

MATANUSKA-SUSITNA BOROUGH

350 East Dahlia Avenue, Palmer, Alaska 99645 - 907-861-8683

BOROUGH MAYOR

Vern Halter

BOROUGH ASSEMBLY

Jim Sykes, District 1

Matthew Beck, District 2

George McKee, District 3

Steve Colligan, District 4

Dan Mayfield, District 5

Barbara J. Doty, District 6

Randall Kowalke, District 7



SCHOOL BOARD

Deborah Retherford, Seat A

Sarah Welton, Seat B

Susan Pougher, Seat C

Ole Larson, Seat D

Kelsey Trimmer, Seat E

Donna Dearman, Seat F

Ray Michaelson, Seat G

AGENDA

JOINT ASSEMBLY/SCHOOL BOARD MEETING

ASSEMBLY CHAMBERS

350 EAST DAHLIA AVENUE, PALMER

SPECIAL MEETING

6 P.M.

TUESDAY, MARCH 8, 2016

I. CALL TO ORDER

II. ROLL CALL

III. APPROVAL OF AGENDA

IV. PLEDGE OF ALLEGIANCE

V. AUDIENCE PARTICIPATION

VI. JOINT ITEMS OF BUSINESS

A. Annual Budget And Bonding For Schools (*MSB 2.12.075(A)*)

B. Land Acquisition Near Joe Redington Sr. Junior/Senior High School For Shooting Sports (*Requested By School Board Member Larson*)

C. Palmer and Wasilla Pools Recreation Bond Proposal Update (*Requested By School Board Member Larson*)

VII. SCHOOL BOARD, MAYOR, ASSEMBLY, AND STAFF COMMENTS

VIII. ASSEMBLY ITEMS OF BUSINESS

A. UNFINISHED BUSINESS

1. **Ordinance Serial No. 16-013:** An Ordinance Appropriating \$1,993,488 From The Land Management Permanent Fund 203, For M/V Susitna Engine Repairs, Project No. 70013, As A Loan To The Ferry Fund 450 And Reappropriating The \$1,993,488 Back To The Land Management Permanent Fund 203 Once The Anticipated Vessel Sale Funds And Insurance Funds Are Received.
 - a. **Resolution Serial No. 16-015:** A Resolution Approving The Scope Of Work And Budget For The M/V Susitna Ferry Engine Repairs, Project No. 70013; And Authorization To Enter Into A Contact With Associated Maritime Providers, Inc. In The Amount Of \$1,993,488.
 - (1) IM No. 16-037

B. 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; And For Discussion Of Pending Litigation.)*

1. Bell Vs. MSB et. al. – 4NE-14-05 CI

IX. ADJOURNMENT

SUBJECT: APPROPRIATE \$1,993,488 FROM THE LAND MANAGEMENT PERMANENT FUND 203 FOR M/V SUSITNA FERRY ENGINE REPAIRS, PROJECT NO. 70013, AS A LOAN TO THE FERRY FUND 450 AND REAPPROPRIATING THE \$1,993,488 BACK TO THE LAND MANAGEMENT PERMANENT FUND 203 ONCE THE ANTICIPATED VESSEL SALE FUNDS AND INSURANCE FUNDS ARE RECEIVED.

AGENDA OF: February 16, 2016

ASSEMBLY ACTION:

MANAGER RECOMMENDATION: Introduce and set for public hearing.

APPROVED BY JOHN MOOSEY, BOROUGH MANAGER: _____

Route To:	Department/Individual	Initials	Remarks
	Originator M. Van Dongen		
	Finance Director		
	Borough Attorney		
	Borough Clerk		

ATTACHMENT(S): Fiscal Note: YES ☒ NO ☐
Ordinance Serial No. 16-013 (6 pp)
Resolution Serial No. 16-015 (4 pp)

SUMMARY STATEMENT:

This legislation is to appropriate \$1,993,488 from the Land Management Permanent Fund 203 for M/V Susitna engine repairs, project no. 70013, as a loan to the Ferry Fund 450 and reappropriating the \$1,993,488 back to the Land Management Permanent Fund 203 once the anticipated vessel sale funds and insurance funds are received.

This legislation is also to approve the scope of work and budget for the engine repairs, combining the \$250,000 deposit from the Philippine Red Cross, the previous \$870,000 appropriation from the Major Repair and Renovation Reserve, Fund 100 and the \$1,993,488 from the Land Management Permanent Fund 450, for a total repair cost of \$3,093,488.

RECOMMENDATION OF ADMINISTRATION: Approve the appropriation of \$1,993,488 from the Land Management Permanent Fund 203 for M/V Susitna engine repairs, project no. 70013, as a loan to the Ferry Fund 450 and reappropriate the \$1,993,488 back to the Land Management Permanent Fund 203 once the anticipated vessel sale funds and insurance funds are received

MATANUSKA-SUSITNA BOROUGH
FISCAL NOTE

Agenda Date: February 16, 2016

SUBJECT: APPROPRIATE \$1,993,488.00 FROM THE LAND MANAGEMENT PERMANENT FUND 203 TO FUND 450, FOR M/V SUSITNA FERRY ENGINE REPAIRS, PROJECT NO. 70013.

ORIGINATOR: Therese Dolan, Division Administrative Specialist, Port MacKenzie

FISCAL ACTION (TO BE COMPLETED BY FINANCE)	FISCAL IMPACT <u>YES</u> NO
AMOUNT REQUESTED <u>\$ 1,993,488</u>	FUNDING SOURCE <u>Land Mgt Perm Fund</u>
FROM ACCOUNT # <u>203 262.400</u>	PROJECT #
TO ACCOUNT: <u>450.000.000.3XX.XXX</u>	PROJECT # <u>70013</u>
VERIFIED BY: <u>Barbara Baumgartner</u>	CERTIFIED BY:
DATE: <u>2/8/16</u>	DATE:

EXPENDITURES/REVENUES:

(Thousands of Dollars)

OPERATING	FY2016	FY2017	FY2018	FY2019	FY2020	FY2021
Personnel Services						
Travel						
Contractual						
Supplies						
Equipment						
Land/Structures						
Grants, Claims						
Miscellaneous						
TOTAL OPERATING						

CAPITAL	<u>1993</u>					
---------	-------------	--	--	--	--	--

REVENUE						
---------	--	--	--	--	--	--

FUNDING:

(Thousands of Dollars)

General Fund						
State/Federal Funds						
Other	<u>1993</u>					
TOTAL	<u>1993</u>					

POSITIONS:

Full-Time						
Part-Time						
Temporary						

ANALYSIS: (Attach a separate page if necessary)

PREPARED BY: _____ PHONE: _____
 DEPARTMENT: _____ DATE: _____
 APPROVED BY: Chapman DATE: 2/8/16

IM No. 16-037
 Ordinance Serial No. 16-13
RS16-015

NON-CODE ORDINANCE

Sponsored By:
Introduced:
Public Hearing:
Adopted:

MATANUSKA-SUSITNA BOROUGH
ORDINANCE SERIAL NO. 16-013

AN ORDINANCE OF THE MATANUSKA-SUSITNA BOROUGH ASSEMBLY APPROPRIATING \$1,993,488 FROM THE LAND MANAGEMENT PERMANENT FUND 203 FOR M/V SUSITNA FERRY ENGINE REPAIRS, PROJECT NO. 70013, AS A LOAN TO THE FERRY FUND 450 AND REAPPROPRIATING THE \$1,993,488 BACK TO THE LAND MANAGEMENT PERMANENT FUND 203 ONCE THE ANTICIPATED VESSEL SALE FUNDS AND INSURANCE FUNDS ARE RECEIVED.

WHEREAS, in January 2015, as a result of an extreme rain event in Ketchikan, the M/V Susitna engines and turbo chargers suffered significant damage when water entered through the exhaust towers; and

WHEREAS, on September 10, 2015, an offer to purchase the M/V Susitna by the Philippine Red Cross for \$1,750,000 was accepted by the Borough Manager by executing a formal Purchase and Sale Agreement; and

WHEREAS, the Matanuska-Susitna Borough received a \$250,000 deposit from the Philippine Red Cross as down payment on the sale of the ferry vessel, M/V Susitna; and

WHEREAS, funding is needed to affect the repairs totaling \$3,093,488; and

WHEREAS, there are funds available in the Land Management Permanent Fund 203; and

WHEREAS, upon appropriation, \$1,993,488 from the Land Management Permanent Fund 203 will be transferred to Fund 450, for M/V Susitna Ferry Engine Repairs, Project No. 70013; and

WHEREAS, \$850,000 was appropriated from fund 100, areawide repair and renovations reserve and transferred to fund 450, for M/V Susitna Ferry engine repairs, project no. 70013; and

WHEREAS, our insurance company, Lloyd's of London sent a senior adjustor to re-evaluate the required repair and he determined the vessel needed to be dry docked and the engines removed for repair at an approved fabrication facility in Kent, Washington; and

WHEREAS, the \$850,000 prior appropriation combined with the \$250,000 purchase deposit from the Philippines Red Cross and this appropriation of \$1,993,488 will total \$3,093,488 needed to complete the engine repairs; and

WHEREAS, prior to the sale of the M/V Susitna, major repairs to the diesel engines must be completed; and

WHEREAS, quotes were solicited through Associated Maritime Providers, Inc. from two qualified ship yards, Foss Maritime and Vigor Alaska; and

WHEREAS, contractors were required to use the same certified engine repair contractor and the differences in price were attributed to location and overhead costs; and

WHEREAS, Associated Maritime Providers submitted the least costly bid at \$3,093,488; and

WHEREAS, the Matanuska-Susitna Borough has a contract to sell the M/V Susitna to the Philippine Red Cross and we are owed \$1.5 million at closing, which could be used to help pay for the cost of the engine repairs; and

WHEREAS, Matanuska-Susitna Borough will submit a claim to our insurance company, Lloyd's of London, for the full amount of the repairs, minus the \$250,000 deductible which was paid with the purchase deposit, upon completion of the repairs and sea trial.

BE IT ENACTED:

Section 1. Classification. This Ordinance is a non-code ordinance.

Section 2. Acceptance and Appropriation Source. There is hereby appropriated by the Assembly \$1,993,488 from the Land Mangement Permanent Fund 203 to Fund 450, for M/V Susitna Ferry Engine Repairs, Project No. 70013.

Section 3. Re-Appropriation Sources. Upon receipt of vessel sale funds and insurance settlement funds, there is hereby re-appropriated by the Assembly \$1,993,488 with interest as appropriate to the Land Management Permanent Fund 203.

Section 4. Effective Date. This ordinance shall take effect upon adoption.

ADOPTED by the Matanuska-Susitna Borough Assembly this
__ day of February, 2016.

VERN HALTER, Borough Mayor

ATTEST:

LONNIE R. McKECHNIE, CMC, Borough Clerk

(SEAL)

Action:

**MATANUSKA-SUSITNA BOROUGH
RESOLUTION SERIAL NO. 16-015**

A RESOLUTION OF THE MATANUSKA-SUSITNA BOROUGH ASSEMBLY APPROVING THE SCOPE OF WORK AND BUDGET FOR THE M/V SUSITNA FERRY ENGINE REPAIRS, PROJECT NO. 70013; AND AUTHORIZATION TO ENTER INTO A CONTRACT WITH ASSOCIATED MARITIME PROVIDERS, INC. IN THE AMOUNT OF \$1,993,488.00.

WHEREAS, in January 2015, as a result of an extreme rain event in Ketchikan, the M/V Susitna engines and turbo chargers suffered significant damage when water entered through the exhaust towers; and

WHEREAS, funding is needed to affect the repairs totaling \$3,093,488; and

WHEREAS, the Matanuska-Susitna Borough Resolution Serial Number 15-105 authorized \$1,100,000 for engine repairs at Ward Cove, Ketchikan, Alaska and

WHEREAS, the Matanuska-Susitna Borough received a \$250,000 deposit from the Philippine Red Cross as down payment on the sale of the ferry vessel, M/V Susitna; and

WHEREAS, \$850,000 was appropriated from fund 100, areawide repair and renovations reserve and transferred to fund 450, for M/V Susitna Ferry engine repairs, project no. 70013; and

WHEREAS, our insurance company, Lloyd's of London sent a senior adjustor to re-evaluate the required repair and he determined the vessel needed to be dry docked and the engines

removed for repair at an approved fabrication facility in Kent, Washington; and

WHEREAS, the \$850,000 prior appropriation combined with the \$250,000 purchase deposit from the Philippine Red Cross and this appropriation of \$1,993,488 will total \$3,093,488 needed to complete the engine repairs; and

WHEREAS, prior to the sale of the M/V Susitna, major repairs to the diesel engines must be completed; and

WHEREAS, quotes were solicited through Associated Maritime Providers, Inc. from two qualified ship yards, Foss Maritime and Vigor Alaska; and

WHEREAS, contractors were required to use the same certified engine repair contractor and the differences in price were attributed to location and overhead costs; and

WHEREAS, Associated Maritime Providers submitted the least costly bid at \$3,093,488; and

WHEREAS, the Matanuska-Susitna Borough has a contract to sell the M/V Susitna to the Philippine Red Cross and we are owed \$1.5 million at closing, which could be used to help pay for the cost of the engine repairs; and

WHEREAS, Matanuska-Susitna Borough will submit a claim to our insurance company, Lloyd's of London, for the full amount of the repairs, minus the \$250,000 deductible which was paid with the purchase deposit, upon completion of the repairs and sea

OR 16-013
Im 16-037

trial.

NOW, THEREFORE, BE IT RESOLVED, that the Matanuska-Susitna Borough Assembly approves the scope of work for the M/V Susitna Ferry Engine Repairs, Project No. 70013.

SCOPE OF WORK

Repair the M/V Susitna ferry using funds identified in Ordinance Serial No. 16-....

BUDGET

Project No. 70013
M/V Susitna Ferry
Engine Repairs

Deposit from Philippines Red Cross	\$250,000
Major Repair and Renovations Reserve, Fund 100	\$870,000
Land Management Permanent Fund 450	<u>\$1,993,488</u>
TOTAL	\$3,093,488

FURTHER BE IT RESOLVED, that the Matanuska-Susitna Borough Assembly Authorizes a contract with Associated Maritime Providers, Inc. for repairs to the M/V Susitna engines in the amount of \$3,093,488.

ADOPTED by the Matanuska-Susitna Borough Assembly this - day of February-, 2016.

VERN HALTER, Borough Mayor

ATTEST:

LONNIE R. McKECHNIE, CMC, Borough Clerk

(SEAL)