITURE FIGURE FOR THE DOROTHY SWANDA JONES BUILDING EMERGENCY REPAIRS, PROJECT NO. 10057.
2. IM No. 03-224: AN INFORMATIONAL MEMORANDUM TO REPORT THE MANAGER'S DECISION TO WAIVE STANDARD PURCHASING PROCEDURES TO ALLOW A CHANGE ORDER TO SIMPLEX GRINNELL IN THE AMOUNT OF \$57,526 FOR THE PALMER HIGH SCHOOL FIRE PROTECTION PROJECT, PROJECT NO. 40140.

The informational memorandums were presented and no comments were noted.

VIII. UNFINISHED BUSINESS

(There was no unfinished business.)

IX. NEW BUSINESS

A. INTRODUCTION (For public hearing - 09/02/03, 7 p.m., Borough Assembly Chambers)

1. Ordinance Serial No. 03-145: AN ORDINANCE CLASSIFYING LANDS AND APPROVING LANDS FOR SALE OR RETENTION OF 20 BOROUGH-OWNED TRACTS OF LAND BETWEEN THE AREA OF SUTTON AND HOUSTON.
 - a. IM No. 03-213
2. Ordinance Serial No. 03-146: AN ORDINANCE CLASSIFYING LANDS AND APPROVING LANDS FOR SALE OR RETENTION OF 15 BOROUGH-OWNED TRACTS OF LAND BETWEEN THE AREA OF HOUSTON AND MONTANA CREEK.
 - a. IM No. 03-214
3. Ordinance Serial No. 03-147: AN ORDINANCE ACCEPTING AND APPROPRIATING \$14,320 FROM THE ALASKA STATE DIVISION OF EMERGENCY SERVICES TO

THE BOROUGH LOCAL EMERGENCY PLANNING COMMITTEE FUND 480,
PROJECT NO. 20259, FOR FISCAL YEAR 2004 OPERATIONS.

- a. IM No. 03-217
- 4. Ordinance Serial No. 03-148: AN ORDINANCE ACCEPTING AND APPROPRIATING A \$47,893 FEDERAL EMERGENCY MANAGEMENT AGENCY ASSISTANCE TO FIREFIGHTERS GRANT AND REQUESTING AN APPROPRIATION OF \$10,321 FROM THE BIG LAKE FIRE SERVICE AREA FUND BALANCE, FUND 256, TO PROJECT NO. 45141, FUND 405, TO DEVELOP A FIREFIGHTER PHYSICAL FITNESS AND WELLNESS PROGRAM.
 - a. Resolution Serial No. 03-092: A RESOLUTION APPROVING THE SCOPE OF WORK AND BUDGET FOR THE FEDERAL EMERGENCY MANAGEMENT AGENCY ASSISTANCE TO FIREFIGHTERS GRANT FOR THE BIG LAKE FIRE SERVICE AREA, PROJECT NO. 45141, FUND 405, TO DEVELOP A FIREFIGHTER PHYSICAL FITNESS AND WELLNESS PROGRAM.
 - (1) IM No. 03-218
- 5. Ordinance Serial No. 03-149: AN ORDINANCE ACCEPTING AND APPROPRIATING A \$42,000 GRANT TO FUND 440, PROJECT NO. 20340, FROM THE STATE OF ALASKA, DEPARTMENT OF EDUCATION AND EARLY DEVELOPMENT, DIVISION OF LIBRARIES, ARCHIVES AND MUSEUMS, FOR PHASE II OF THE MATANUSKA-SUSITNA LIBRARY CONSORTIUM AUTOMATION CONVERSION.
 - a. Resolution Serial No. 03-093: A RESOLUTION IDENTIFYING THE SCOPE OF WORK AND BUDGET FOR THE STATE OF ALASKA, DEPARTMENT OF EDUCATION AND EARLY DEVELOPMENT, DIVISION OF LIBRARIES, ARCHIVES AND MUSEUMS INTERLIBRARY COOPERATION GRANT FOR PHASE II OF THE MATANUSKA-SUSITNA LIBRARY CONSORTIUM AUTOMATION CONVERSION.
 - (1) IM No. 03-219
 - (2) AM No. 03-170: AUTHORIZING THE MANAGER TO ENTER INTO AN AGREEMENT WITH THE UNIVERSITY OF ALASKA FAIRBANKS FOR THE PURCHASE OF A NEW LIBRARY AUTOMATION SYSTEM IN THE AMOUNT OF \$189,012.
- 6. Ordinance Serial No. 03-150: AN ORDINANCE REAPPROPRIATING \$50,000 FROM THE TALKEETNA SEWER AND WATER OPERATING BUDGET (FUND 293) TO FUND 415 FOR TALKEETNA SEWER AND WATER REPAIRS, UPGRADE AND EXPANSION, PROJECT NO. 25037.
 - a. Resolution Serial No. 03-094: A RESOLUTION APPROVING A LOAN FROM THE REVOLVING LOAN FUND (FUND 600) IN THE AMOUNT OF \$50,000 TO THE TALKEETNA SEWER AND WATER SERVICE AREA, FUND 293, FOR REPAIRS, UPGRADE, AND EXPANSION.
 - b. Resolution Serial No. 03-095: A RESOLUTION APPROVING THE SCOPE OF WORK AND BUDGET FOR THE TALKEETNA SEWER AND WATER REPAIRS, UPGRADE, AND EXPANSION PROJECT, PROJECT NO. 25037.
 - (1) IM No. 03-220

7. Ordinance Serial No. 03-151: AN ORDINANCE ACCEPTING AND APPROPRIATING \$55,000 FROM THE UNITED STATES DEPARTMENT OF THE INTERIOR, BUREAU OF LAND MANAGEMENT TO FUND 480, PROJECT NO. 20330, MATANUSKA-SUSITNA BOROUGH GIS PROPERTY WEB SITE PROJECT.
 - a. Resolution Serial No. 03-096: A RESOLUTION APPROVING THE REVISED SCOPE OF WORK AND BUDGET FOR THE MATANUSKA-SUSITNA BOROUGH GIS PROPERTY WEB SITE PROJECT, PROJECT NO. 20330 AND AUTHORIZING THE MANAGER TO MODIFY AN ASSISTANCE AGREEMENT WITH THE UNITED STATES DEPARTMENT OF THE INTERIOR, BUREAU OF LAND MANAGEMENT, FOR MANAGEMENT OF THE GRANT.
 - (1) IM No. 03-221
8. Ordinance Serial No. 03-152: AN ORDINANCE AUTHORIZING THE CLASSIFICATION OF LOTS 1 THROUGH 6, BLOCK 2, AND LOTS 9 THROUGH 12, BLOCK 3, TALKEETNA TOWNSITE, ACCORDING TO UNITED STATES SURVEY 1260 AS "PUBLIC RECREATION LANDS" AND TO APPROVE THE LESS THAN FAIR MARKET VALUE PURCHASE OF THE LOTS BY THE TALKEETNA HISTORICAL SOCIETY, INC. FOR THE PUBLIC PURPOSE OF HISTORICAL PRESERVATION WITH INTERPRETATION AND IMPROVED OPEN SPACE WITH GARDENS, PATHWAYS, AND BENCHES LOCATED IN THE TALKEETNA COMMUNITY COUNCIL AREA (MSB003767).
 - a. Resolution Serial No. 03-097: A RESOLUTION APPROVING THE BEST INTEREST FINDING FOR THE LESS THAN FAIR MARKET VALUE SALE OF LOTS 1 THROUGH 6, BLOCK 2, AND LOTS 9 THROUGH 12, BLOCK 3, TALKEETNA TOWNSITE, ACCORDING TO UNITED STATES SURVEY 1260, TO THE TALKEETNA HISTORICAL SOCIETY, INC. (MSB003767).
 - (1) IM No. 03-223

Ms. Dillon read the above legislation into the record.

MOTION: Assemblymember Colver moved to introduce the legislation as read into the record by the Clerk, and set the public hearings for September 2, 2003.

VOTE: The motion passed without objection.

B. CONSENT AGENDA

(Resolution Serial No. 03-080 and AM Nos. 03-164, 03-167, and 03-172 were pulled from the consent agenda and addressed separately. See pp. 8-9 of 20)

1. RESOLUTIONS

2. ACTION MEMORANDUMS

- c. AM No. 03-168: AWARD OF BID NO. 04-008 TO I COPY IN THE AMOUNT OF \$25,875 FOR PRINTING OF THE ELECTION INFORMATIONAL PAMPHLETS.
- d. AM NO. 03-169: AUTHORIZING THE PURCHASE OF A MULTI-USE TRUCK CHASSIS FROM ALASKA TRUCK CENTER IN THE AMOUNT OF \$47,249.25 AND A STELLAR HOOK SYSTEM FROM BOB'S SERVICES, INC. IN THE AMOUNT OF \$28,145.
- e. AM No. 03-171: AUTHORIZING THE PURCHASE OF CHAMELEON SHELTER SOFTWARE FROM HLP INCORPORATED IN THE AMOUNT OF \$23,900 FOR THE ANIMAL CARE AND REGULATION DIVISION.
- g. AM No. 03-173: APPROVAL OF ELECTION OFFICIALS FOR THE OCTOBER 7, 2003, REGULAR BOROUGH ELECTION.
- h. AM No. 03-175: APPROVAL TO FILE GRANT APPLICATION FOR A WATER AND SEWER INFRASTRUCTURE ON BEHALF OF VALLEY HOSPITAL.

The clerk read the consent agenda into the record.

MOTION: Assemblymember Colver moved to approve the consent agenda as read into the record by the clerk.

VOTE: The motion passed without objection

- a. Resolution Serial No. 03-080: A RESOLUTION ESTABLISHING A BLUE RIBBON TASK FORCE TO MAKE RECOMMENDATIONS TO THE BOROUGH REGARDING THE NEED, MANNER, AND COST OF POLICE POWERS.
- (1) IM No. 03-195

MOTION: Assemblymember Ladere moved to adopt Resolution Serial No. 03-080.

MOTION: Assemblymember Ladere moved a primary amendment to change the number of members on the task force from five to seven, with two members representing the general public.

VOTE: The primary amendment passed without objection.

Assemblymember Ladere:

- suggested that an alternative option to consider is a village peace officer; and
- requested that the task force work with Senator Green's office.

Mayor Anderson:

- stated that the village public safety program is a good program;
- noted that he was involved in creating the program; and

- informed that it is the intent to have a representative from Senator Green's office on the task force.

MOTION: Assemblymember Colver moved a primary amendment to add a member representing victims of crime. *(Note: One member of the public just added would represent victims of crime.)*

Assemblymember Simpson inquired if the Borough has a local chapter of Victims of Crime.

Assemblymember Colver stated that there are many organizations within the Borough that are involved with Victims of Crime.

Assemblymember Simpson inquired as to the costs associated with the task force.

Mayor Anderson stated that the costs would be very minimal and would come from the Mayor's budget.

VOTE: The primary amendment passed without objection.

Assemblymember Allen queried why nine months is needed to complete the work.

Mayor Anderson stated that the task force will be researching many different issues, such as:

- how would the Borough acquire a police force;
- does the general public want a police force; and
- how would the Borough pay for a police force.

Assemblymember Allen asked if the task force would hold public hearings.

Mayor Anderson replied that there would be public hearings.

VOTE: The main motion as amended passed without objection.

CONFLICT OF INTEREST: Assemblymember Colver declared a conflict of interest on AM Nos. 03-164 and 03-172.

RULING: Mayor Anderson declared that Assemblymember Colver had a conflict of interest and would be recused from voting.

(Assemblymember Colver exited the meeting at this time.)

- a. AM No. 03-164: APPROVAL OF CHANGE ORDER TO COLLINS CONSTRUCTION, INC. FOR AN AMOUNT NOT TO EXCEED \$70,109 FOR THE FIRE STATION NO. 62 ADDITION PROJECT, FOR INSTALLATION OF A 15,000 GALLON WATER STORAGE TANK, PUMP, AND ALL ASSOCIATED PIPING.

MOTION: Assemblymember Simpson moved to approve AM No. 03-164.

VOTE: The motion passed without objection.

- f. AM No. 03-172: CHANGE ORDER TO ALASKA ROADBUILDERS, INC. IN THE AMOUNT OF \$44,000 FOR THE 2003 PHASE II ROADS PAVING PROJECT FOR THE PAVING OF LANI DRIVE.

MOTION: Assemblymember Simpson moved to approve AM No. 03-172.

VOTE: The motion passed without objection.

(Assemblymember Colver returned to the meeting at this time.)

- b. AM No. 03-167: REQUEST TO CHANGE STAFF DESIGNATION OF WATERSHED COORDINATOR FROM PERMANENT SEASONAL TO PERMANENT PART-TIME STATUS.

MOTION: Assemblymember Ladere moved to approve AM No. 03-167.

Assemblymember Ladere inquired what tasks would be assigned to the position, and if the position would address the watershed issue.

Mr. Duffy:

- explained the tasks assigned to the Watershed Coordinator position; and
- noted that they would eventually be starting a watershed plan.

VOTE: The motion passed without objection.

C. MAYORAL NOMINATIONS AND APPOINTMENTS

1. VACANCY REPORT

Mayor Anderson made the following recommendations:

Intergovernmental Liaison Committee
Susan Dickinson
Gold Trails Road Service Area No. 28
Kenny Moss
Talkeetna Road Service Area No. 29
John Strassenburgh

Mayor Anderson requested the following confirmations:

Local Emergency Planning Committee
Frank Amenduri
Mayor's Blue Ribbon Fisheries Committee
Jim Cooper
Talkeetna Road Service Area No. 29

Resignation of Gerald E. Denison

MOTION: Assemblymember Colver moved to confirm the Mayor's appointments and resignations up for confirmation this evening.

Assemblymember Ladere requested that a letter of recommendation be provided for persons recommended to boards and commissions representing an organization.

VOTE: The motion passed without objection.

D. OTHER NEW BUSINESS

(The regular meeting recessed at 6:50 p.m. and reconvened at 7 p.m.)

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

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

(There were no persons to be heard.)

B. PUBLIC HEARINGS (Three minutes per person.)

1. Ordinance Serial No. 03-123: AN ORDINANCE CREATING EVE'S DRIVE AND RIB ROAD ROAD PAVING LOCAL IMPROVEMENT DISTRICT NO. 385, APPROVING THE IMPROVEMENT PLAN FOR THE DISTRICT, AUTHORIZING THE MANAGER TO PROCEED WITH THE IMPROVEMENT, AND ASSESSING EQUALLY AMONG THE PROPERTIES WITHIN THE DISTRICT THE COSTS OF THE IMPROVEMENT.
 - a. IM No. 03-185
 - b. IM No. 03-216

Ms. Clayton recommended postponing Ordinance Serial No. 03-123 to September 2, 2003, because a parcel of land had been removed from the original proposed local improvement district.

Mayor Anderson opened the public hearing.

The following person spoke in support of Ordinance Serial No. 03-123: Mr. Jay D. Wickham.

Mayor Anderson asked if there was any objection to continuing the public hearing to the September 2, 2003, regular Assembly meeting.

No objection was noted.

2. Ordinance Serial No. 03-133: AN ORDINANCE AMENDING THE FISCAL YEAR 2004 ANNUAL BUDGET AND CAPITAL RESERVE.
 - a. IM No. 03-187

Ms. Clayton discussed the changes made to the budget due to state budget cuts.

Mayor Anderson opened the public hearing.

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

MOTION: Assemblymember Colver moved to adopt Ordinance Serial No. 03-133.

VOTE: The motion passed without objection.

3. Ordinance Serial No. 03-135: AN ORDINANCE REAPPROPRIATING \$25,000 TO FUND 480, PROJECT NO. 45138, FROM THE FY04 PLANNING DIVISION'S OPERATING BUDGET (100-130-130-429-300) FOR THE PURPOSE OF PROFESSIONAL SERVICES TO ASSIST IN THE DEVELOPMENT OF THE Y COMMUNITY COMPREHENSIVE PLAN.
 - a. IM No. 03-198

Mr. Duffy reported that these funds will be matched by the National Park Service for development in the Y Community Comprehensive Plan.

Mayor Anderson opened the public hearing.

The following person spoke in support of Ordinance Serial No. 03-135: Mr. Steve Heinrich, president of the Y Community Council.

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

MOTION: Assemblymember Ladere moved to adopt Ordinance Serial No. 03-135.

VOTE: The motion passed without objection.

4. Ordinance Serial No. 03-136: AN ORDINANCE ACCEPTING AND APPROPRIATING \$4,225.67 FROM MATANUSKA TELEPHONE ASSOCIATION TO A NON-LAPSING CAPITAL FUND 480, PROJECT NO. 20312, FOR UPGRADING AND ENHANCING THE TELECOMMUNICATIONS AND INFORMATION SERVICES IN THE BOROUGH LIBRARIES.
 - a. IM No. 03-194

Mr. Duffy reported that these funds are to be used for telecommunications in the libraries and schools.

Mayor Anderson opened the public hearing.

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

MOTION: Assemblymember Colver moved to adopt Ordinance Serial No. 03-136.

VOTE: The motion passed without objection.

5. Ordinance Serial No. 03-137: AN ORDINANCE ACCEPTING AND APPROPRIATING \$17,035.20 FROM THE STATE OF ALASKA, DEPARTMENT OF NATURAL RESOURCES, OFFICE OF HISTORY AND ARCHAEOLOGY, TO FUND 480, PROJECT NO. 20325, FOR PHASE II OF THE INTERPRETATIVE SIGNS PROJECT FOR THE MATANUSKA COLONY HISTORIC DISTRICT.
 - a. Resolution Serial No. 03-082: A RESOLUTION APPROVING THE SCOPE OF WORK FOR PHASE II OF THE INTERPRETATIVE SIGNS PROJECT FOR THE MATANUSKA COLONY HISTORIC DISTRICT.
 - (1) IM No. 03-196

Mayor Anderson opened the public hearing.

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

MOTION: Assemblymember Allen moved to adopt Ordinance Serial No. 03-137 and Resolution Serial No. 03-082.

VOTE: The motion passed without objection.

6. Ordinance Serial No. 03-138: AN ORDINANCE PROVIDING FOR THE SALE OF CERTAIN BOROUGHWIDE REAL PROPERTY ACQUIRED THROUGH TAX FORECLOSURE FOR DELINQUENT REAL PROPERTY TAXES YEARS 1990, 1993, 1995, AND 1997 AND PRIOR, AND FOR DELINQUENT SPECIAL ASSESSMENTS YEARS 1995 AND 1998 AND PRIOR, AND NOT NEEDED FOR PUBLIC PURPOSE.
 - a. IM No. 03-199

Mr. Duffy noted that this is the annual foreclosure sale.

Assemblymember Allen inquired if there is a minimum bid.

Mr. Swanson replied that the minimum bid is the amount of taxes due on the LID and the administrative charges set by state law.

Mayor Anderson opened the public hearing.

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

MOTION: Assemblymember Colver moved to adopt Ordinance Serial No. 03-138.

VOTE: The motion passed without objection.

7. Ordinance Serial No. 03-139: AN ORDINANCE APPROVING A SUPPLEMENTAL APPROPRIATION OF \$53,975 FROM FUND 200, FUND BALANCE, TO FUND 200, FISCAL YEAR 2004 NON-AREAWIDE OPERATING BUDGET, FOR THE CENTRAL LANDFILL TO PURCHASE A TRANSFER TRAILER.

a. IM No. 03-200

Mr. Duffy:

- reported that in April 2003 the Assembly approved the purchase of a transfer trailer;
- stated that due to unforeseen circumstances at the manufacturer's shop, the trailer could not be delivered by the June 30, 2003, deadline; and
- requested a supplemental appropriation to purchase the transfer trailer.

Mayor Anderson opened the public hearing.

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

MOTION: Assemblymember Allen moved to adopt Ordinance Serial No. 03-139.

VOTE: The motion passed without objection.

CONFLICT OF INTEREST: Assemblymember Allen declared a conflict of interest on Ordinance Serial No. 03-140, Resolution Serial No. 03-083, Ordinance Serial No. 03-141, and Resolution Serial No. 03-084.

RULING: Mayor Anderson declared that Assemblymember Allen had a conflict of interest and would be recused from voting.

(Assemblymember Allen exited the meeting at this time.)

8. Ordinance Serial No. 03-140: AN ORDINANCE ACCEPTING AND APPROPRIATING \$24,794 FROM THE UNITED STATES DEPARTMENT OF AGRICULTURE, NATURAL RESOURCES CONSERVATION SERVICE, FOR THE SETTLEMENT AVENUE CULVERT REPLACEMENT PROJECT, PROJECT NO. 30078.

a. Resolution Serial No. 03-083: A RESOLUTION APPROVING THE SCOPE OF WORK AND BUDGET FOR THE SETTLEMENT AVENUE CULVERT REPLACEMENT PROJECT, PROJECT NO. 30078.

(1) IM No. 03-201

Mayor Anderson opened the public hearing.

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

MOTION: Assemblymember Colver moved to adopt Ordinance Serial No. 03-140 and Resolution Serial No. 03-083.

Assemblymember Ladere spoke in favor of the legislation.

VOTE: The motion passed without objection.

9. Ordinance Serial No. 03-141: AN ORDINANCE ACCEPTING AND APPROPRIATING \$24,750 FROM THE UNITED STATES DEPARTMENT OF AGRICULTURE, NATURAL RESOURCES CONSERVATION SERVICE, FOR THE SITZE ROAD BRIDGE PROJECT, PROJECT NO. 30079.
 - a. Resolution Serial No. 03-084: A RESOLUTION APPROVING THE SCOPE OF WORK AND BUDGET FOR THE SITZE ROAD BRIDGE PROJECT, PROJECT NO. 30079.
- (1) IM No. 03-202

Mayor Anderson opened the public hearing.

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

MOTION: Assemblymember Colver moved to adopt Ordinance Serial No. 03-141 and Resolution Serial No. 03-084.

Assemblymember Ladere:

- spoke in favor of the legislation; and
- stated that Swiftwater Creek is a valuable salmon stream.

VOTE: The motion passed without objection.

(Assemblymember Allen returned to the meeting at this time.)

10. Ordinance Serial No. 03-142: AN ORDINANCE ACCEPTING AND APPROPRIATING ALASKA STATE DEPARTMENT OF COMMUNITY AND ECONOMIC DEVELOPMENT GRANT NO. 02-RR-011 IN THE AMOUNT OF \$83,871.42 AND GRANT NO. 03-DC-079 IN THE AMOUNT OF \$70,000, TO FUND 405, PROJECT NO. 45140, FOR FACILITY CONSTRUCTION AND THE PURCHASE OF FIRE FIGHTING EQUIPMENT.
 - a. Resolution Serial No. 03-085: A RESOLUTION APPROVING THE SCOPE OF WORK AND BUDGET FOR THE ALASKA STATE DEPARTMENT OF COMMUNITY AND ECONOMIC DEVELOPMENT GRANT NOS. 02-RR-011 AND 03-DC-079, PROJECT NO. 45140, FUND 405, FOR FACILITY CONSTRUCTION AND PURCHASE OF FIRE FIGHTING EQUIPMENT.
- (1) IM No. 03-208

Mr. Duffy reported that these grants will be used to enhance the firefighting capabilities in the Wolverine area.

Mayor Anderson opened the public hearing.

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

MOTION: Assemblymember Colver moved to adopt Ordinance Serial No. 03-142 and Resolution Serial No. 03-085.

VOTE: The motion passed without objection.

11. Resolution Serial No. 03-086: A RESOLUTION PROVIDING FOR THE CONTINUANCE OF THE ENHANCED 911 ADVISORY BOARD AND THE LOCAL ROAD SERVICE AREA ADVISORY BOARD.

a. IM No. 03-211

Ms. Dillon reported that the legislation is required every three years to continue the boards, as stipulated by code.

Mayor Anderson opened the public hearing.

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

MOTION: Assemblymember Colver moved to adopt Resolution Serial No. 03-086.

MOTION: Assemblymember Simpson moved to divide the question to take the two boards separately.

VOTE: The motion to divide the question passed without objection.

MOTION: First segment of the motion: Providing for the continuance of the Enhanced 911 Advisory Board.

VOTE: The first segment, providing for the continuance of the Enhanced 911 Advisory Board, passed without objection.

MOTION: Second segment of the motion: Providing for the continuance of the Local Road Service Area Advisory Board.

MOTION: Assemblymember Simpson moved a primary amendment to change the expiration date of the Local Road Service Area Advisory Board to July 15, 2004.

Assemblymember Simpson stated that the amendment is to coincide with Ordinance Serial No. 03-080(AM), regarding the quorum requirement and sunset thereof, for the Local Road Service Area Advisory Board.

VOTE: The primary amendment passed without objection.

VOTE: The second segment, providing for the continuance of the Local Road Service Area Advisory Board, passed as amended without objection.

(The regular meeting recessed at 7:35 p.m. and reconvened at 7:40 p.m.)

12. Ordinance Serial No. 03-143: AN ORDINANCE AUTHORIZING THE MATANUSKA-SUSITNA BOROUGH TO ISSUE AND SELL, NOT TO EXCEED \$10,000,000 OF LEASE CERTIFICATES OF PARTICIPATION OR LEASE REVENUE BONDS TO FINANCE PORT MACKENZIE DOCK IMPROVEMENTS; 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. 03-144: AN ORDINANCE ACCEPTING AND APPROPRIATING \$3,000,000 FROM NPI, LLC TO FUND 450, FOR PORT MACKENZIE DEEP WATER DOCK IMPROVEMENTS.
 - (1) IM No. 03-212
 - (2) AM No. 03-152: APPROVING THE DOCK LEASE AND NON-EXCLUSIVE USE RIGHT AGREEMENT BETWEEN THE MATANUSKA-SUSITNA BOROUGH AND NPI, LLC.

Mr. Duffy:

- explained the agreement between the Borough and NPI;
- noted that the \$3 million would be used to purchase long lead items for the deep water dock at Port MacKenzie;
- stated that the Borough will be asking to issue general obligation bonds in the amount of \$10 million;
- reviewed the benefits and risks involved with the transaction;
- noted that the benefits outweigh the risks; and
- discussed additional funds received from the federal government for timber harvesting.

Mr. Germer reviewed the key points of the agreement between the Borough and NPI.

Assemblymember Allen:

- queried if NPI, or the parent company, is the lessee of the section of land that is leased to NPI;
- asked if the Borough has a corporate guarantee from the lessee on the agreement; and
- inquired if the Borough has received financial statements from NPI.

Mr. Germer:

- replied that the parent company is obligated under the agreement;
- stated that the Borough has not received financial statements from NPI; and
- explained that construction will not start until the Borough has received assurance from the financial institution that NPI is financially credible.

Discussion ensued regarding the financial strength of the lessee.

Assemblymember Simpson asked for clarification on the different types of bonds.

Ms. Clayton stated that a general obligation bond is backed by the full faith and credit of the Borough and must be voted on by the general public.

Mr. Duffy further clarified that collateral is not required for a general obligation bond.

Mayor Anderson inquired if we have requested financial information from NPI.

Mr. Germer replied that NPI financial statements differ from a public corporation.

Assemblymember Allen requested that administration request the NPI's financial statements.

Mayor Anderson inquired what would happen if the bonds were not approved by the voters, as the agreement is separate.

Mr. Germer replied that the NPI agreement would not be signed until the Borough has received voter approval for the general obligation bonds.

Discussion ensued regarding the agreement between the Borough and NPI.

The Assembly requested to review the final agreement before approval at the August 21, 2003, special meeting.

Mayor Anderson opened the public hearing.

The following persons spoke in support of the Ordinance Serial Nos. 03-143, 03-144, and AM No. 03-152: Ms. Jay Nolfi, Mr. Ken Slauson, Mr. Charlie Fannon, Mr. Carl London, Ms. Ann Newell, Mr. Greg Bell, Mr. Tom Reuter, Mr. Terry Nininger, Mr. Ted Berry, Ms. Jean Woods, and Ms. Lucille Frey.

The following persons recommended that the Borough take more time to consider the agreement before the bonds go to the public for a vote: Ms. Annette Harpster and Ms. Mary Psenak.

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

MOTION: Assemblymember Simpson moved to adopt Ordinance Serial Nos. 03-143 and 03-144 and AM No. 03-152.

(The regular meeting recessed at 8:47 p.m. and reconvened at 8:57 p.m.)

MOTION: Assemblymember Colver moved to amend Ordinance Serial No. 03-143 in full by substitution.

MOTION: Assemblymember Colver moved to postpone Ordinance Serial Nos. 03-143, 03-143 (SUB), and 03-144 and AM No. 03-152 to August 21, 2003, and to reopen the public hearing.

VOTE: The motion passed without objection.

C. AUDIENCE PARTICIPATION (Three minutes per person.)

The following person addressed concerns regarding coal bed methane gas: Mr. John Tanigawa, Project Manager for Evergreen Resources Alaska.

The following person spoke regarding planning use and zoning requirements of other cities throughout the nation: Ms. Lucille Frey, Chair of the Education Committee for the Mat-Su Property Owners.

X. RECONSIDERATION

(There were no reconsiderations.)

XI. VETO

(There were no vetoes.)

XII. EXECUTIVE SESSION *(matters, the immediate public knowledge of which would clearly have an adverse effect upon the finances of the borough; in particular, to discuss the employee's labor contract negotiations.)*

MOTION: Assemblymember Colver moved to enter into executive session to discuss the employee's labor contract negotiations.

VOTE: The motion passed without objection and the Assembly entered the executive session at 9:20 p.m. Those present during the executive session were: Mayor Anderson, members of the Assembly, Mr. Duffy, Ms. Williams, Ms. Dillon, and the Negotiating Team.

MOTION: Assemblymember Colver moved to exit from executive session.

VOTE: The motion passed and the Assembly exited the executive session at 10 p.m.

XIII. MAYOR AND ASSEMBLY COMMENTS

Assemblymember Kvalheim requested that the Assembly be kept informed on the Seldon Road extension.

Assemblymember Allen requested administration develop an informational advertisement on the bond proposition for the port.

Assemblymember Ladere expressed appreciation for funding of planning assistance in small communities.

Assemblymember Colver:

- stated that he attended a Sutton Community Council meeting regarding coal bed methane gas;
- noted that individuals are concerned with inadequate notice of intent to lease subsurface rights of coal bed methane;
- requested that administration prepare a resolution to send to the Alaska State Department of Natural Resources, requesting that they broaden their notice procedures regarding coal bed methane gas; and
- noted that all land at Hatcher Pass has mineral rights leases issued.

Mayor Anderson:

- informed that he attended the Y Community Council meeting and the community is in support of the comprehensive plan;
- discussed other community council meetings he had attended;
- asked that the Borough pass on information to the community councils when notice is given on lease rights, as the state is only required to advertise once in one newspaper;
- requested the Manager set up a meeting in Palmer with the Alaska State Department of Natural Resources to discuss subsurface rights; and
- noted that Senator Stevens recently attended the Fanny Mae ceremony and other functions throughout the Borough.

Assemblymember Allen commented that Senator Stevens voiced his support for the port and would be issuing his support in writing.

XIV. ADJOURNMENT

The regular meeting adjourned at 10:20 p.m.

TIMOTHY L. ANDERSON, Borough Mayor

ATTEST:

SANDRA A. DILLON, CMC, Borough Clerk

Minutes Approved: September 2, 2003