

I. CALL TO ORDER

The special meeting of the Matanuska-Susitna Borough Assembly was held on December 30, 2008, at the Borough Assembly Chambers, 350 E. Dahlia Avenue, Palmer, Alaska. The meeting was called to order at 5:08 p.m. by Deputy Mayor Lynne Woods. (Mayor Menard was present via teleconference.)

II. ROLL CALL

Assemblymembers present and establishing a quorum were:

Ms. Lynne Woods, Assembly District No. 1 (*Deputy Mayor*)
Mr. Pete Houston, Assembly District No. 2
Ms. Michelle R. Church, Assembly District No. 3
Mr. Mark Ewing, Assembly District No. 4
Ms. Cindy L. Bettine, Assembly District No. 5
Mr. Robert Wells, Assembly District No. 6

Assemblymembers absent and excused were:

Mr. Tom Kluberton, Assembly District No. 7

Staff in attendance were:

Ms. Lonnie R. McKechnie, Borough Clerk
Mr. John Duffy, Borough Manager
Mr. Nicholas Spiropoulos, Borough Attorney
Ms. Tammy Clayton, Finance Director
Mr. Mark Mayo, Planning and Land Use Director
Mr. Brad Sworts, Transportation Division Manager

III. APPROVAL OF AGENDA

Deputy Mayor Woods 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 Mr. Mark Mayo, Planning and Land Use Director.

V. ITEMS OF BUSINESS

A. ROAD PROJECT PRIORITIES

Mr. Sworts noted the list of roads on the transportation bonds.

Assemblymember Woods:

- asked if the Dogwood Couplet is ready for design; and
- queried the design funding.

Mr. Sworts:

- advised that there is enough funding for the right-of-way process; and
- noted that funding is still needed for construction.

Assemblymember Bettine queried if there was data regarding congestion on the Palmer-Wasilla Highway.

Mr. Sworts advised that the heaviest amount of congestion occurs at the Palmer-Wasilla Highway and the Glenn Highway intersection.

Assemblymember Bettine noted that there is less traffic when leaving Palmer than there is when entering the Wasilla end of the Palmer-Wasilla Highway.

Mr. Sworts:

- reported that the traffic congestion peaks at certain times of the day;
- stated that Palmer has approximately 16,000 to 17,000 vehicles a day and Wasilla has 15,000 to 16,000 vehicles a day that cross the intersections of the Palmer-Wasilla Highway;
- noted that there have been improvements at the Palmer-Wasilla Highway and Parks Highway intersection; and
- stated that the traffic congestion is slowly evening out.

Assemblymember Bettine queried whether the traffic congestion data is reflecting the intersections or in between the intersections.

Mr. Sworts:

- advised that the traffic count data was taken from Hemmer Road to Palmer; and
- stated that the Wasilla traffic counts are taken from the Seward Meridian Parkway and the Parks Highway.

Assemblymember Ewing:

- noted that there is a high level of congestion on the Palmer-Wasilla Highway between Hyer Road and Wasilla;
- opined that traffic congestion is lower on the Palmer end of the Palmer-Wasilla Highway;
- queried the accuracy of the traffic data.

Mr. Sworts advised that he has based his information on the Alaska State Department of Transportation (DOT) traffic counts.

Assemblymember Ewing:

- spoke to his concerns regarding the area north of Hyer Road;
- stated that the Seldon Road Extension will alleviate a lot of the traffic congestion issues; and
- opined that once the Seldon Road Extension is complete, it will create less of an impact on the Palmer-Wasilla Highway.

Discussion ensued regarding traffic congestion.

Assemblymember Church queried whether the State Delegation would choose the roads or provide a lump sum for the Assembly to choose the roads to fund the transportation bonds.

Assemblymember Woods stated that if the State Delegation provided funding, the Assembly would weigh in with a couple of top projects.

Mr. Duffy:

- recommended that the Assembly request funding for all of the roads; and
- spoke to the way the Borough has been pursuing the road priorities.

Assemblymember Bettine:

- spoke to the transportation bond proposition;
- spoke to the Jensen-Soapstone Road connection; and
- queried if there was a scoping meeting regarding the Dogwood Couplet.

Mr. Sworts:

- advised that there was a scoping meeting with the agencies involved; and
- reported that the next scoping meeting will be a public meeting.

Assemblymember Bettine queried if the Assembly's priority should be the Bogard Road Extension couplet with the Seldon Road Extension for traffic relief.

Assemblymember Woods queried the funding to complete the right-of-way process.

Mr. Sworts:

- advised that the Borough has the funds to complete the right-of-way process; and
- reported that the Borough will need an additional \$27 million to complete the construction.

Mayor Menard:

- spoke to the transportation bond proposition that was ratified by the voters.
- spoke to the need to look at the issues and how the funds will be divided; and
- queried if the Borough has to have all of the funds for the seven projects to move forward.

Mr. Duffy:

- advised that the Borough does not require all of the funds at once; and
- noted that if the State Delegation provided \$20 million of the funds, the Borough could do \$20 million worth of the projects.

Assemblymember Church queried if the proposition was written so that the Borough could receive a federal match as well.

Mr. Duffy:

- advised that it was written to include other funding than just the State; and
- stated that the information had been forwarded to the Federal Delegation.

Discussion ensued regarding federal matching for the bonds.

Assemblymember Houston requested Mr. Sworts to outline his list of priorities.

Mr. Sworts opined that the road priorities should be:

- Seldon Road upgrade;
- Seldon Road Extension;
- Dogwood Road Extension;
- Hermon Road;
- Seward-Meridian Extension South;
- Vine Road; and
- Jensen-Soapstone Road.

Assemblymember Bettine:

- opined that the Borough could wait to receive the funding and set the priorities at that time;
- spoke to the need of having the traffic models when setting the road priorities;
- spoke to the Bogard Road Extension; and
- queried the status of the Bogard Road Extension.

Mr. Sworts:

- advised that the Borough is doing the design and the right-of-way acquisition at the same time; and
- reported that all that is left to do is the construction.

Assemblymember Bettine proposed listing the Bogard Road Extension and Seldon Road Extension as a major priority for the Borough.

Mr. Sworts:

- advised that the DOT has been very supportive of the transportation bonds and the 70/30 split; and
- stated that the DOT feels that the Borough has a good chance of receiving the road bond funding.

Discussion ensued regarding:

- the Trunk Road project; and
- the Seward Meridian Extension Project.

Assemblymember Wells:

- spoke to non-motorized pathways;
- spoke to the need to revisit the road prioritization after knowing what the State Delegation will fund;
- stated that the voters approved all of the projects listed on the transportation bonds;
- spoke to the importance of lobbying for the Bogard Road and Trunk Road projects;
- commented that the Borough is way behind on transportation infrastructure due to growth; and
- spoke to the need of communicating the importance of the priorities to the State Delegation and the Governor's office.

Assemblymember Church queried if the \$300,000 issuance cost for the bonds would be divided should the Borough only receive funding for certain projects.

Ms. Clayton:

- advised that the \$300,000 is estimated on the entire bond package;
- reported that the cost of issuance would be slightly more than the \$300,000, if all off the bonds were sold and if the projects were broken up; and
- stated that some costs are based on the amount of bonds sold, but that there are other costs.

Assemblymember Ewing:

- spoke to the Seward Meridian Parkway South Extension;
- opined that the Borough would benefit from a northern connection that would connect the Seward Meridian Parkway to Seldon Road; and
- stated that there are three schools in the area that lack proper access.

Discussion ensued regarding:

- the State STIP;
- the Capital Improvement Project (CIP) list;
- the prioritization process;
- the amount of funding received from the State last year for road projects;
- the Main Street/Yenlo Road one-way couplet;
- the Dogwood Road Extension;
- the timeframe involved between design and construction;
- the need to extend the Trunk Road project to Palmer-Fishhook;
- funding for mass transit;
- how the information will be presented to the State Delegation;
- the need to set priority lists;
- the need to include the Parks Highway on the priority list;
- Spenard Boulevard to the Big Lake cut-off; and
- the Capital Improvement Plan.

MOTION: Assemblymember Ewing moved to set the project priority list for transportation bonds to present to the State Delegation.

Assemblymember Ewing spoke in support of the priority list.

Assemblymember Houston:

- stated that he supports the intent of the motion;
- spoke to the need of conveying that the transportation bond is one project; and
- stated that the Borough needs \$35 million dollars for the project.

Assemblymember Wells:

- spoke in support of putting the list forward as one project; and
- stated that the voters decided on package without priorities.

Assembly Church:

- spoke to the priority ranking of roads; and
- stated that this should go forward as one package.

WITHDRAW: Assemblymember Ewing requested to withdraw the main motion.

There was no objection noted

MOTION: Assemblymember Bettine moved to suspend the rules to discuss revenue diversification prior to finalizing the discussion on road priorities.

VOTE: The motion passed without objection.

(Continued to page 8)

(The meeting recessed at 6:28 p.m. and reconvened at 6:38 p.m.)

B. REVENUE DIVERSIFICATION

Mr. Duffy provided a report on the following:

- the updated memorandum handout regarding revenue sources;
- the plastic bag tax;
- the possibility of a liquor tax;
- sales tax;
- severance tax;
- bed tax;
- personal property tax;
- vehicle license tax;
- aircraft fees; and
- impact fees.

Ms. Clayton:

- spoke to the tax levy calculations for 2008;
- advised that the levy can only be increased by the percentage increase in the consumer price index (CPI) for Anchorage (which was 1.53 percent) and the average growth in the Borough population over five years; and
- spoke to 2009 levy projections.

Assemblymember Bettine queried if some taxes could be removed from the formula by ordinance.

Mr. Duffy:

- advised that the Assembly could remove taxes from the formula by ordinance; and
- spoke to uncertainty of what the end result would be.

Ms. Clayton stated that if taxes (other than the real or personal property tax) were to increase significantly, it could benefit the real property and personal property mill levy, as it would exclude the large increase.

Mr. Duffy spoke regarding a side-by-side comparison;

Assemblymember Ewing:

- spoke to the possible public confusion regarding the agenda item being titled as "Revenue Diversification"; and
- opined that listing the agenda item as "tax options" may have brought more interest from the public.

Assemblymember Church queried if voters would need to approve the revenue cap if it were amended or repealed.

Mr. Duffy:

- advised that it would not require voter approval to amend or repeal the revenue cap; and
- noted that excise tax does not require voter approval, however, the sales tax does require voter approval.

Mr. Spiropoulos:

- advised that there was a pending voter sponsored initiative when the tax levy limitation was passed by the Assembly;
- stated that if the Assembly passes a law while there is a voter sponsored initiative, it prevents the law from being amended or repealed for two years;
- reported that the two-year time period has passed on the tax cap; and
- stated that the law may be amended, repealed, or modified.

Assemblymember Bettine:

- stated that the purpose for revenue diversification is to not have the majority of the revenue come from property tax; and
- spoke to the transient accommodation tax.

Discussion ensued regarding:

- what items are exempted from the tax cap;
- the tax cap formula;
- the sales tax proposal;
- the Ivan Moore research study;
- the possibility of taxing through tourism;
- how the tax cap affects service area and non-areawide budgets;
- the assessed valuations for fiscal year 2010;
- the ballot language structure and how a mill rate increase can be proposed within service areas;
- the possible impacts on the tax cap formula should a new tax be brought forward;
- the reduction in property taxes and assessed value due to the housing market;
- the mill rates approved by city councils;
- the non-areawide fund issues; and
- the need to communicate the non-areawide budget issue with the public.

A. ROAD PROJECT PRIORITIES

(continued from page 6)

Mr. Sworts spoke to how the Capital Improvement Plan is laid out.

MOTION: Assemblymember Ewing moved to include the following from the Capital Improvement Plan as top priority projects to present to the State Delegation: all of the Community Transportation Highway Infrastructure and Public Transit Partially Funded Projects to include: MASCOT System Improvements, Vanpool, and Park and Ride Lots Upgrade/New Lots.

Assemblymember Bettine spoke to the bond package.

MOTION: Assemblymember Bettine moved a primary amendment to present the transportation road bonds in the following order to the State Delegation.

- a. Seldon Road Upgrade
- b. Seldon Road Extension
- c. Hermon Road Extension
- d. Vine Road Upgrade
- e. Dogwood Road Extension
- f. Seward Meridian Parkway Extension

- g. Unmotorized Pathways
- h. Jenson-Soapstone Connection

Assemblymember Wells:

- suggested inclusion of language that would caveat that the list is not in any order; and
- noted that all of the listed items were voted in the affirmative by the voters.

VOTE: The primary amendment passed with Assemblymember Houston opposed.

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

VOTE: The motion to stop debate passed without objection.

VOTE: The main motion passed as amended without objection.

VI. AUDIENCE PARTICIPATION

The following person spoke to advertising Revenue Diversification when it should have been advertised as a tax discussion and opined on the reasons that the sales tax had not been approved by the voters in the past: Mr. Dean Bolio.

The following person expressed appreciation of the Assembly's time and service: Wasilla City Mayor Vern Rupright.

VII. MAYOR, ASSEMBLY, AND STAFF COMMENTS

Mayor Menard spoke to the need to provide a good presentation to the State Delegation at the joint meeting.

Assemblymember Houston expressed his appreciation for the discussion of the issues.

Assemblymember Bettine:

- stated that roads are important to infrastructure; and
- expressed appreciation to Wasilla City Mayor Rupright for attending the meeting.

Assemblymember Ewing:

- spoke to the need to build strong relationships with the State Legislators; and
- wished everyone a great new year.

Assemblymember Church:

- stated that impact fees may be an uphill battle;
- spoke to the need for development to pay for development; and
- wished everyone a happy new year.

Assemblymember Woods:

- spoke to teleconference with Senator Elect Begich; and
- stated that the Economic Recovery Package form was due on December 29, 2008.

Mr. Duffy advised that the Borough's Economic Recovery Package form was submitted on December 26, 2008.

Assemblymember Woods:

- spoke to the ferry presentation at the Alaska Municipal League Conference in Ketchikan;
- spoke to the significance of the ferry; and
- thanked everyone for their work in 2008.

Ms. McKechnie queried if the Assembly would like to reschedule the joint evaluation of the Manager, Clerk, and Attorney, as the Manager and Clerk would be out of state closing the prison bonds.

Assemblymember Ewing suggested scheduling the joint evaluation of the Manger, Clerk, and Attorney on February 17, 2009, at 4:30 p.m.

Assemblymember Church requested that the Human Resources Manager forward evaluation forms for the Assembly to review.

Assemblymember Bettine suggested holding the joint evaluation on February 20, 2009, earlier in the day.

Assemblymember Ewing:

- spoke to concerns of holding meetings earlier in the day; and
- noted that he has difficulty taking time off from work.

Assemblymember Wells advised that he will be absent at the January 20, 2009, regular Assembly meeting.


Discussion ensued regarding the scheduling of meetings.

Assemblymember Church requested that the joint evaluation be scheduled for February 17, 2009, at 4 p.m.

There was no objection noted.

VIII. ADJOURNMENT

The regular meeting adjourned at 8:52 p.m.


CURTIS D. MENARD, Borough Mayor

ATTEST:


LONNIE R. McKECHNIE, CMC, Borough Clerk

Minutes approved: 01/20/09