

I. CALL TO ORDER

The special meeting of the Matanuska-Susitna Borough Assembly was held on August 30, 2011, at the Borough Assembly Chambers, 350 E. Dahlia Avenue, Palmer, Alaska. The meeting was called to order at 6 p.m. by Mayor DeVilbiss for the purpose of discussing Ordinance Serial No. 11-100, Resolution Serial No. 11-101, and 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*) (*entered telephonically at 6:06p.m.*)
Mr. Mark Ewing, Assembly District No. 4 (*attended telephonically*)
Ms. Cindy L. Bettine, Assembly District No. 5 (*entered at 6:03 p.m.*)
Mr. Vern Halter, Assembly District No. 7

Assembly members absent and excused were:

Mr. Jim Colver, Assembly District No. 6

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. Christine Nelson, Planning and Land Use Director
Mr. Alex Strawn, Permitting Center Manager
Ms. Shannon Post, Chief Information Officer
Ms. Patty Sullivan, Public Affairs Officer
Mr. Marc Van Dongen, Port Director

III. APPROVAL OF AGENDA

Mayor DeVilbiss inquired if there were any 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. Dave Cruz, Port Commission Member.

V. UNFINISHED BUSINESS

- A. Ordinance Serial No. 11-100: AN ORDINANCE ACCEPTING AND APPROPRIATING \$270,000 FROM THE KNIK ARM BRIDGE AND TOLL AUTHORITY TO FUND 480, PROJECT NO. 47023, FOR IMPLEMENTING MEASURES TO FACILITATE A CONSOLIDATED PERMITTING PROCESS FOR THE MATANUSKA-SUSITNA BOROUGH.
1. Resolution Serial No. 11-101: A RESOLUTION APPROVING THE SCOPE OF WORK AND BUDGET FOR IMPLEMENTING MEASURES TO FACILITATE A CONSOLIDATED PERMITTING PROCESS FOR THE MATANUSKA-SUSITNA BOROUGH.
- (a) IM No. 11-139

MOTION PENDING: Assemblymember Bettine moved to adopt Ordinance Serial No. 11-100 and Resolution Serial No. 11-101.

Assemblymember Bettine:

- noted that she is the one who requested that the legislation be postponed;
- spoke to concerns with the way funds were dedicated in the legislation;
- opined that the corridor is one of the most important things that needs to be addressed; and
- stated that she has amendments that would address her concerns.

MOTION: Assemblymember Bettine moved a primary amendment to Resolution Serial No. 11-101, scope of work, as follows:

- to insert between the words “in” and “the” the following language: “communities located on potential transportation corridors from the Knik Arm Bridge to the Parks Highway in;”
- to insert the word “Mat-Su” before the word “Borough;”
- to insert after the word “customer,” the following language: “Staff will expand performance measures to monitor the effectiveness of the Permit Center as it relates to community impacts. The Permit Center will work with other state and federal agencies to reduce the long term development impacts. In addition, Mat Su Borough Transportation Planning staff will complete a Corridor Study and Access Management Plan to evaluate and determine a transportation corridor for vehicular traffic between the Knik Arm Bridge and the Parks Highway;” and
- to strike all the following language at the end of the paragraph: “and helping to protect the environment; evaluating permitting fee schedules; and expanding performance measures to monitor the effectiveness of the Permit Center. In addition, staff will work with a consultant to complete a Corridor Study and Access Management Plan and access guidelines from Port MacKenzie to the Parks Highway” to read: “Staff will work to further development and improve the consolidated borough permitting processes to facilitate appropriate land use, development and environmental planning efforts in communities located on potential transportation corridors from the

Knik Arm Bridge to the Parks Highway in the Mat-Su Borough. This will include the review and streamlining of existing Borough permitting processes to reduce staff time and Borough resources needed to process permits, while saving time for customers. Staff will expand performance measures to monitor the effectiveness of the Permit Center as it relates to community impacts. The Permit Center will work with other state and federal agencies to reduce the long term development impacts. In addition, Mat-Su Borough Transportation Planning staff will complete a Corridor Study and Access Management Plan to evaluate and determine a transportation corridor for vehicular traffic between the Knik Arm Bridge and the Parks Highway.”

Assemblymember Bettine:

- stated that she wants to ensure that the permit center does not consume all of the funds;
- stated that she would like to ensure that the Borough is prepared for a transportation corridor; and
- opined that the Knik Arm and Bridge Toll Authority (KABATA) funds need to be applied to a traffic impact mitigation study in preparation for the transportation corridor.

Mayor DeVilbiss inquired if the intent of the amendment was to turn the permit center into solely a corridor permitting center.

Assemblymember Bettine:

- stated that this is not her intent;
- spoke to difficulty in determining language for the amendment;
- noted that she does not want to see the funds used to expand the permit center; and
- opined that some of the funds should be used for the traffic mitigation impact study for the transportation corridor.

Discussion ensued regarding:

- concerns that funding needs to be applied to a mitigation study;
- the boundaries of the future Knik Arm Bridge;
- the role of KABATA;
- the need to get the corridor management study completed prior to bridge construction;
- where primary corridors have already been identified;
- other potential corridors that could be identified within the Point MacKenzie area;
- the need to study traffic patterns for future impacts;
- the fact that a corridor will be established as part of the Long Range Transportation Plan;
- that the funds will not go for additional staff, but to fund current operations of the Permit Center;
- how staff would expand performance measures to monitor the effectiveness of the Permit Center;
- the intent of the grant funds not being solely for KABATA, but to also be prepared for future growth;
- that if growth happens that the permit center could require additional employees;

- how the Long Range Transportation Plan and other projects overlap and complement each other;
- the amount of study involved with the the long corridor through the Big Lake area;
- possibility of merging the corridor studies into one project;
- the best way to state what the objective of the legislation is;
- the desire to ensure the safety of residents in transportation corridors; and
- the best way for the Assembly to communicate to staff what they would like to happen with the funds.

MOTION: Assemblymember Arvin moved a secondary amendment to insert after the word “customers” the following language: “and without adding staff.”

VOTE: The secondary amendment passed without objection.

MOTION: Assemblymember Halter moved a secondary amendment to insert after the word “complete” the following language: “a four-lane highway corridor study and access management plan to evaluate and determination of transportation corridor for vehicle traffic between Knik Arm Bridge and the Parks Highway.”

Mayor DeVilbiss inquired what would happen should the study determine that a two-lane corridor would be better than four.

Assemblymember Bettine opined that the study should determine the type of corridor needed, not the Assembly.

Assemblymember Halter opined that a four-lane corridor would be the most appropriate from the beginning, with the shortest route directly to the highway.

Assemblymember Woods opined that it would be premature to include language regarding a four-lane corridor.

WITHDRAWAL: Assemblymember Halter moved to withdraw his secondary amendment.

There was no objection noted.

VOTE: The primary amendment passed without objection.

MOTION: Assemblymember Bettine moved a primary amendment to Resolution Serial No. 11-101, to the be it further resolved clause:

- to insert the following language after the word “measures” “to reduce community impacts that m result in long term costly transportation expenses and promote orderly land use and development for the communities in the corridor study area;” and
- to strike the following language: “to facilitate a consolidated permitting process, and promote orderly land use and development for the Matanuska-Susitna Borough” to read: “Be it further resolved that the Matanuska-Susitna

Borough Assembly does hereby authorize the Manager to enter into the Memorandum of Agreement with the Knik Arm Bridge and Toll Authority for implementing measures to reduce community impacts that may result in long term costly transportation expenses and promote orderly land use and development for the communities in the corridor study area.”

Assemblymember Halter opined that the language facilitating a consolidate permitting process should remain in the legislation.

Mr. Moosey:

- related that the Borough already has a consolidate permitting process; and
- opined that the language is redundant as that has already been accomplished.

VOTE: The primary amendment passed without objection.

MOTION: Assemblymember Bettine moved a primary amendment to Ordinance Serial No. 11-100, Section 3, appropriation source, as follows:

- to insert after the word “for” and before the word “between” the following language: “establishing a transportation corridor for vehicular traffic between the Knik Arm Bridge and the Parks Highway and for implementing measure to facilitate the permitting process to promote orderly land use and development for the Point MacKenzie Community Council area and the communities along the corridors;”
- to strike the language after the word “Borough” at the end of the sentence that reads: “implementing measures to facilitate a consolidated permitting process, and promote orderly land use and development for the Matanuska-Susitna Borough” to read: “The Matanuska-Susitna Borough Assembly does hereby appropriate funds in the amount of \$270,000 from the Knik Arm and Bridge and Toll Authority to fund 480, project no. 47023, for establishing a transportation corridor for vehicular traffic between the Knik Arm Bridge and the Parks Highway and for implementing measure to facilitate the permitting process to promote orderly land use and development for the Point MacKenzie Community Council area and the communities along the corridor.”

Assemblymember Bettine noted that this addresses her concern, in that it would ensure that the transportation corridor is considered separately than the rail spur.

Mayor DeVilbiss queried that with all of the potential development between the rail spur and the corridor, if there was any consideration for utilities.

Mr. Moosey stated that as he understands it, that when a road or rail system is constructed, that utility corridors are considered to be a part of the project.

Mayor DeVilbiss inquired if specific language needed to be included, as it is an important part of the project.

Mr. Moosey:

- noted that he agrees that utilities are an important consideration;
- related that the purpose of the legislation is to call out the funding source;
- stated that staff is planning for these funds to be adequate to include utilities; and
- noted that should that change, it would come back to the Assembly for approval.

Discussion ensued regarding:

- whether or not the funds are adequate to include utilities;
- how corridor planning includes rights-of-way for general utilities;
- whether or not the legislation should include the utility corridor;
- the fact that any road going south would be going across existing trails, such as the Iditarod Trail;
- the fact that most of population base will be situated east of the planned corridor;
- how corridor placement would be accounted for; and
- whether or not the utility corridor should be included in the legislation.

MOTION: Assemblymember Halter moved a secondary amendment, after the project number, to add the following language: “for establishing a transportation and utility corridor for vehicle traffic between the Knik Arm Bridge and the Parks Highway in the Matanuska-Susitna Borough.”

Assemblymember Arvin noted that he objects to the amendment as the legislation is regarding traffic studies and not utilities.

Assemblymember Bettine spoke against the amendment, as all the studies will take that into consideration.

Discussion ensued regarding:

- concerns that inter-ties or gas lines may or may not work well with the road system;
- the desire to not burden or overwhelm the study for traffic by including utilities;
- the possibility of coming back with legislation regarding utilities, should a utility study not be included or be sufficiently funded; and
- the desire of the body to not be narrow sighted on such an important project.

VOTE: The secondary amendment passed with Assemblymembers Bettine and Woods opposed.

VOTE: The primary amendment passed without objection.

VOTE: The main motion passed as amended without objection.

Assemblymember Bettine:

- noted the length of the legislation;
- commented on the time it takes the Assembly to review when it is not pertinent; and
- requested the Manager to review legislation to see whether some of the information is pertinent.

(The special meeting recessed at 7:59 p.m. and reconvened at 8:09 p.m.)

VI. ITEMS OF BUSINESS

A. M/V SUSITNA DISCUSSION

Mr. Moosey:

- related that Mr. Madden is present to answer questions of the Assembly;
- stated that he would like to introduce some members of the Port Commission who are present;
- noted that he would like for them to participate in the discussion;
- introduced Mr. John Riggs, Port Commission Chair, and Board Members Mr. Dave Cruz, and Ms. Jay Nolfi;
- noted that the Port Director, Mr. Marc Van Dongen, is also present to answer questions; and
- noted that he is not looking for an answer this evening, but rather to provoke good discussion as to the direction the body would like to go.

Assemblymember Arvin opined that Port Commission members would be vital to the discussion.

Mayor inquired if there was any objection to the Port Commission providing comments.

There was no objection noted.

Mr. Lew Madden provided a presentation regarding the M/V Susitna.

Discussion ensued regarding:

- the possibility of providing year round ferry service to residents of the Borough;
- that the ferry could assist with the development of the regional economy;
- how the ferry could support transportation needs in the Kenai Peninsula Borough and the Upper Cook Inlet;
- how the ferry could establish transportation links to economies external to the Borough;
- the possibility of the ferry providing crash, rescue, and disaster relief support;
- the possibility of the ferry supporting construction of the Knik Arm Bridge;
- the fact that the landings will not be ready until at least 2013;
- the fact that the ferry will rely heavily on vehicle traffic;
- the possibility that the ferry will not start full operation for at least five years;
- funds necessary to complete the Point MacKenzie link-span;
- that if the ferry system is not instituted, that the Borough will have to refund grant funds to the Federal Transportation Administration (FTA);

- how the Knik Arm Bridge could impact the use of the ferry;
- political impacts to the ferry project;
- the least amount of funds that would be required in order to maintain the ferry without full operations;
- the amount of overhead operations for the ferry while in Ketchikan;
- possible costs and profits after ferry landings are completed;
- that the Municipality of Anchorage no longer supports the ferry project;
- the options for the Borough to either self-operate or to contract out operations;
- the possibility of retaining ownership and leasing the ferry;
- the impacts to the Borough of selling the ferry;
- the desire of the body to increase the potential for revenue in order to offset costs;
- the possibility of finding funds for link-span development;
- the impact of unforeseen maintenance costs;
- projected costs for ferry system management;
- implications of leasing out the ferry;
- the possibility of selling intellectual property of the ferry design;
- how to determine the value of intellectual property;
- that if the Borough cancels the ferry system program, that future funding would be difficult to obtain;
- what the value of the ferry is as opposed to the costs for construction;
- that the ferry is a one-of-a-kind ship; and
- the possibility of selling the ship and leasing it back.

(The special meeting recessed at 9 p.m. and reconvened at 9:12 p.m.)

Discussion ensued regarding:

- understanding the options available to the body;
- how the ferry could aid during natural disasters or emergency situations;
- road blocks to funding;
- the opinion of some staff that the projected costs are understated revenue is overstated;
- how the cost of fuel impacted the original recommended passenger fee for the ferry;
- how the body would determined fees based on the out of date study by HDR;
- potential problems and costs with dry docking the ferry;
- that the annual Coast Guard inspection may require the ferry to be dry docked;
- the need for a emergency maintenance fund for unforeseen contingencies;
- the history of success and failure of ferries within the United States;
- the possibility of obtaining an independent analysis of estimated ridership and fees to be charged;
- the possibility of constructing a modified landing at Point MacKenzie next summer;
- the fact that the Coast Guard is opposed to the location of the proposed landing site at Ship Creek;
- the possibility of asking the Congressional Delegation to request forgiveness from having to pay back the FTA funds;
- the possibility of using air bags for dry docking the ferry;

- the fact that not everything government does makes money, but has the purpose of benefiting the public;
- the fact that the ferry can currently accommodate vehicles by going to boat ramp to boat ramp;
- the amount of funding the Borough currently has to put toward construction of a landing;
- the fact that it would benefit Port MacKenzie to have a modified landing;
- the many types of vehicles that could use a modified landing;
- the possibility of the ferry working in the oil fields;
- the possibility of Transportation Investment Generating Economic Recovery (TIGER) Grants for port projects;
- the fact that the Kenai Peninsula Borough and Tyonek are supporters of the ferry project;
- that the Mayor of Anchorage provided a letter that was in general support of a landing on the Anchorage side, but nowhere specific;
- recommendations of wintering the vessel in Port MacKenzie; and
- the need to have an updated analysis of operating the ferry.

MOTION: Assemblymember Bettine moved to extend the meeting past 10 p.m. and not to exceed 11 p.m.

VOTE: The motion passed without objection.

Discussion ensued regarding:

- an unsolicited proposal to buy the vessel and lease it back to the Borough;
- concerns that things should be put out for request for proposal, rather than to just take an unsolicited proposal;
- whether or not the body as a governmental unit can sell intellectual property rights; and
- the concerns of the body to eliminate as many conflicts as possible with bringing the ferry to the Port.

B. INTRODUCTIONS (For public hearing – 09/06/11, 7 p.m., Borough Assembly Chambers)

1. Ordinance Serial No. 11-112: AN ORDINANCE AMENDING MSB 25.05.090, REGARDING USE OF PUBLIC MONEYS TO PROMOTE PASSAGE OF BALLOT PROPOSITIONS.
 - a. Ordinance Serial No. 11-113: AN ORDINANCE REAPPROPRIATING \$9,000 FROM ADMINISTRATION'S FISCAL YEAR 2012 OPERATING BUDGET, FUND 100, TO FUND 480, TO PROMOTE PASSAGE OF THE QUESTIONS OF THE ROAD BONDS AND SCHOOL BONDS AT THE OCTOBER 4, 2011, BOROUGH REGULAR ELECTION.
 - (1) IM No. 11-191
2. Ordinance Serial No. 11-114: AN ORDINANCE AMENDING MSB 23.10.270, RELATING TO THE ACQUISITION OF REAL PROPERTY.
 - (a) IM No. 11-190

Ms. McKechnie read the above legislation into the record.

MOTION: Assemblymember Woods moved to introduce the legislation as read into the record by the Clerk and set the public hearings for September 6, 2011.

VOTE: The motion passed without objection.

Mayor DeVilbiss inquired if there was any objection to hearing audience participation prior to the executive session.

There was no objection noted:

VIII. AUDIENCE PARTICIPATION

The following person spoke to his desire to dismiss the Steppers litigation with the Borough: Mr. Casey Eshleman.

VII. EXECUTIVE SESSION *(for matters, the immediate public knowledge of which would clearly have an adverse effect upon the finances of the Borough and matters which by law, municipal charter, or ordinance are required to be confidential.)*

A. STEPPERS CONSTRUCTION LITIGATION

MOTION: Assemblymember Woods move to enter executive session for matters, the immediate public knowledge of which would clearly have an adverse effect upon the finances of the borough and matters which by law, municipal charter, or ordinance are required to be confidential and matters involving consideration of government records that by law are not subject to public disclosure, in particular to discuss the Steppers Construction Litigation. Those present during the executive session were the Mayor, the Members of the Assembly, the Clerk, the Attorney, and the Manager.

MOTION: Assemblymember Arvin moved to amend the executive session motion to include the Finance Director.

VOTE: The motion passed without objection.

VOTE: The motion passed without objection and the Assembly entered into executive session at 10:27 p.m.

MOTION: Assemblymember Woods moved to exit executive session.

VOTE: The motion passed without objection and the Assembly exited executive session at 10:59 p.m.

MOTION: Assemblymember Bettine moved to suspend the rules to extend the meeting past 11 p.m. and not to exceed 11:30 p.m.

VOTE: The motion passed without objection.

MOTION: Assemblymember Woods moved to continue the prior executive session.

VOTE: The motion passed without objection and the Assembly re-rented executive session at 10:59 p.m.

MOTION: Assemblymember Woods moved to exit executive session.

VOTE: The motion passed without objection and the Assembly exited executive session at 11:22 p.m.

IX. MAYOR, ASSEMBLY, AND STAFF COMMENTS

Ms. McKechnie:

- spoke to the ethics code work session scheduled by the body for September 29, 2011; and
- queried if the Assembly wanted that to be a separate meeting from the subdivision code changes at 6 p.m.

Mayor DeVilbiss stated that he thought the ethics code work session was scheduled as a separate meeting to begin at 4 p.m.

MOTION: Assemblymember Bettine moved to suspend the rules to extend the meeting past 11:30 p.m. and not to exceed 11:40 p.m.

(Assemblymember Ewing exited the meeting at 11:27 p.m.)

VOTE: The motion passed without objection.

Discussion ensued regarding:

- what time to start the ethics code work session;
- the process for the special meeting for the subdivision code ordinance;
- the fact that no action can be taken by the body during work sessions;
- how much public participation the Assembly would like to have on the subdivision code changes;
- the possibility of including professional engineers and surveyors in the subdivision code discussion; and
- the request to color code all of the different recommendations for the subdivision code into a single document.

(Assemblymember Arvin exited the meeting at 11:35 p.m.)

Ms. McKechnie:

- spoke to the joint meeting between the Assembly and the Municipality of Anchorage Assembly;
- stated that the Anchorage Clerk had suggested October 26, 2011, from 3 p.m. to 5 p.m. in Eagle River; and
- queried how the body would like to proceed.

Discussion ensued regarding possible dates for the joint meeting.

(Assemblymember Arvin re-entered the meeting at 11:36 p.m.)

MOTION: Assemblymember Bettine moved to suspend the rules to extend the meeting past 11:40 p.m. and not to exceed 11:45 p.m.

VOTE: The motion passed without objection.

Ms. McKechnie advised that she could bring this back before the body on September 6.

There was no objection noted.

Assemblymember Arvin queried when the timber harvest plan would be before the body.

Ms. McKechnie advised that nothing has come forward at this time, so she is unsure of the timeframe.

Mayor DeVilbiss queried if there was a committee who determined how bed tax funds were allocated.

Assemblymember Bettine advised that it is the Assembly who makes that decision.

Mayor DeVilbiss stated that he was considering putting together a committee to assist in making those decisions.

Mr. Spiropoulos stated that he would be out of the office beginning next week attending the National Attorney's Conference.

Mr. Moosey:

- stated that next week he would be travelling to Minnesota for personal business; and
- thanked the body for engaging in the ferry discussion.

X. ADJOURNMENT

The special meeting adjourned at 11:45 p.m.


LARRY DeVILBISS, Borough Mayor

ATTEST:


LONNIE R. McKECHNIE, CMC, Borough Clerk

Minutes approved: 10/18/11