

I. CALL TO ORDER

The regular meeting of the Matanuska-Susitna Borough Assembly was held on March 21, 2006, 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:

Ms. Lynne Woods, Assembly District No. 1
Mr. Bill Allen, Assembly District No. 2 (*Telephonically*)
Mr. Talis J. Colberg, Assembly District No. 3
Ms. Mary Kvalheim, Assembly District No. 4
Ms. Cindy L. Bettine, Assembly District No. 5
Mr. Jim Colver, Assembly District No. 6 (*Deputy Mayor*)
Ms. Betty Vehrs, Assembly District No. 7

Staff in attendance were:

Mr. John Duffy, Borough Manager
Ms. Michelle M. McGehee, CMC, Borough Clerk
Mr. Nicholas Spiropoulos, Assistant Borough Attorney
Ms. Lonnie R. McKechnie, Executive Assistant to the Borough Clerk
Ms. Marian Romano, Assistant Borough Manager
Ms. Tammy Clayton, Finance Director
Mr. Chuck Braun, Operations and Maintenance Division Manager
Mr. Dennis Brodigan, Emergency Services Director
Mr. Ron Swanson, Community Development Director
Mr. Murph O'Brien, Planning and Land Use Director
Mr. Dave Hanson, Economic Development Director

III. APPROVAL OF AGENDA

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

Mr. Duffy requested that AM No. 06-053 be postponed, as he will have additional information to provide to the Assembly.

GENERAL CONSENT: The agenda was approved without objection.

IV. PLEDGE OF ALLEGIANCE

The Pledge of Allegiance was led by Ms. Jean Woods, a member of the audience.

V. MINUTES OF PRECEDING MEETINGS

A. Regular Assembly Meeting: 03/07/06

Mayor Anderson inquired if there were any corrections to the regular meeting minutes of March 7, 2006.

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

VI. SPECIAL ORDERS OF THE DAY

A. Proclamation in Recognition of Matanuska-Susitna Borough Toastmasters Week

Mayor Anderson:

- read the proclamation into the record; and
- presented the proclamation to Ms. Bonnie Quill, a Toastmasters member.

B. Proclamation in Recognition of Earthquake Awareness Week

Mayor Anderson:

- read the proclamation into the record; and
- presented the proclamation to Ms. Alicia Adams, a 4-H Club member.

VII. REPORTS/CORRESPONDENCE

A. AGENCY REPORTS

1. Reports from cities

Wasilla City

Councilmember Menard:

- advised that there will be a memorial service for Vi Redington at the Wasilla sports this weekend;
- spoke regarding he, Mayor Keller, and Councilmember Ewing lobbying for the city of Wasilla and the Borough in Washington D.C.;
- spoke regarding lake restoration on Lake Lucille and Wasilla Lake; and
- advised they the city of Wasilla passed a resolution in favor of Senate Bill 261 regarding traffic corridors.

Assemblymember Woods queried whether the Wasilla City Council was aware of the Borough's program for protecting of lakes.

Councilmember Menard:

- advised that they are looking at grant money to do a study on a federal level;
- advised that he has gotten 205 land owners to sign in favor of the restoration of Lucille Lake; and
- advised that the state of Minnesota uses a chemical pellet that does not harm the fish but gets rid of muck and weeds.

Discussion ensued regarding lake restoration.

2. Matanuska-Susitna Borough School District

(There was no report provided.)

3. Mat-Su Convention and Visitors Bureau – Ms. Bonnie Quill

Ms. Quill:

- advised that they have delivered their fiscal year 2007 budget to the Manager;
- spoke regarding the additions to the fiscal year 2007 budget;
- spoke regarding attracting more visitors to the Borough area;
- advised that their grant agreement with the Borough expires June 30, 2007;
- advised that the Board for the Mat-Su Convention and Visitors Bureau (MSCVB) does not advocate a change in the current funding formula;
- spoke regarding the shows and conventions that the MSCVB has attended to promote travel to the Borough;
- advised that they have a video advertising for the Matanuska-Susitna Borough on the MSCVB website;
- commented that research recommends that they maintain a superior internet presence;
- advised that they have continued their annual local awareness campaign to recognize the contribution of tourism to the local economy;
- advised that the MSCVB will celebrate its 20th anniversary this year; and
- stated that they count on the Borough for continued support for another twenty years.

B. COMMITTEE REPORTS

1. Joint Assembly/School Board Committee on School Issues

Assemblymember Colver advised that the Joint Assembly/School Board Committee on School Issues has not met since the last report.

2. Regional Transportation Planning Organization

Mayor Anderson advised that the Regional Transportation Planning Organization has not met since the last report.

3. Assembly Public Relations Committees

a. Chambers of Commerce (*Assemblymembers Vehrs and Bettine*)

Assemblymember Vehrs:

- advised that she attended a Houston Chamber of Commerce meeting; and
- stated that the Houston Chamber of Commerce is getting their visitors center building up and going.

b. School Board (*Assemblymembers Allen and Colver*)

Assemblymember Colver advised he will be attending the School Board meeting tomorrow night.

c. Cities (*Assemblymembers Kvalheim, Allen, and Vehrs*)

Assemblymember Vehrs:

- advised that a zoning application in the city of Houston passed unanimously; and
- advised that it will be coming forward to the Assembly in a month.

d. Home Builders and Realtors Associations (*Assemblymembers Colver, Bettine, and Vehrs*)

Assemblymember Bettine:

- advised that she attended a realtors committee meeting to provide information regarding the school bonds; and
- noted that the realtors are in favor of the school bonds.

e. Community Councils (*Mayor Anderson and Manager*)

Mayor Anderson:

- stated that he attended the Meadow Lakes Community Council meeting last month and this month; and
- stated that he has advised them if they have concerns to bring them to the him, the Assembly, or Mr. Duffy.

f. Civic Clubs (*Mayor Anderson and Assemblymember Kvalheim*)

(There was no report provided.)

g. Non-Profit Organizations (*Mayor Anderson and Assemblymembers Kvalheim and Vehrs*)

Assemblymember Vehrs:

- advised that she attended the Crime Stoppers banquet; and
- noted that she has advised them that the Borough is there to help them.

C. MANAGER COMMENTS

1. State/Federal Legislation

Mr. Duffy:

- advised that a notice has been received from the State of Alaska Department of Revenue regarding assessment of oil and gas properties;
- spoke regarding presenting an update of the construction activity and a status report of efforts at Port MacKenzie to the senior management of VECO and ALUTIIQ Enterprises;
- stated that they are continuing to work on the government to government agreement with the Municipality of Anchorage to supply the gravel to their port expansion;
- advised that Commissioner Antrim of the Alaska State Department of Corrections will be speaking to the Palmer Chamber of Commerce on March 22, 2006;
- stated that Governor Murkowski has requested an up to date cost comparison between housing prisoners in Arizona and housing them in the Borough;
- noted that the Borough is working with the Alaska State Department of Corrections to identify a potential location to build the prison; and
- advised that he will be presenting the Assembly's top priorities to the Federal Delegation in Washington D.C. next week.

Assemblymember Vehrs requested that she be kept informed regarding the prison project, as the areas that are being looked at are in Assembly Districts 1, 5, and 7.

Discussion ensued regarding the prison project.

Mr. Duffy advised that Mr. Brodigan and Chief Allison are present to provide an update regarding a recent Animal Care and Regulation issue.

Mr. Brodigan:

- advised there has been a recent Animal Care and Regulation case that has created a controversy in the Borough;
- advised that the Alaska State Troopers requested that they not speak regarding the case; however, as of late Friday the State Troopers have given them the limited ability to speak to the case;
- advised that Animal Care and Regulation received complaints regarding two horses dating back to November 2005;
- spoke regarding Animal Care and Regulation's responses to the complaints;
- noted that photographs were taken when Animal Care and Regulation responded to the incidents;
- advised that the horses were rated between a 4 and a 5 on the Henneke Scale;
- stated that there was no evidence of starvation, nor was starvation an allegation in the written complaint;
- advised that on March 6, 2006, Animal Care and Regulation received information that one of the horses was dead and the other was malnourished;

- stated that from January 8, 2006, to March 6, 2006, there were no written complaints received;
- stated that the staff at the Animal Shelter feel bad about the situation;
- stated that Animal Care and Regulation does not have the staff to follow up on all the cases;
- spoke regarding including funds in the budget to conduct large animal training for the officers at the Animal Shelter;
- spoke regarding working with local equine rescue groups; and
- stated that Title 24 will need to be looked at to provide the officers more flexibility than what they are allowed to do presently.

Assemblymember Vehrs:

- noted that on October 13, 2005, the officer noted that there was adequate food and water;
- inquired how were the horses able to eat and drink when tied to a tree; and
- queried the Animal Care and Regulation's procedures regarding the Henneke Scale.

Chief Allison:

- advised that he was not present at the time the horses were rated, so he cannot provide an accurate depiction;
- advised that there are a lot of indications that an officer can look at; and
- spoke regarding the officer's limits of hands-on ability.

Assemblymember Vehrs queried if there is a standard procedure to check the body fat on horses to determine what level they are.

Chief Allison spoke regarding the need to train the officers on rating horses.

Discussion continued regarding:

- the case regarding the horses; and
- the need to train the officers on rating large animals.

(The regular meeting recessed at 6:58 p.m. and reconvened at 7:10 p.m.)

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

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

B. PUBLIC HEARINGS (Three minutes per person.)

1. Ordinance Serial No. 06-036: AN ORDINANCE CREATING ROSEMARY PLACE ROAD PAVING LOCAL IMPROVEMENT DISTRICT NO. 418, 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. 06-050

Ms. Clayton provided a staff report.

Mayor Anderson 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 Kvalheim moved to adopt Ordinance Serial No. 06-036.

VOTE: The motion passed without objection.

2. Ordinance Serial No. 06-047: AN ORDINANCE CONFIRMING THE ASSESSMENT ROLL FOR THE SHOREWOOD DRIVE AND MISTY LANE ROAD PAVING LOCAL IMPROVEMENT DISTRICT NO. 395 AND ESTABLISHING THE METHOD OF TERMINATING ASSESSMENTS AND MAKING REFUNDS TO PROPERTY OWNERS.
 - a. Ordinance Serial No. 06-048: AN ORDINANCE PROVIDING FOR THE ISSUANCE AND SALE OF NOT TO EXCEED \$31,000 PRINCIPAL AMOUNT OF SPECIAL ASSESSMENT BONDS FOR THE SHOREWOOD DRIVE AND MISTY LANE ROAD PAVING LOCAL IMPROVEMENT DISTRICT NO. 395, AND FIXING DETAILS OF SAID BONDS.
 - (1) IM No. 06-070

Ms. Clayton provided a staff report.

Mayor Anderson 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 Colberg moved to adopt Ordinance Serial No. 06-047 and Ordinance Serial No. 06-048.

MOTION: Assemblymember Colberg moved a primary amendment to Ordinance Serial No. 06-048, Section 7, to strike the interest rate of 5.739 percent and to insert in its place 5.819 percent.

VOTE: The primary amendment passed without objection.

MOTION: Assemblymember Colberg moved a primary amendment to Ordinance Serial No. 06-048 to strike section 23 in its entirety and to renumber the remaining sections accordingly.

VOTE: The primary amendment passed without objection.

VOTE: The main motion passed as amended without objection.

3. Ordinance Serial No. 06-049: AN ORDINANCE CONFIRMING THE ASSESSMENT ROLL FOR THE KINGS RIDGE SUBDIVISION ROAD PAVING LOCAL IMPROVEMENT DISTRICT NO. 397, AND ESTABLISHING THE METHOD OF TERMINATING ASSESSMENTS AND MAKING REFUNDS TO PROPERTY OWNERS.
 - a. Ordinance Serial No. 06-050: AN ORDINANCE PROVIDING FOR THE ISSUANCE AND SALE OF NOT TO EXCEED \$29,000 PRINCIPAL AMOUNT OF SPECIAL ASSESSMENT BONDS FOR THE KINGS RIDGE SUBDIVISION ROAD PAVING LOCAL IMPROVEMENT DISTRICT NO. 397, AND FIXING DETAILS OF SAID BONDS.
 - (1) IM No. 06-071

Ms. Clayton provided a staff report.

Assemblymember Colver

- queried whether there has been an increase in interest rates; and
- queried whether the paving costs increased.

Ms. Clayton:

- advised that the interest rates have gone up; and
- noted that the costs for the paving did increase.

Mayor Anderson 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 Colver moved to adopt Ordinance Serial No. 06-049 and Ordinance Serial No. 06-050.

MOTION: Assemblymember Colver moved a primary amendment to Ordinance Serial No. 06-050, Section 7, to strike the interest rate of 5.739 percent and to insert in its place 5.819 percent.

VOTE: The primary amendment passed without objection.

MOTION: Assemblymember Colver moved a primary amendment to Ordinance Serial No. 06-050, to strike section 23 in its entirety and to renumber the remaining sections accordingly.

VOTE: The primary amendment passed without objection.

VOTE: The main motion passed as amended without objection.

4. Ordinance Serial No. 06-051: AN ORDINANCE CONFIRMING THE ASSESSMENT ROLL FOR THE CHINOOK AVENUE NATURAL GAS LOCAL IMPROVEMENT DISTRICT NO. 410 AND ESTABLISHING THE METHOD OF TERMINATING ASSESSMENTS AND MAKING REFUNDS TO PROPERTY OWNERS.
 - a. Ordinance Serial No. 06-052: AN ORDINANCE PROVIDING FOR THE ISSUANCE AND SALE OF NOT TO EXCEED \$18,000 PRINCIPAL AMOUNT OF SPECIAL ASSESSMENT BONDS FOR THE CHINOOK AVENUE NATURAL GAS LOCAL IMPROVEMENT DISTRICT NO. 410, AND FIXING DETAILS OF SAID BONDS.
 - (1) IM No. 06-072

Ms. Clayton provided a staff report.

Mayor Anderson 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 Colberg moved to adopt Ordinance Serial No. 06-051 and Ordinance Serial No. 06-052.

MOTION: Assemblymember Colberg moved a primary amendment to Ordinance Serial No. 06-051, to add Section 1. to read "Classification. This ordinance is a non-code ordinance" and to renumber all sections thereafter.

VOTE: The primary amendment passed without objection.

MOTION: Assemblymember Colberg moved a primary amendment to Ordinance Serial No. 06-052, Section 7, to strike the interest rate of 7.325 percent and to insert in its place 7.405 percent.

VOTE: The primary amendment passed without objection.

Assemblymember Colver queried the reason why the interest rates are higher for gas local improvement districts.

Ms. Clayton advised that natural gas local improvement districts do not qualify for tax exempt financing.

Assemblymember Colver:

- spoke regarding discussions that the Assembly has had regarding whether or not the Borough should do local improvement districts for a public utility;
- advised that he has received a check from a 1993 gas local improvement district for the principle amount; and
- stated that if the gas local improvement districts work like they are suppose to, people will get repaid for their investment into the local improvement district.

VOTE: The main motion passed as amended without objection.

5. Ordinance Serial No. 06-053: AN ORDINANCE CONFIRMING THE ASSESSMENT ROLL FOR THE JADE LAKE AREA NATURAL GAS LOCAL IMPROVEMENT DISTRICT NO. 407 AND ESTABLISHING THE METHOD OF TERMINATING ASSESSMENTS AND MAKING REFUNDS TO PROPERTY OWNERS.
 - a. Ordinance Serial No. 06-054: AN ORDINANCE PROVIDING FOR THE ISSUANCE AND SALE OF NOT TO EXCEED \$63,000 PRINCIPAL AMOUNT OF SPECIAL ASSESSMENT BONDS FOR THE JADE LAKE AREA NATURAL GAS LOCAL IMPROVEMENT DISTRICT NO. 407, AND FIXING DETAILS OF SAID BONDS.
 - (1) IM No. 06-075

Ms. Clayton provided a staff report.

Mayor Anderson 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 Bettine moved to adopt Ordinance Serial No. 06-053 and Ordinance Serial No. 06-054.

MOTION: Assemblymember Bettine moved a primary amendment to Ordinance Serial No. 06-053, to add Section 1 to read: "Classification. This ordinance is a non-code ordinance" and to renumber all sections thereafter.

VOTE: The primary amendment passed without objection.

MOTION: Assemblymember Bettine moved a primary amendment to Ordinance Serial No. 06-054, Section 7, to strike the interest rate of 7.325 percent and to insert in its place 7.405 percent.

VOTE: The primary amendment passed without objection.

VOTE: The main motion passed as amended without objection.

6. Resolution Serial No. 06-045: A RESOLUTION ADOPTING THE CAPITAL IMPROVEMENT PROGRAM FOR FISCAL YEAR 2007 TO FISCAL YEAR 2012.
 - a. IM No. 06-076

Mr. O'Brien provided a staff report.

Assemblymember Colver queried regarding the National Highway projects.

Mr. O'Brien:

- advised that the additional money that went back into the State Transportation Improvement Program (STIP) went into the local road transportation program;
- spoke regarding funding that will be received that was not in the draft STIP; and
- advised that the Borough cannot comment on the final STIP; however, typically as projects change amendments are made.

Assemblymember Colver:

- stated that the Borough did not do bad for 2006; and
- noted that it looks like next year the Assembly is going to have to fight a battle.

Mr. O'Brien:

- spoke regarding the north/south connection on Crusey Street;
- noted that it looks like they are trying to expand the construction funding for Trunk Road over a four-year period; and
- spoke to the possibility of the funds being advanced.

Discussion ensued regarding the STIP.

Mayor Anderson 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 Colver moved to adopt Resolution Serial No. 06-045.

MOTION: Assemblymember Colver moved a primary amendment to the Capital Improvement Program as follows:

1. Addition of the Talkeetna Trail Underpass to the Highway Related Trails section;
2. Corrections as recommended by the city of Palmer include the following:
 - page 16, to delete no. 3, Glenn Highway, milepost 41, and the Dogwood intersection;
 - page 36, to delete no. 7, East Eagle Avenue Reconstruction/Upgrade;
 - page 38, to move no. 15, Cobb Street Rehabilitation to no. 43;
 - page 40, to delete no. 32, Denali Street Reconstruction;
 - page 41, to delete no. 40, South Chugach Street Rehabilitation;
 - page 42, to move no. 43, Hemmer Road South Extension to no. 15; and correct the description to read as follows: "This project will extend Hemmer Road South to the Glenn Highway, and connect to the extended Bogard Road north of Palmer-Wasilla Highway for another North/South connection; and
 - page 53, to delete no. 4, Gulkana Street Safety Improvements;
3. Additions to the Palmer Airport projects as recommended by the city of Palmer as follows:

- add Rehabilitate Runway 9/27 – Design;
 - add Overlay Taxiway B and Replace Taxiway B Lights;
 - add Install PAPIS runway 9/27;
 - add Repaint Flight Service Building; and
 - add Construct New 16/34 Runway Lights; and
4. To replace the draft STIP with the final State approved STIP.

Assemblymember Woods queried whether the Hemmer Road extension has had a proper community process.

Mr. O'Brien:

- advised that the city of Palmer has done a transportation plan;
- noted that the extension of Hemmer Road would relieve traffic on the Glenn;
- spoke regarding Hemmer Road extending to the future Bogard East Extension;
- spoke regarding performing a redesign analysis to select the route; and
- stated that the Borough's transportation system in the core area suffers from the lack of north/south and east/west connections.

VOTE: The primary amendment passed without objection.

VOTE: The main motion passed as amended without objection.

7. Ordinance Serial No. 06-065: AN ORDINANCE APPROPRIATING THE LOAN PROCEEDS IN THE AMOUNT OF \$296,000 FROM THE ALASKA STATE DEPARTMENT OF ENVIRONMENTAL CONSERVATION TO VARIOUS ROAD SERVICE AREA FUNDS AND REAPPROPRIATING \$296,000 FROM VARIOUS ROAD SERVICE AREAS TO PROJECT NO. 30077, FUND 435, TO BUILD A SALTED SAND STORAGE BUILDING.
- a. IM No. 06-086

Mr. Braun provided a staff report.

Assemblymember Vehrs advised that it was her understanding that the salted sand would be handled differently this year and would be stored at the contractor's locations.

Mr. Braun advised that the only road service areas that would have their salted sand stored at the contractors location are the road services areas that previously stored their salted sand at the Houston Septage Facility.

Assemblymember Vehrs:

- noted that the salted sand storage is being built because it was found that the salted sand was leaching; and
- queried what is to prevent the salted sand from leaching at the contractor's locations.

Mr. Braun:

- advised that it has probably been leaching at the Houston Septage Facility and it is being moved due to problems with controlling it;
- advised that this facility will be built at the Central Landfill; and
- advised that the Borough has not been notified of any violations at the contractor's locations; and
- noted that the main reason for building the facility at the Central Landfill is due to the fact that the Central Landfill has to have monitoring wells.

Assemblymember Bettine queried if the storage facility was large enough to store salted sand if a contractor was unable to store it at their location.

Mr. Braun:

- advised that they plan to build the facility large enough for future use;
- noted that the facility will be able to house 14,000 to 15,000 yards of salted sand; and
- stated that he is not sure if another road service area will be able to house their salted sand at the facility.

Mayor Anderson 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 Colver moved to adopt Ordinance Serial No. 06-065.

VOTE: The motion passed without objection.

8. Ordinance Serial No. 06-066: AN ORDINANCE ACCEPTING AND APPROPRIATING \$425,000 FROM THE UNITED STATES ENVIRONMENTAL PROTECTION AGENCY, TO FUND 415, PROJECT NO. 30082, GARDEN TERRACE WATER SYSTEM UPGRADES.
 - a. Resolution Serial No. 06-046: A RESOLUTION APPROVING THE SCOPE OF WORK AND BUDGET FOR THE GARDEN TERRACE WATER SYSTEM UPGRADES, PROJECT NO. 30082.
 - (1) IM No. 06-094

Mr. Braun provided a staff report.

Mayor Anderson 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 Colberg moved to adopt Ordinance Serial No. 06-066 and Resolution Serial No. 046.

Assemblymember Colberg noted that once the project is completed the Borough will no longer own the water system.

VOTE: The motion passed without objection.

9. Ordinance Serial No. 06-067: AN ORDINANCE ACCEPTING AND APPROPRIATING \$475,000 FROM THE UNITED STATES ENVIRONMENTAL PROTECTION AGENCY, TO FUND 415, PROJECT NO. 25037, TALKEETNA WASTEWATER IMPROVEMENTS PHASE II.
 - a. Resolution Serial No. 06-047: A RESOLUTION APPROVING THE SCOPE OF WORK AND BUDGET FOR THE TALKEETNA WASTEWATER IMPROVEMENTS PHASE II, PROJECT NO. 25037.
 - (1) IM No. 06-095

Mr. Braun provided a staff report.

Assemblymember Allen queried whether the \$100,000 loan was ever repaid to the Borough.

Mr. Braun:

- advised that the first loan for \$51,000 was used to begin the design process so that they could qualify for United States Department of Agriculture and Alaska State Department of Environmental Conservation grants;
- advised that the second loan for \$50,000 was used as matching funds for the Alaska State Department of Environmental Conservation funds at the end of the project; and
- advised that the loans have not been repaid; however, they have started making payments on the loans.

Assemblymember Allen queried if there is anything that can be done to give the Assembly assurance that a loan will not be made to fund shortfalls.

Mr. Braun:

- advised that they would address the most important and critical issues first;
- commented that if a cut had to be made in the project, it would be the equipment purchase;
- noted that the \$90,000 overrun was based on a \$3.4 million dollar project;
- stated that there was more work performed in the original project than was established in the original scope; and
- advised that they will not go beyond the scope of work in this project.

Mayor Anderson 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 Vehrs moved to adopt Ordinance Serial No. 06-067 and Resolution Serial No. 06-047.

Assemblymember Vehrs:

- stated that they have been working on this project for two and half years;
- noted that the Talkeetna Sewer and Water Board has worked hard on this issue;
- complimented Ms. Romano and Mr. Braun for their work on the project; and
- advised that they have looked for ways for the loans to be forgiven; however, they have not been able to find any.

VOTE: The motion passed without objection.

10. Ordinance Serial No. 06-068: AN ORDINANCE ACCEPTING AND APPROPRIATING \$1,479,965 FROM THE UNITED STATES DEPARTMENT OF JUSTICE, COMMUNITY ORIENTED POLICING SERVICES GRANT, TO FUND 480, PROJECT NO. 20316, TO UPGRADE THE DISPATCH CENTERS AND FIELD UNITS TO MAKE THEM ALASKA LAND MOBILE RADIO COMPATIBLE.
 - a. Resolution Serial No. 06-048: A RESOLUTION APPROVING THE SCOPE OF WORK AND BUDGET FOR THE UNITED STATES DEPARTMENT OF JUSTICE, COMMUNITY ORIENTED POLICING SERVICES GRANT, PROJECT NO. 20316, FUND 480, TO UPGRADE THE DISPATCH CENTERS AND FIELD UNITS TO MAKE THEM ALASKA LAND MOBILE RADIO COMPATIBLE.
 - (1) IM No. 06-096

Mr. Brodigan provided a staff report.

Assemblymember Woods queried whether the ambulance services at each of the fire stations would have the radios.

Mr. Brodigan:

- advised that eventually the ambulance services will have the radios;
- stated that this is the first part of the funding;
- advised that these funds will get the E-911 Center compatible;
- advised that if more funds become available, mobile and portable radios will be upgraded; and
- advised that they will be going from an analog technology to a digital technology.

Assemblymember Woods queried if the departments have to pay for the radios if we do not receive the funds for the digital radios.

Mr. Brodigan:

- advised that the departments would have to pay for radios if the funding is not received so that the radios are compatible with the system;
- noted that the departments have already been paying for mobile and portable radios; however the digital radios are more expensive;
- spoke regarding the cost of the digital radio system; and
- advised that the United States Department of Defense and the state of Alaska have agreed to pick up the ongoing operating expenses for the foreseeable future.

Assemblymember Allen queried the cost of the digital radios per unit.

Mr. Brodigan spoke regarding the costs of the portable handheld radios and the mobile radios.

Assemblymember Allen:

- spoke regarding concerns that some communities will have the system and others will not;
- stated that he would like to see a fiscal note prior to excepting the funds;
- advised that he does not want to except the initial funds and then find out that the Borough cannot afford the radios; and
- stated that he does not want to get into a situation where the Borough incurs the liabilities and then find out later that the resources that were expected are not going to come through.

Discussion ensued regarding the Alaska Land Mobile Radio Systems.

Mayor Anderson 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 Colver moved to adopt Ordinance Serial No. 06-068 and Resolution Serial No. 06-048.

MOTION: Assemblymember Allen moved to postpone Ordinance Serial No. 06-068 and Resolution Serial No. 06-048 to a time certain of April 4, 2006.

VOTE: The motion to postpone to a time certain of April 4, 2006, passed without objection.

11. Ordinance Serial No. 06-069 AN ORDINANCE REAPPROPRIATING \$100,000 FROM FUND 203, LAND MANAGEMENT FUND, LAND AND RESOURCE MANAGEMENT DIVISION TO FUND 480, PROJECT NO. 15031 FOR THE FOREST MANAGEMENT PLAN, TIMBER SURVEY, AND APPRAISAL PROJECT.
 - a. Resolution Serial No. 06-049: A RESOLUTION APPROVING THE SCOPE OF WORK AND BUDGET FOR PART ONE OF THE FOREST MANAGEMENT PLAN, TIMBER SURVEY, AND APPRAISAL PROJECT, FUND 480, PROJECT NO. 15031.
 - (1) IM No. 06-098
 - (2) AM No. 06-045: AWARD OF PROPOSAL NO. 06-087 TO SANDERS FORESTRY CONSULTING IN THE AMOUNT NOT TO EXCEED \$100,000 FOR PART ONE OF THE FOREST MANAGEMENT PLAN, TIMBER SURVEY.

Mr. Swanson provided a staff report.

Mr. Duffy queried the percentage of the Borough assets.

Mr. Swanson:

- advised that the Borough owns 355,000 acres; and
- noted that 100,000 of the acres that the Borough owns may have commercial timber.

Assemblymember Vehrs queried what percentage of the Fish Creek Management Unit would be up for timber sale.

Mr. Duffy:

- advised that the Fish Creek Management unit is approximately 28,000 acres; and
- noted that the percentage would be approximately one-third.

Mayor Anderson 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 Colver moved to adopt Ordinance Serial No. 06-069, Resolution Serial No. 06-049, and AM No. 06-045.

VOTE: The motion passed without objection.

12. Ordinance Serial No. 06-070: AN ORDINANCE FOR A SUPPLEMENTAL APPROPRIATION OF \$83,300 FROM THE AREAWIDE FUND BALANCE (FUND 100) TO THE FISCAL YEAR 2006 ELECTIONS DIVISION OPERATING BUDGET (FUND 100) FOR A SPECIAL ELECTION. (*Sponsor: Assemblymember Bettine*)
 - a. IM No. 06-099

Ms. Clayton provided a staff report.

Assemblymember Vehrs queried the source of funds that would be used for the special election.

Ms. Clayton:

- advised that the School District's funds lapsed back to the Borough on June 30, 2005, and went back into the general fund;
- stated that most of the money in the general fund, that is in the fund balance, are restricted; and
- advised that these funds were not budgeted for as a revenue source; therefore, they are unrestricted funds.

Discussion ensued regarding the general fund.

Mayor Anderson 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 Bettine moved to adopt Ordinance Serial No. 06-070.

Mayor Anderson:

- advised that it requires five votes to appropriate funds from the fund balance; and
- queried whether this money is being appropriated out of the fund balance.

Ms. Clayton:

- advised that the money lapses back from the School District to the general fund and then to the fund balance; and
- reiterated that this money would come out of the unrestricted fund balance.

Assemblymember Bettine:

- spoke regarding this being a housekeeping issue;
- spoke regarding legislation that came forward previously to fund the special election and was pulled from the agenda; and
- requested that this legislation be adopted.

Mayor Anderson queried whether it was still the case that funds were found in the current budget to pay for the special election.

Ms. Clayton responded that other funds in the budget were found to pay for the special election.

Assemblymember Colver stated that it is appropriate to use lapsed funds from the School District to fund the special election.

VOTE: The motion passed without objection.

C. AUDIENCE PARTICIPATION (Three minutes per person.)

The following persons spoke regarding flood plain (spelling) mapping and the need for the Army Corps of Engineers to map the flood zone in the Borough: Mr. Leon Osowski, Ms. Dallene Pinkley, Ms. Denise Hiebel, and Mr. Steve Hudstath.

The following persons spoke regarding an Animal Care and Regulation case regarding the care of two horses: Mr. Michael Stanton; Ms. Tiana Heider; Mr. Dave Wachsmuth, President of Alaska Equine Rescue; Ms. Camille Bruce; Ms. Sandy Shacklett, Publisher of the Alaska Horse Journal; Ms. Critina Monear; Ms. Laura Elliot; Ms. Sherry Metcalf; and Ms. Heather Fair.

The following person spoke regarding the conditions at the Animal Care and Regulation Shelter: Ms. Ruth Hursiger.

The following person spoke regarding letting the general public know that the Animal Care and Regulation Board cares about the recent animal care issue relating to horses: Ms. Joan Westall.

(Assemblymember Allen exited the meeting.)

(The regular meeting recessed at 9:25 p.m. and reconvened at 9:40 p.m.)

D. CONSENT AGENDA

1. RESOLUTIONS

- a. Resolution Serial No. 06-050: A RESOLUTION APPROVING THE SCOPE OF WORK AND BUDGET FOR INFRASTRUCTURE PROJECTS USING THE FISCAL YEAR 2006 TRANSIENT ACCOMMODATION TAX (BED TAX) FUNDS IN AN AMOUNT NOT TO EXCEED \$340,000.

(1) IM No. 06-108

2. ASSEMBLY MEMORANDUMS

- a. AM No. 06-052: AWARD OF BID NO. 06-007 TO ACME FENCE COMPANY, INC., IN THE AMOUNT OF \$249,665 FOR THE PURCHASE AND INSTALLATION OF CHAIN LINK FENCE FOR THE IDITAROD ELEMENTARY SCHOOL, FIRE STATIONS 62 AND 82, AND THE CENTRAL LANDFILL.

- b. AM No. 06-053: AWARD OF BID No. 06-101 TO PROGRESSIVE MEDICAL INC., TRI-ANIM HEALTH SERVICES, INC., AND MATRX MEDICAL INC., FOR TOTAL YEARLY PURCHASES THAT MAY EXCEED \$25,000 PER VENDOR, FOR THE PURCHASE OF MEDICAL SUPPLIES FOR EMERGENCY SERVICES.

Ms. McGehee read the above legislation 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.

D. ATTORNEY COMMENTS

(There were no comments provided.)

E. CLERK COMMENTS

Ms. McGehee spoke regarding the upcoming meeting schedule.

Assemblymember Woods queried when the fiscal impact analysis will be reviewed.

Mr. Duffy:

- advised that the fiscal impact analysis will be completed by the end of April; and
- noted that the Assembly will have the fiscal impact analysis prior to the public hearings on the budget.

Ms. McGehee:

- advised that the May 11, 2006, and the May 18, 2006, budget public hearings will be held at the Central Mat-Su Public Safety Building;
- noted that the ballots for the special election will be arriving on March 22, 2006; and
- spoke regarding Joell Church, Records Management Officer, attending the ARMA Conference.

Mayor Anderson advised that he and Assemblymember Vehrs would not be present at the March 23, 2006, work session.

Ms. McGehee:

- advised that the next item on the report, the process for the hiring of the Borough Attorney; and
- noted that Assemblymember Vehrs has declared a conflict of interest regarding the hiring of the Borough Attorney, as her husband has applied for the position, and should exit the chambers during the discussion.

Assemblymember Vehrs queried whether Mr. Spiropoulos should be excused from the discussion.

Mayor Anderson responded that it would be appropriate for Mr. Spiropoulos to exit the room, as he is an applicant for the position.

(Assemblymember Vehrs and Mr. Spiropoulos exited the meeting.)

Ms. McGehee:

- reiterated that the reason Assemblymember Vehrs has a conflict of interest is due to the fact that her husband, Mr. Lazarus, has applied for the Borough Attorney's position; and
- advised that if Mr. Lazarus is selected for the position, Assemblymember Vehrs would have to resign her assembly seat.

Assemblymember Colver queried whether there had been a legal opinion regarding this issue.

Ms. McGehee:

- responded that she has been advised by the Human Resources Division that Assemblymember Vehrs would need to resign her seat if her husband is chosen for the Borough Attorney position due to the incompatibility of the offices.

Mr. Duffy noted that, per Borough code, a family member cannot directly supervise another family member.

Assemblymember Colver:

- advised that he reviewed the application packets for the Borough Attorney position;
- spoke regarding the previous process that was used in hiring the Borough Attorney;
- noted that Human Resources ranked the applicants; and
- opined that the Assembly should be ranking the applicants.

Ms. McGehee:

- noted that there were four applicants;
- queried whether the Assembly would like to find more applicants for the position or review the applications that have been received; and
- advised that the Assembly would meet to discuss the applications and the interview questions.

Assemblymember Colver:

- advised that his preference is to set up a meeting to decide the process the Assembly wants to use; and
- reiterated that the Assembly should be ranking the applicants, not the Human Resources Division.

Assemblymember Bettine queried whether or not the position was only advertised within the State.

Mr. Duffy advised that the position was only advertised within the state of Alaska.

Assemblymember Bettine opined that four applicants are not enough for the Assembly to review.

Mr. Duffy advised that they can advertise the position in the associations and nationally.

Assemblymember Colberg:

- spoke regarding the lack of a procedure for the Assembly to hire staff; and
- noted that the Assembly has never been consistent with the hiring of the Assembly's staff.

Discussion ensued regarding:

- the process in which the Assembly uses to hire staff;
- the background checks of the applicants;
- the number of current applicants for the position; and
- scheduling a meeting for the Assembly to discuss the interview process and review the applications.

Ms. McGehee queried whether there was any objection to holding a special meeting regarding the interview process and the review of applications for the Borough Attorney position on April 3, 2006, at 4 p.m., in the Lower Level Conference Room.

There was no objection noted.

Ms. McGehee:

- advised that she will provide the Assembly with the interview questions from Human Resources prior to the meeting; and

- stated that the Assembly can review and modify the questions from Human Resources; however, the interview questions need to be approved through Human Resources for legal reasons.

Mayor Anderson asked the Clerk to provide the basis of the ranking that Human Resources has performed on the applications.

(Assemblymember Vehrs and Mr. Nick Spiropoulos returned to the meeting.)

Ms. McGehee advised that there is a replacement Vacancy Report in the red folders.

F. CITIZEN AND OTHER CORRESPONDENCE

1. MSB Board/Committee Minutes:
 - a. Board of Adjustment and Appeals: 02/15/06
 - b. Circle View and Stampede Estates Flood and Erosion Control Special Service Area: 01/19/06
 - c. Local Road Service Area Advisory Board: 02/16/06
 - d. Parks, Recreation, and Trails Advisory Board: Resolution Serial Nos. 06-01, 06-02, 06-03, 06-04, 06-05, 06-06
 - e. Planning Commission: 02/06/06
 - f. Platting Board: 02/02/06
 - g. South Colony Road Service Area No. 16: 02/22/06
 - h. Talkeetna Sewer and Water Service Area No. 36: 01/26/06
 - i. Trapper Creek Road Service Area No. 30: 02/14/06, Resolution Serial No. 05-03
2. Community Council Correspondence:
 - a. Sutton Community Council: 01/10/06
 - b. Trapper Creek Community Council: 02/06/06, 02/16/06
 - c. Willow Area Community Organization: 02/13/06
 - d. Y Community Council: 03/02/06

G. INFORMATIONAL MEMORANDUMS

(There were no informational memorandums presented.)

IX. UNFINISHED BUSINESS

- A. AM No. 06-035: FUTURE DISPOSITION OF BOROUGH-OWNED LOTS 7 AND 9, ARRC SUBDIVISION REVISED NO. 1 (FORMER SCHOOL DISTRICT ADMINISTRATION BUILDING). *(Motion Pending: 02/21/06)*

MOTION PENDING: Assemblymember Bettine moved to approve AM No. 06-035.

Mr. Duffy:

- requested that the Assembly postpone AM No. 06-035 a minimum of 90 days;

- advised that he will have additional information to provide to the Assembly; and
- advised that the postponement will not harm the discussions with the University of Alaska.

MOTION: Assemblymember Colver moved to postpone AM No. 06-035 to a time certain of June 6, 2006.

VOTE: The motion to postpone to a time certain June 6, 2006, passed without objection.

X. NEW BUSINESS

A. INTRODUCTION (For public hearing - 04/04/06, 7 p.m., Borough Assembly Chambers)

1. Ordinance Serial No. 06-071: AN ORDINANCE AMENDING MSB 18.10.070, TERMINAL TARIFF, SETTING RATES, AND ESTABLISHING RULES AND REGULATIONS FOR THE OPERATION OF PORT MACKENZIE.
 - a. IM No. 06-058
2. Ordinance Serial No. 06-072: AN ORDINANCE AMENDING ASSEMBLY DISTRICT 5 AND ASSEMBLY DISTRICT 7, PORTIONS OF MSB 2.12.010, TO CORRECT AND CLARIFY THE LEGAL DESCRIPTIONS. (*Sponsor: Mayor Anderson*)
 - a. IM No. 06-105
3. Ordinance Serial No. 06-073: AN ORDINANCE APPROVING A SUPPLEMENTAL APPROPRIATION OF \$25,000 FROM KNIK ROAD SERVICE AREA NO. 17 FUND BALANCE, FUND 274, TO KNIK ROAD SERVICE AREA NO. 17 OPERATING BUDGET, FUND 274.
 - a. IM No. 06-107
4. Ordinance Serial No. 06-074: AN ORDINANCE ADOPTING THE SHIRLEY LAKE, LAKE MANAGEMENT PLAN, AND AMENDING MSB 15.24.030, COMPREHENSIVE PLAN AND PURPOSES, AND MSB 17.59, LAKE MANAGEMENT PLAN IMPLEMENTATION.
 - a. IM No. 06-109
5. Ordinance Serial No. 06-075: AN ORDINANCE APPROVING AN APPROPRIATION OF \$35,000 FROM THE UNRESTRICTED NET ASSETS IN THE SOLID WASTE ENTERPRISE FUND, FUND 510, TO FUND 420, PROJECT NO. 25038, CENTRAL LANDFILL EXPANSION, TO ALLOW FOR THE DESIGN OF THE HAZARDOUS WASTE COLLECTION FACILITY AT THE CENTRAL LANDFILL.
 - a. Resolution Serial No. 06-051: A RESOLUTION APPROVING THE AMENDED SCOPE OF WORK AND BUDGET FOR PROJECT NO. 25038, CENTRAL LANDFILL EXPANSION, TO ALLOW FOR THE DESIGN OF THE HAZARDOUS WASTE COLLECTION FACILITY AT THE CENTRAL LANDFILL.
 - (1) IM No. 06-110

6. Ordinance Serial No. 06-076: AN ORDINANCE ACCEPTING AND APPROPRIATING \$1,084,000 FROM THE UNITED STATES DEPARTMENT OF AGRICULTURE, TO FUND 480, PROJECT NO. 45131, FOR THE CONTINUATION OF THE SPRUCE BARK BEETLE WILDFIRE HAZARD MITIGATION PROJECT.
 - a. Resolution Serial No. 06-052: A RESOLUTION APPROVING THE SCOPE OF WORK AND BUDGET FOR THE UNITED STATES DEPARTMENT OF AGRICULTURE APPROPRIATION, PROJECT NO. 45131, FUND 480, FOR CONTINUATION OF THE SPRUCE BARK BEETLE WILDFIRE HAZARD MITIGATION PROJECT.
 - (1) IM No. 06-113

7. Ordinance Serial No. 06-077: AN ORDINANCE AMENDING MSB 4.32.010, TO ADD A SUBSECTION WAIVING RESIDENCY REQUIREMENTS FOR THE CENTRAL (WASILLA) AMBULANCE POSITION ON THE EMERGENCY MEDICAL SERVICES BOARD. (*Sponsor: Mayor Anderson*)
 - a. IM No. 06-114

8. Ordinance Serial No. 06-078: AN ORDINANCE APPROPRIATING \$288,240 FROM INTEREST EARNINGS ON THE LAND MANAGEMENT PERMANENT FUND, FUND 203, TO FUND 435, PROJECT NO. 10151, FOR CAPITAL IMPROVEMENTS AND UPGRADES TO THE ANIMAL CARE BUILDING.
 - a. Resolution Serial No. 06-053: A RESOLUTION AMENDING THE SCOPE OF WORK AND BUDGET FOR THE ANIMAL CARE BUILDING, PROJECT NO. 10151, TO COMPLETE CAPITAL IMPROVEMENTS AND UPGRADES.
 - (1) IM No. 06-115

MOTION: Assemblymember Colver moved to introduce the legislation as read into the record by the Clerk and set the public hearings for April 4, 2006.

VOTE: The motion passed without objection.

B. MAYORAL NOMINATIONS AND APPOINTMENTS

1. VACANCY REPORT

Mayor Anderson made the following recommendations:

Real Property Asset Management
 Edward Strabel
 Lazy Mountain RSA No. 19
 Dennis Begen

Mayor Anderson requested the following confirmations:

Board of Ethics
 Chris Ornquist
 Board of Equalization
 Resignation of Lynn Berry

Enhanced 911 Advisory Board
Resignation of Jeff Barron
Mayor's Blue Ribbon Task Force on Forming an Economic Development Corporation
Thomas Thurbee
Alpine Road Service Area No. 31
Merle Johnson
Fairview Road Service Area No. 14
Michael Schachle

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

VOTE: The motion passed without objection.

XI. RECONSIDERATION

(There were no reconsiderations presented.)

XII. VETO

(There were no vetoes presented.)

XIII. EXECUTIVE SESSION

(There was no executive session held.)

XIV. MAYOR AND ASSEMBLY COMMENTS

Assemblymember Bettine:

- spoke regarding a Wasilla Police Officer trying to get legislation passed requiring pawn shops to get their intake items online;
- opined that the Assembly should put forward a resolution in support of the legislation; and
- spoke regarding the possibility of a sales tax if property values continue to rise.

Assemblymember Woods:

- advised that she received a committee substitute regarding the Knik River public use legislation from Senator Stoltz's office;
- spoke regarding the State Troopers advising prison guards that they can use the Knik River area for target practice;
- advised that she has received calls from constituents on how the Borough assesses properties; and
- noted that she let her constituents know that they would need to contact their legislators regarding changing State law in this regard.

Assemblymember Vehrs:

- requested that the Manager perform an audit of all of the road service areas,
- spoke regarding issues that have come up regarding road services areas;
- stated that this will re-establish the road service areas' trust in the Borough;
- noted that she has been involved with Animal Care for a long time;
- stated that it is hard to hear stories like the one that was heard tonight; and
- spoke to the need to fund the Animal Care and Regulation Shelter more to help the staff do their jobs.

Assemblymember Colver:

- advised that the total unadjusted assessed values total is approximately \$6.5 billion dollars;
- noted the values of the tax exempt properties, off of the tax rolls, is approximately \$1.5 billion;
- spoke regarding the non-profits that are off the tax base;
- spoke regarding the Borough's revenue cap being at \$74 million;
- spoke regarding the increased assessed values of property; and
- commented that it is hard to account for the big jumps in the assessed values.

Mayor Anderson:

- noted that the other side of the issue is the revenue that is needed to pay for the budget that is approved;
- noted that the mill rate will be set to bring in the revenue to fund the schools and operate the Borough;
- noted that the property tax that will be paid will be approximately the same; and
- stated that it all comes down to the budget that is approved.

Discussion ensued regarding assessed values.

XV. ADJOURNMENT

The regular meeting adjourned at 10:42 p.m.

/ S /

TIMOTHY L. ANDERSON, Borough Mayor

ATTEST:

/ S /

MICHELLE M. MCGEHEE, CMC, Borough Clerk

Minutes approved: 04/04/06