

I. CALL TO ORDER

The regular meeting of the Matanuska-Susitna Borough Assembly was held on August 21, 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 Larry DeVilbiss.

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*)(*entered telephonically at 6:05 p.m.*)
Mr. Steve Colligan, Assembly District No. 4
Mr. Darcie K. Salmon, Assembly District No. 5
Mr. Jim Colver, Assembly District No. 6 (*arrived at 6:50 p.m.*)
Mr. Vern Halter, Assembly District No. 7

Staff in attendance were:

Ms. Lonnie R. McKechnie, Borough Clerk
Mr. John Moosey, Borough Manager
Mr. Nicholas Spiropoulos, Borough Attorney
Ms. Brenda J. Henry, Executive Assistant to the Borough Clerk
Ms. Tammy Clayton, Finance Director
Ms. Shaune O'Neil, Public Works Director
Ms. Elaine Flagg, Micrographics Specialist
Mr. Michael Newman, Document Specialist
Mr. Eric Phillips, Community Development Director
Mr. Don Dyer, Economic Development Director
Ms. Patty Sullivan, Public Affairs Director

III. APPROVAL OF AGENDA

Mayor DeVilbiss 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 Ms. Helen Munoz, a member of the public.

V. MINUTES OF PRECEDING MEETINGS

- A. Special Assembly Meeting: 07/17/12
- B. Regular Assembly Meeting: 07/17/12

Mayor DeVilbiss inquired if there were any corrections to the special meeting minutes of July 17, 2012, or the regular meeting minutes of July 17, 2012.

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

VI. REPORTS/CORRESPONDENCE

A. AGENCY REPORTS

- 1. Reports from cities

Mayor DeVilbiss noted that the city of Palmer's report is in the red folder.

Wasilla City

Mr. Burt Cottle, Deputy Administrator:

- spoke to Ordinance Serial No. 12-106, which is the final legislation for the transfer of Lake Lucille Park;
- thanked the body and Borough staff for working cooperatively to make the transfer happen;
- stated that there will be approximately \$100,000 in upgrades that will occur at Lake Lucille Park after the land transfer; and
- spoke to the many ways that the City and the Borough have been able to work cooperatively.

- 2. Matanuska-Susitna Borough School District

Mr. Ken Forrest, Assistant Superintendent:

- noted that the School District is off to a good start with the school year;
- thanked the Borough for their assistance with construction projects;
- noted that there were a couple of delays due to weather; and
- stated that the District is well on the way to meeting the projected student enrollment of 17,535.

B. COMMITTEE REPORTS

- 1. Joint Assembly/School Board Committee on School Issues

(There was no report provided.)

- 2. Assembly Public Relations

(There were no reports provided.)

C. MANAGER COMMENTS

1. State/Federal Legislation
2. Strategic Planning Issues

Mr. Moosey:

- noted that the Alaska State Fair begins this week;
- advised that there has been a request for proposal (RFP) regarding state lobbying services that will close on September 10;
- related that this is first time this contract has been sent out for RFP since he has been Manager; and
- requested to know how much involvement the Assembly would like in the process.

D. ATTORNEY COMMENTS

Mr. Spiropoulos:

- advised that the Borough has been served with a new law suit;
- related that during construction of the well for the prison waste water facility, there was a fatality;
- stated that the family has filed suit against numerous people;
- advised that he has put the Borough's insurance carrier on notice, as well as retained insurance defense counsel; and
- stated that if the body has any questions to please let him know.

E. CLERK COMMENTS

Ms. McKechnie:

- spoke regarding the upcoming meeting schedule;
- noted that the election pamphlet is attached to the Clerk's report; and
- queried if the Assembly had any changes to the pamphlet.

There were no changes requested.

F. CITIZEN AND OTHER CORRESPONDENCE

1. MSB Board/Committee Minutes:
 - a. Aviation Advisory Board: 03/08/12, 04/17/12, Resolution Serial Nos. 12-03, 12-04, 12-05
 - b. Emergency Medical Services Board: 04/04/12
 - c. Local Emergency Planning Committee: 05/16/12
 - d. Planning Commission: 07/02/12, Resolution Serial No. 12-17
 - e. Platting Board: 06/21/12
 - f. Talkeetna Sewer and Water SSA Board of Supervisors: 07/11/12, 07/18/12, 07/25/12
 - g. Transportation Advisory Board: 05/23/12, Resolution Serial Nos. 12-06, 12-07, 12-08, 12-09, 12-10

2. Community Council Minutes:
 - a. Trapper Creek Community Council: 05/17/12

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

G. INFORMATIONAL MEMORANDUMS

1. IM No. 12-174: GRANT AGREEMENT WITH THE VALLEY COMMUNITY FOR RECYCLING SOLUTIONS IN THE AMOUNT OF \$75,000.

The informational memorandum was presented and no comments were noted.

VII. UNFINISHED BUSINESS

(There was no unfinished business.)

VIII. VETO

(There were no vetoes presented.)

IX. SPECIAL ORDERS

- 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. 12-076: AN ORDINANCE REPEALING THE BUSINESS INVENTORY TAX EFFECTIVE JANUARY 1, 2013.
(Sponsored by Assemblymember Colligan)
 - a. IM No. 12-115

Mayor DeVilbiss 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 Colligan moved to adopt Ordinance Serial No. 12-076.

Mr. Dyer:

- reported that the Finance Director and himself compared numbers; and
- stated that he calculated an approximate \$600,000 loss in revenue if the legislation is adopted.

Ms. Clayton:

- stated that in May she had reported that there would be 20 accounts that would be affected for \$510,000 in the areawide fund alone;
- corrected that it is actually 16 accounts with the total in the areawide fund being \$508,000;
- related that the total amount of personal property taxes spread throughout all the funds is \$632,000;
- noted that behind the areawide fund, the largest component is \$84,000, which goes to the Wasilla-Lakes Fire Service Area;
- stated that new construction is extremely slow;
- related as of January 1, that there is not even \$12,000,000 in commercial construction;
- noted that approximately \$4,000,000 of that includes several new places where dirt has been moved; and
- advised that those properties were estimated at what value they could potentially be.

Discussion ensued regarding:

- that there has been a \$1,500,000 reduction in the budget, which also reduced the tax cap;
- the \$20,000 exemption and how it has also impacted the budget;
- concerns with revenue shortfalls;
- concerns with the lack of voluntary reporting on business inventory;
- that of the 16 entities, 14 are national entities, with only 2 being locally based;
- the business friendly environment within the Borough;
- whether or not any of the 16 entities that will pay the tax weighed in on the legislation;
- that if the legislation is defeated, it would be unlikely to dissuade businesses from locating here;
- the desire to encourage economic growth;
- whether or not anyone has come and said they would locate their business in the Borough if there was a higher threshold;
- other types of markets that could encourage economic development other than warehousing;
- concerns that eliminating taxes is opposite of the desire to diversify the tax base;
- the possibility of postponing the legislation to a time certain;
- how the elimination of the tax will impact the operating budget;
- the business database that is being created by Economic Development;
- the projected economic outlook for the Borough;
- the number of business licenses issued and renewed this year; and
- opposition to conducting work sessions on legislation after the public hearing has been held.

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

VOTE: The motion failed with Assemblymembers Halter, Keogh, Salmon and Arvin in support (requires five votes).

Further discussion ensued regarding:

- the issue needing to be addressed this evening;
- that it is good to debate the issue and ask questions;
- the measures that the Assembly has taken over the last year concerning revenue; and
- opinions that the legislation is premature and inappropriate.

MOTION: Assemblymember Arvin moved to postpone Ordinance Serial No. 12-076 indefinitely.

Assemblymember Colligan spoke in opposition to postponing indefinitely.

Assemblymember Arvin:

- applauded Assemblymember Colligan for bringing tax relief questions to the body for consideration;
- opined that now is not the time for this legislation;
- related that he hears all the time that it is not government's roll to determine what businesses succeed or fail, but to be responsive to the needs of businesses;
- that the body can speculate endlessly about what new enterprises may come forward if there is no inventory tax;
- that the inventory tax exemption proposed is significant;
- opined that it would be better to let the Economic Development Department do their job to gather information and report back as to what can be done to encourage growth;
- further opined that it is a mistake to eliminate the tax today, especially with measures that have already been taken;
- stated that the legislation should be postponed indefinitely and to give clear direction to Manager and Economic Development Director as to what to what the Assembly would like to happen; and
- encouraged the body to postpone the legislation indefinitely.

Assemblymember Keogh:

- opined that the legislation is ill conceived; and
- stated that he supports postponing the legislation indefinitely.

VOTE: The motion to postpone indefinitely failed with Assemblymembers Keogh, Salmon, and Arvin in favor and Assemblymembers Woods, Halter, and Colligan opposed (Tie vote). The motion failed with Mayor DeVilbiss invoking his voting privilege in the negative.

(Assemblymember Colver entered the meeting at 6:50 p.m.)

Assemblymember Colligan stated that he would like to postpone the legislation to a time certain and for Administration and Finance to come back with firm figures for consideration.

(The meeting recessed at 6:50 p.m. and reconvened at 7:02 p.m.)

MOTION: Assemblymember Colligan moved to postpone Ordinance Serial No. 12-076 to a time certain of November 20, 2012

VOTE: The motion to postpone failed with Assemblymembers Arvin, Colligan, and Woods in favor.

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

2. Ordinance Serial No. 12-092: AN ORDINANCE CREATING HOMESTEAD ESTATES AND ON THE IDITAROD NATURAL GAS LOCAL IMPROVEMENT DISTRICT NO. 460, 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. 12-151

Mayor DeVilbiss opened the public hearing.

The following persons spoke in support of Ordinance Serial No. 12-092: Mr. Don McCallen and Mr. Harland Grower.

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

MOTION: Assemblymember Salmon moved to adopt Ordinance Serial Nos. 12-092.

VOTE: The motion passed without objection.

3. Ordinance Serial No. 12-093: AN ORDINANCE CREATING EAST DOC MCKINLEY AND SOUTH JESSIE JO PLACE NATURAL GAS LOCAL IMPROVEMENT DISTRICT NO. 486, 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. 12-152

Mayor DeVilbiss 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 Keogh moved to adopt Ordinance Serial No. 12-093.

VOTE: The motion passed without objection.

4. Ordinance Serial No. 12-094: AN ORDINANCE CREATING RAVEN'S HILL AND NORMAN LANGES HOLIDAY NATURAL GAS LOCAL IMPROVEMENT DISTRICT NO. 470, 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. 12-153

Mayor DeVilbiss opened the public hearing.

The following person spoke in support of Ordinance Serial No. 12-094: Ms. Barbara Gerard, Mr. Christopher Crews, Mr. Oral Scott, Ms. Brandy Crum, Ms. Janette Goss, Ms. Peggy Dodd, Ms. Linda Wirtanen, and Mr. Wallace Wirtanen.

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

MOTION: Assemblymember Keogh moved to adopt Ordinance Serial No. 12-094.

Assemblymember Keogh:

- thanked the residents who provided testimony;
- noted that it is unusual that there are so many public members commenting on a local improvement district (LID);
- provided a historical overview of Assembly votes for LID's;
- spoke to the percentage of votes by residents for and against the LID;
- stated that he did hear from some residents who were opposed to the LID;
- stated that he hopes that those in favor appreciate the reasons of those who were opposed;
- spoke to concerns with the percentages of residents needed to adopt and LID; and
- noted that he will be bringing forward legislation to raise the minimal approval for LID's.

Assemblymember Colver:

- stated that he would vote against increasing the percentage of approval votes;
- noted that the LID would have passed whether or not the threshold was raised;
- opined that high energy costs lower the value of homes;
- noted that Fairbanks is grappling with the issue of the lack of affordable heat sources; and
- surmised that the most important thing that home owners look at is whether or not there is natural gas to the property.

VOTE: The motion passed without objection.

5. Ordinance Serial No. 12-106: AN ORDINANCE AUTHORIZING CONVEYANCE OF BOROUGH-OWNED REAL PROPERTY, LAKE LUCILLE PARK, TO THE CITY OF WASILLA AFTER CERTAIN CONDITIONS ARE SATISFIED (MSB006279).
 - a. IM No. 12-143

Mayor DeVilbiss 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 Colligan moved to adopt Ordinance Serial No. 12-106.

VOTE: The motion passed without objection.

6. Ordinance Serial No. 12-107: AN ORDINANCE ACCEPTING AND APPROPRIATING \$8,335,000 FOR A PORTION OF THE FISCAL YEAR 2013 DESIGNATED LEGISLATIVE GRANT PROJECTS FROM THE ALASKA STATE DEPARTMENT OF COMMERCE, COMMUNITY, AND ECONOMIC DEVELOPMENT.
 - a. Resolution Serial No. 12-095: A RESOLUTION APPROVING THE SCOPE OF WORK AND BUDGET FOR A PORTION OF THE FISCAL YEAR 2013 DESIGNATED LEGISLATIVE GRANT PROJECTS FROM THE ALASKA STATE DEPARTMENT OF COMMERCE, COMMUNITY, AND ECONOMIC DEVELOPMENT.
 - (1) IM No. 12-149

Mayor DeVilbiss 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 Salmon moved to adopt Ordinance Serial No. 12-107 and Resolution Serial No. 12-095.

Assemblymember Halter requested to send thank you letters to the State Delegation regarding the designated legislative grants.

VOTE: The motion passed without objection.

7. Ordinance Serial No. 12-108: AN ORDINANCE APPROPRIATING \$700,000 FROM THE GREATER BUTTE ROAD SERVICE AREA NO. 26 FUND BALANCE, FUND 280, TO FUND 410, PROJECT NO. 30046, FOR GREATER BUTTE ROAD SERVICE AREA NO. 26 CAPITAL PROJECTS.
 - a. IM No. 12-172

Mayor DeVilbiss 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 Keogh moved to adopt Ordinance Serial No. 12-108.

VOTE: The motion passed without objection.

8. Ordinance Serial No. 12-109: AN ORDINANCE ACCEPTING AND APPROPRIATING \$10,000 FROM THE ALASKA RAILROAD CORPORATION TO FUND 480, PROJECT NO. 47011, ARCHAEOLOGICAL SURVEYS, TO CONDUCT AN ARCHAEOLOGICAL SURVEY, EVALUATION, AND INVENTORY OF HISTORIC AND PREHISTORIC SITES WITHIN THE PROPOSED 200-FOOT RAILROAD RIGHT-OF-WAY BETWEEN THE CITY OF HOUSTON AND PORT MACKENZIE.
 - a. Resolution Serial No. 12-096: A RESOLUTION APPROVING THE SCOPE OF WORK AND BUDGET TO CONDUCT AN ARCHAEOLOGICAL SURVEY, EVALUATION, AND INVENTORY OF HISTORIC AND PREHISTORIC SITES WITHIN THE PROPOSED 200-FOOT RAILROAD RIGHT-OF-WAY BETWEEN THE CITY OF HOUSTON AND PORT MACKENZIE.
 - (1) IM No. 12-173

Mayor DeVilbiss 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 Salmon moved to adopt Ordinance Serial No. 12-109 and Resolution Serial No. 12-096.

Assemblymember Arvin:

- opined that \$10,000 seems remarkably low for this type of project; and
- queried if the Borough has to provide matching funds.

Mr. Moosey advised that these are additional funds from the State on work that has already been done.

Discussion ensued regarding:

- when the project would be completed;
- that the project is to be done in segments; and
- how the funds are granted for each segment.

VOTE: The motion passed without objection.

9. Ordinance Serial No. 12-110: AN ORDINANCE ACCEPTING AND APPROPRIATING A FISCAL YEAR 2013 DESIGNATED LEGISLATIVE GRANT IN THE AMOUNT OF \$23,500,000 FROM THE ALASKA STATE DEPARTMENT OF COMMERCE, COMMUNITY, AND ECONOMIC DEVELOPMENT FOR THE SOUTH CENTRAL RAIL EXTENSION FROM PORT MACKENZIE TO THE MAINLINE, TO FUND 490, PROJECT NO. 75001.
 - a. Resolution Serial No. 12-097: A RESOLUTION APPROVING THE SCOPE OF WORK AND BUDGET AND AUTHORIZING THE MANAGER TO ENTER INTO

THE NECESSARY AGREEMENTS WITH THE ALASKA STATE DEPARTMENT OF COMMERCE, COMMUNITY, AND ECONOMIC DEVELOPMENT FOR THE SOUTH CENTRAL RAIL EXTENSION FROM PORT MACKENZIE TO THE MAINLINE PROJECT.

(1) IM No. 12-177

Mayor DeVilbiss 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 Salmon moved to adopt Ordinance Serial No. 12-110 and Resolution Serial No. 12-097.

VOTE: The motion passed without objection.

10. Ordinance Serial No. 12-111: AN ORDINANCE ACCEPTING AND APPROPRIATING \$5,500 FROM THE ALASKA STATE DEPARTMENT OF EDUCATION TO FUND 480, PROJECT NO. 20364, FOR CONTINUING EDUCATION GRANTS AT THE BIG LAKE, SUTTON, TALKEETNA, TRAPPER CREEK, AND WILLOW LIBRARIES.

a. Resolution Serial No. 12-098: A RESOLUTION APPROVING THE SCOPE OF WORK AND BUDGET FOR CONTINUING EDUCATION GRANTS FOR THE BIG LAKE, SUTTON, TALKEETNA, TRAPPER CREEK, AND WILLOW PUBLIC LIBRARIES.

(1) IM No. 12-178

Mayor DeVilbiss 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 Halter moved to adopt Ordinance Serial No. 12-111 and Resolution Serial No. 12-098.

VOTE: The motion passed without objection.

C. AUDIENCE PARTICIPATION (Three minutes per person.)

The following person spoke read a court document into the record: Mr. Neil Snider.

The following person spoke to the local creamery having issues with the disposal of whey and the need for a regional waste water treatment plant: Ms. Helen Munoz.

The following persons spoke to concerns regarding the site selection process for the South Palmer Elementary School: Ms. Deena Sorensen and Mr. Kevin Sorensen.

The following person spoke to concerns regarding Resolution Serial No. 12-102: Ms. Michelle Church.

The following person spoke to concerns with the lack of tall tower regulation in the Borough: Mr. Doug Lampton.

(The meeting recessed at 7:50 p.m. and reconvened at 8 p.m.)

D. CONSENT AGENDA

1. RESOLUTIONS

a. Resolution Serial No. 12-100: A RESOLUTION AMENDING THE BUDGETS FOR THE COMMUNITY POOLS REPAIR AND RENOVATION PROJECTS, PROJECT NO. 15007.

(1) IM No. 12-179

b. Resolution Serial No. 12-101: A RESOLUTION AMENDING THE BUDGETS FOR A PORTION OF FISCAL YEAR 2010 THROUGH 2012 TOURISM INFRASTRUCTURE PROJECTS, AND APPROVING THE SCOPE OF WORK AND BUDGET 2012/2013 WINTER TRAIL GROOMING AND MAINTENANCE.

(1) IM No. 12-189

2. ACTION MEMORANDUMS

a. AM No. 12-116: APPROVAL OF CHANGE ORDER NO. 2, TO DOUBLE "A" CONSTRUCTION, INC. IN THE AMOUNT OF \$9,780, TO ALLOW ADDITIONAL WORK, DUE TO UTILITY LOCATES FOR THE BRENTWOOD ESTATES DRAINAGE IMPROVEMENTS PROJECT, PROJECT NO. 30036.

b. AM No. 12-117: AWARD OF BID NO. 13-015B TO BERING MARINE CORPORATION IN THE AMOUNT OF \$368,154 FOR THE PURCHASE OF SODIUM CHLORIDE.

c. AM No. 12-118: AWARD OF BID NO. 13-007B TO VALLEY GENERAL CONSTRUCTION, LLC. FOR THE CONTRACT AMOUNT OF \$429,902 TO REALIGN, UPGRADE, AND IMPROVE THE DRAINAGE ON WINDY BOTTOM ROAD TO WIND BREAK CIRCLE.

- d. AM No. 12-119: APPROVAL OF CONTRACT AMENDMENT TO DOWLAND CONSTRUCTION, INC. IN THE AMOUNT OF \$147,926.29 TO INSTALL THE SEWAGE LIFT STATION AND PAVE THE PARKING LOT AS PART OF THE EXISTING ACADEMY CHARTER SCHOOL CLASSROOM EXPANSION CONTRACT.
- e. AM No. 12-120: APPROVAL OF ELECTION OFFICIALS FOR THE OCTOBER 2, 2012, REGULAR BOROUGH ELECTION.

Ms. McKechnie read the above legislation into the record.

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

VOTE: The motion passed without objection.

- c. Resolution Serial No. 12-102: A RESOLUTION APPROVING THE FINANCIAL RESPONSIBILITY FOR THE M/V SUSITNA FOR SEPTEMBER 2012.

- (1) IM No. 12-190

MOTION: Assemblymember Keogh moved to adopt Resolution Serial No. 12-102.

Assemblymember Keogh queried if it would be procedurally possible to amend the legislation to include putting the ferry on the federal registry.

Mr. Moosey that if the legislation was amended as such that he could add the ferry to the registry.

Assemblymember Keogh requested a staff report.

Mr. Moosey:

- advised that the boat was insured under builders risk;
- stated that now it is being taken out of drydock that type of coverage is not appropriate;
- related that the new insurance would provide full coverage, liability, and damage protection;
- advised that the Finance Director researched if it was possible to insure the ferry on a month-by-month basis, but the insurance broker has said it is not possible, but that it is still being looked into; and
- noted that he believes, although it has not been verified, that a refund may be possible should the ferry be sold before the end of the coverage period.

Ms. Clayton:

- noted that the dollar figure is an estimate and covers the property at \$60 million; and
- stated that it also covers liability, which currently is for the small crew to take it out for demonstrations for potential buyers.

Discussion ensued regarding:

- if the insurance would cover problems with drydocking the ferry;
- that the insurance coverage could be questionable due to the reports that the twin hulls are not designed to bear the weight of the vessel;
- concerns with liabilities;
- that if the Borough accepts a bid from private company to move the ferry, that the burden of liability would be placed on the private contractor;
- that any insurance policy carries riders that can be raised to address problems;
- that the Borough is requesting best practices for placing the vessel in Cook Inlet;
- the desire to get the information needed before a decision is made;
- whether or not self insurance is possible;
- that the insurance costs were budgeted for in the last budget cycle through the enterprise fund;
- whether or not the grant source requires the Borough to carry insurance on the vessel;
- the desire to understand the risks involved with insurance or lack thereof;
- the liability to the Federal Transportation Administration;
- how the value for replacement of the ferry was calculated;
- when the current policy will expire;
- that the ongoing issue of the ferry has been made very public;
- whether or not the vessel could be insured through the State; and
- the apprehension of tying up such a large amount of funds if it is not necessary.

MOTION: Assemblymember Colver moved primary amendment to Resolution Serial No. 12-102, by striking “\$490,000” for a yearly premium and inserting in its place “\$40,833.33” for month-to-month premium payments.

Mr. Moosey advised that a month-to-month payment may not be possible.

Ms. Clayton:

- advised that the broker checked into this possibility, but that there are no markets that will issue a one month certificate; and
- stated that it might be possible to finance paying a single month, but it would be more expensive.

Assemblymember Halter queried the amount.

Ms. Clayton advised that it would be just under three percent on the balance.

Assemblymember Halter queried the total dollar amount.

Ms. Clayton:

- advised that it would be \$15,000 for the year; and
- stated that she is not sure if they will require more than one month and that it could be quarterly.

Discussion ensued regarding:

- whether or not there is time to postpone the legislation to look at other options;
- the possibility of scheduling a special meeting before the end of the month;
- that a new policy has to be started on September 1;
- whether or not there would be any new information to make a special meeting necessary;
- whether or not a month-to-month premium would be possible;
- that the Manager had previously notified the Assembly on the insurance issue;
- that the funds were included in the budget and planned for;
- that Administration and Finance have been working on trying to find the least expensive route;
- the possibility of authorizing the payment one month at a time with the understanding that there would be additional cost to pay monthly;
- whether or not there would be a penalty for no insurance; and
- future issues that could arise getting insurance should the current insurance lapse.

VOTE: The primary amendment failed with Assemblymembers Salmon and Colver in support.

Assemblymember Colligan:

- stated that he will be requesting a special meeting for August 28; and
- requested that firm figures be provided.

Assemblymember Woods queried if there is no insurance would there be a risk of needing a new appraisal for the lapse period.

Ms. Clayton advised that it would depend on the time the insurance lapsed.

MOTION: Assemblymember Colligan moved to postpone Resolution Serial No. 12-102 to a time certain of August 28, 2012, at 6 p.m.

VOTE: The motion to postpone passed with Assemblymembers Keogh and Salmon opposed.

X. NEW BUSINESS

A. INTRODUCTIONS (For public hearing – 09/18/12, 7 p.m., School District Administration Building)

1. Ordinance Serial No. 12-114: AN ORDINANCE ACCEPTING AND APPROPRIATING AMENDMENT NO. 1, IN THE AMOUNT OF \$51,999.90, FOR THE COASTAL IMPACT ASSISTANCE PROGRAM GRANT, TO FUND 480, PROJECT NO. 47504 FOR ORTHO-RECTIFIED IMAGERY AND LIDAR OF THE MATANUSKA-SUSITNA BOROUGH'S COASTAL MANAGEMENT ZONE.
 - a. Resolution Serial No. 12-103: A RESOLUTION AMENDING THE BUDGET FOR PROJECT NO. 47504, FOR AMENDMENT NO. 1 TO THE COASTAL

IMPACT ASSISTANCE PROGRAM GRANT FOR ORTHO-RECTIFIED IMAGERY AND LIDAR OF THE MATANUSKA-SUSITNA BOROUGH'S COASTAL MANAGEMENT ZONE.

- (1) IM No. 12-184
2. Ordinance Serial No. 12-115: AN ORDINANCE AMENDING MSB 17.28, DESIGNATING THE KASHWITNA PIT AN INTERIM MATERIALS DISTRICT, LOCATED WITHIN TOWNSHIP 20 NORTH, RANGE 4 WEST, SECTION 31, SEWARD MERIDIAN.
 - a. IM No. 12-185
3. Ordinance Serial No. 12-116: AN ORDINANCE AUTHORIZING THE BOROUGH TO ISSUE AREAWIDE GENERAL OBLIGATION BONDS, IN ONE OR MORE SERIES, TO FINANCE THE CONSTRUCTION, ADDITIONS, IMPROVEMENTS, BETTERMENTS, REPAIR, RECONSTRUCTION, OR ACQUISITION OF PUBLIC ROADS AND FACILITIES RELATED THERETO IN THE MATANUSKA-SUSITNA BOROUGH, TOGETHER WITH ALL THE NECESSARY EQUIPMENT AND TRANSPORTATION FACILITIES, AND THE ACQUISITION OF LANDS OR RIGHTS IN LANDS IN CONNECTION THEREWITH; FIXING CERTAIN DETAILS OF SUCH BONDS; AND AUTHORIZING THEIR SALE.
 - a. IM No. 12-186
4. Ordinance Serial No. 12-117: AN ORDINANCE ACCEPTING AND APPROPRIATING \$5,000,000 FOR THE SOUTH BIG LAKE ROAD CONSTRUCTION PROJECT FROM THE ALASKA STATE DEPARTMENT OF COMMERCE, COMMUNITY, AND ECONOMIC DEVELOPMENT.
 - a. Resolution Serial No. 12-104: A RESOLUTION APPROVING THE SCOPE OF WORK AND BUDGET FOR THE SOUTH BIG LAKE ROAD CONSTRUCTION PROJECT, PROJECT NO. 30043, FUND 410, WITH GRANT FUNDS FROM THE ALASKA STATE DEPARTMENT OF COMMERCE, COMMUNITY, AND ECONOMIC DEVELOPMENT.
 - (1) IM No. 12-187
- B. INTRODUCTION (For public hearing – 10/16/12, Borough School District Administration Building)
 1. Ordinance Serial No. 12-113: AN ORDINANCE CREATING WEST CAROLINE'S CIRCLE NATURAL GAS LOCAL IMPROVEMENT DISTRICT NO. 494, 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. 12-188

Ms. McKechnie read the above legislation into the record.

MOTION: Assemblymember Salmon moved to introduce the legislation as read into the record by the Clerk and set the public hearings for September 18, 2012 and October 16, 2012, respectively.

VOTE: The motion passed without objection.

C. MAYORAL NOMINATIONS AND APPOINTMENTS

1. VACANCY REPORT

Mayor DeVilbiss requested the following confirmations:

Local Emergency Planning Committee
Steven Adams, resignation
Parks, Recreation, and Trails Advisory Board
Kenneth Barber

Mayor DeVilbiss made the following recommendations:

Emergency Medical Services Board
Charles Darnell
Library Board
Marci Hawkins

MOTION: Assemblymember Salmon moved to approve the Mayor's recommendations and resignations up for confirmation this evening.

VOTE: The motion passed without objection.

D. OTHER NEW BUSINESS

(There was no other new business.)

E. REFERRALS (For referral to the Planning Commission for 90 days or other date specified by the Assembly)

(There were no referrals presented.)

XI. RECONSIDERATION

(There was no reconsideration presented.)

XII. MAYOR, ASSEMBLY, AND STAFF COMMENTS

Mr. Moosey reiterated his request for direction on what involvement the Assembly would like in the process for the State lobbyist.

Assemblymember Colver:

- advised that typically the Assembly has scored the applicants individually;
- stated that then the score sheets are compiled by staff;
- opined that there is misinformation going around concerning the expansion of the Borough building;
- spoke to the fiscal audit that occurred three years ago;
- noted that there were reserves and a lot of those funds were in excess of their statutory minimums;
- noted that those funds were used for the remodel and to keep the property taxes in check;
- related that he has heard talk that the Assembly is spending down reserves to build the expansion;
- stated that the misinformation bothers him;
- noted that it is troubling to him that the body is still grappling with the issue of the ferry;
- opined that the Borough needs to get back to the business of infrastructure and basic needs for residents;
- stated that it is time to make a decision on the ferry; and
- opined that the body is close to doing so.

Assemblymember Colligan:

- stated that he will continue to bring issues forward as he sees fit;
- opined that the body needs to bring forward and establish goals and priorities for Administration; and
- queried if the Borough could be sued for not applying the inventory tax fairly.

Mr. Spiropoulos stated that a person could sue, but that there would be no legal claim.

Assemblymember Colligan:

- opined that if the Borough is going to continue to have fees and taxes, that they need to be enforced; and
- further opined that the business inventory tax is a huge burden on small businesses.

Assemblymember Woods:

- stated that he is disappointed with a recent report by KTUU regarding the tall tower ordinance;
- related that the reporter stated that she was unable to reach members of the body;
- stated that Assemblymember Colligan and himself did call the report back to provide their opinions;
- spoke to attending the recent Port Commission meeting;
- noted that the Port Commission is as concerned about the ferry as the Assembly;

- related that they are continuing to look into different alternatives for bringing the ferry to the Borough; and
- stated that all alternatives are expensive other than finding a buyer.

Assemblymember Salmon:

- spoke to his frustration with lengthy debates on things that have been debated already; and
- opined that it is an exercise in futility to think about not insuring the ferry.

Assemblymember Keogh

- spoke regarding the spend down of reserve funds;
- advised that miscellaneous reserve funds have been spent down from \$15,000,000 to approximately \$6,000,000;
- stated that he wants to be involved in selecting the state lobbyist;
- related that the tall tower ordinance was introduced at the Planning Commission meeting last night, with a public hearing scheduled for September; and
- stated that he has notified various members of the former tall towers committee and various others so that they are aware of the public hearing.

MOTION: Assemblymember Keogh moved to direct the Manager to list the ferry with the federal registry.

VOTE: The motion failed with Assemblymembers Keogh and Halter in support.

Assemblymember Halter:

- requested a road bond update from Mr. Sworts;
- noted that there was an economic development plan that was adopted by a former Assembly three years ago;
- spoke to the large volume of time and funds spent on the project; and
- stated that he is hopeful that staff is following the plan

Mr. Moosey advised that Mr. Dyer does use the plan.

Assemblymember Arvin:

- spoke to his ongoing frustrations concerning the ferry; and
- stated that he is hopeful that the body is prepared to make hard choices on Tuesday.

MOTION: Assemblymember Woods moved to direct the Borough Area School Site Selection Committee report to the Assembly their number one selection for the South Palmer Elementary site.

Assemblymember Colver queried whether the motion was out of order.

Mr. Spiropoulos:

- advised that if the request is proposing a resolution be prepared, that it might be out of order;
- stated that to request correspondence from them or status report would be appropriate; and
- noted that the Chair of that committee could also report on that issue.

Assemblymember Woods noted that correspondence from the committee was his intent.

VOTE: The motion passed without objection.

Mayor DeVilbiss:

- stated that he did offer to speak with KTUU, but that they left immediately after arriving on his property;
- stated that he will not be at the special meeting Tuesday;
- spoke to having attended a Library Board meeting and learning of a new grant source for getting video conferencing in the libraries;
- related that apparently there are a lot of video conferencing in libraries throughout the State;
- requested the Manager put this into the goals and objectives for the new chambers;
- spoke to the possibility of “pay as you go” regarding bonds, which he would like to discuss at the joint meeting with the School Board; and
- opined that there are innovative things that can be done that would save a lot of interest.

XIII. EXECUTIVE SESSION

(There was no executive session held.)

XIV. ADJOURNMENT

The regular meeting adjourned at 8:54 p.m.


LARRY DeVILBISS, Borough Mayor

ATTEST:


LONNIE R. McKECHNIE, CMC, Borough Clerk

Minutes Approved: 09/18/12