

I. CALL TO ORDER

The special meeting of the Matanuska-Susitna Borough Assembly was held on May 1, 2008, at the Borough Assembly Chambers, 350 E. Dahlia Avenue, Palmer, Alaska. The meeting was called to order at 6 p.m. by Mayor Curtis D. Menard for the purpose of discussing the approval of AM No. 08-036 and for further budget deliberations (Ordinance Serial No. 08-008).

II. ROLL CALL

Assembly members 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 (*via teleconference*)
Ms. Mary Kvalheim, Assembly District No. 4 (*arrived at 6:10 p.m.*)
Ms. Cindy L. Bettine, Assembly District No. 5
Mr. Robert Wells, Assembly District No. 6
Mr. Tom Kluberton, Assembly District No. 7

Staff in attendance were:

Ms. Lonnie R. McKechnie, Borough Clerk
Mr. John Duffy, Borough Manager
Ms. Lisa Thomas, Assistant Borough Attorney
Ms. Amanda E. Charles, Executive Assistant to the Borough Clerk
Mr. Keith Rountree, Public Works Director
Mr. Dennis Brodigan, Emergency Services Director
Ms. Linda Brenner, Community Development Director
Mr. Mark Mayo, Planning and Land Use Director
Ms. Patty Sullivan, Public Affairs Director
Ms. Tammy Clayton, Finance Director
Ms. Cheyenne Heindel, Financial Analyst
Mr. David Allison, Chief Animal Care and Regulation Officer
Mr. Russ Kraft, Purchasing Officer
Mr. Bill Klebesadel, Project Management and Engineering Division Manager
Mr. Dave Hanson, Economic Development Director
Mr. Greg Goodale, Division Manager of Solid Waste

III. APPROVAL OF AGENDA

Mayor Menard 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 Mayor Menard.

V. ITEMS OF BUSINESS

A. UNFINISHED BUSINESS

1. AM No. 08-036: AWARDING PROPOSAL NO. 08-100 TO COLLINS CONSTRUCTION, INC., IN THE AMOUNT OF \$14,176,200 FOR THE SOUTH PALMER ELEMENTARY SCHOOL CONSTRUCTION.

Mr. Rountree provided a presentation on the following items: access, a proposed railroad crossing, road extensions, safety issues, road improvements, and the details of the memorandum of commitment with the developer.

Assemblymember Houston queried the Borough's cost.

Mr. Rountree stated that the Borough's commitment would be \$5,750,000.

Assemblymember Kluberton asked if the Springer school site was still available.

Mr. Rountree stated that the Springer school site was not available as of March 2006.

Assemblymember Bettine expressed her concerns for the cost of the project with the current site.

Mr. George Troxell, School District Superintendent:

- spoke regarding the need for an additional elementary school;
- commented on how the population of the existing elementary schools would be effected; and
- advised on how the opening of the prison will affect the demographics within the Borough.

Assemblymember Kvalheim asked if any of the elementary schools had exceeded their capacities.

Mr. Troxel spoke regarding the capacities of the schools and how they are affected by available and useable square footage.

Assemblymember Wells offered his support of the new elementary school.

Mr. Rountree:

- continued his report; and
- spoke regarding impacts of delaying construction.

Assemblymember Bettine queried the effects if the May 19, 2008, deadline was not met.

Mr. Kraft responded that the contract prices quoted in bids submitted were good through May 19, 2008.

Assemblymember Bettine queried what would happen if the deadline is not met.

Ms. Clayton:

- responded that if the project was not to move forward, \$15,800,000 would need to be defeased;
- noted that only 3.4 percent could be earned to pay debt which has an interest rate of 4.3 percent;
- explained that the Borough would need to pay \$800,024 for defeasement of the bond at an interim term of eight years;
- stated that the bonds had a ten year call;
- added that the Borough may have to pay the State as much as \$762,000, which had already been spent;
- elaborated that the \$762,000 would be in addition to the \$800,024;
- spoke regarding a possible security bond which could be placed on the ballot this fall;
- added that approximately \$6,000,000 would still have to be defeased even if a security bond was placed on the ballot, which would cost the Borough approximately \$330,000 to defease and the Borough may have to pay the State \$289,000 in debt service reimbursement.

Mayor Menard queried the grand total.

Ms. Clayton responded that if the entire \$15,800,000 was defeased it would cost \$1,600,000.

Assemblymember Houston asked if the some of the money in the reserve could be used for school access.

Ms. Clayton:

- stated that the reserve is specific to school site purchase; and
- added that an amendment to code would be needed.

Assemblymember Bettine:

- opined that the Borough has “botched” two land donations in 2.5 years;
- expressed that someone needed to be held accountable; and
- stated that the members of the audience and the voters had acted in good faith.

Assemblymember Church queried the access route at the time the site was selected.

Mr. Duffy responded that it was the existing access.

Discussion ensued regarding the evolution of the different access routes to the school site.

VOTE: There was no objection noted.

(The special meeting recessed at 7:50 p.m. and reconvened 8:02 p.m.)

B. ADOPTION OF THE FISCAL YEAR 2009 BUDGET

1. Ordinance Serial No. 08-008: AN ORDINANCE APPROPRIATING MONIES FROM THE CENTRAL TREASURY FOR THE BOROUGH OPERATING FUNDS, ENTERPRISE FUNDS AND CAPITAL FUNDS AND ESTABLISHING THE RATE OF LEVY FOR ALL BOROUGH FUNCTIONS FOR THE FISCAL YEAR BEGINNING JULY 1, 2008, AND ENDING JUNE 30, 2009.

MOTION: Assemblymember Woods moved to adopt Ordinance Serial No. 08-008, appropriating monies from the central treasury for the Borough operating funds, enterprise funds and capital funds and establishing the rate of levy for all Borough functions for the fiscal year beginning July 1, 2008, and ending June 30, 2009.

Mr. Duffy requested that the solid waste facility be removed from the ordinance in order to allow for a more thorough discussion at a later date.

Assemblymember Woods queried a date for the meeting.

Mr. Duffy responded that he will be prepared to address the matter in late May or June.

Assemblymember Bettine requested that the private sector be requested to provide the costs for a yearly lease.

Technical Amendments

- Page B-9, 100-000-000-335-350, State Sharing Revenue: proposed at \$0, amended by \$3,784,000 (increase), for an adjusted amount of \$3,784,000.
- Page B-9, 100-001-000-337-800, State PERS Relief: proposed at \$0, amended by \$990,145 (increase), for an adjusted amount of \$990,145.
- Page D-9, 200-000-000-337-800, State PERS Relief: proposed at \$0, amended by \$109,403 (increase), for an adjusted amount of \$990,145.
- Page E-3, 202-000-000-337-800, State PERS Relief: proposed at \$0, amended by \$7,734 (increase), for an adjusted amount of \$7,734.
- Page F-7, 203-000-000-337-800, State PERS Relief: proposed at \$0, amended by \$50,614 (increase), for an adjusted amount of \$50,614.
- Page G-7, 250-000-000-337-800, State PERS Relief: proposed at \$0, amended by \$52,693 (increase), for an adjusted amount of \$52,693.
- Page G-19, 251-000-000-337-800, State PERS Relief: proposed at \$0, amended by \$1,049 (increase), for an adjusted amount of \$1,049.
- Page G-27, 253-000-000-337-800, State PERS Relief: proposed at \$0, amended by \$210 (increase), for an adjusted amount of \$210.
- Page G-33, 254-000-000-337-800, State PERS Relief: proposed at \$0, amended by \$505 (increase), for an adjusted amount of \$505.

- Page G-41, 256-000-000-337-800, State PERS Relief: proposed at \$0, amended by \$3,674 (increased), for an adjusted amount of \$3,674.
- Page G-47, 257-000-000-337-800, State PERS Relief: proposed at \$0, amended by \$1,740 (increase), for an adjusted amount of \$1,740.
- Page G-55, 258-000-000-337-800, State PERS Relief: proposed at \$0, amended by \$419 (increase), for an adjusted amount of \$419.
- Page H-6, 265-000-000-337-800, State PERS Relief: proposed at \$0, amended by \$51,529 (increase), for an adjusted amount of \$51,529.
- Page I-7, 291-000-000-337-800, State PERS Relief: proposed at \$0, amended by \$862 (increase), for an adjusted amount of \$862.
- Page I-17, 293-000-000-337-800, State PERS Relief: proposed at \$0, amended by \$3,732 (increase), for an adjusted amount of \$862.
- Page K-3, 510-000-000-337-800, State PERS Relief: proposed at \$0, amended by \$85,451 (increase), for an adjusted amount of \$85,451.
- Page L-3, 520-000-000-337-800, State PERS Relief: proposed at \$0, amended by \$13,170 (increase), for an adjusted amount of \$13,170.

MOTION: Assemblymember Woods moved to adopt the technical amendments as presented by Administration.

VOTE: The primary amendment (technical amendments) passed without objection.

Assemblymember Woods requested that the School District budget be addressed next.

There was no objection noted.

Assemblymember Wells:

- spoke regarding discussions with Mr. Troxell, School District Superintendent;
- noted that the funds allotted to the School District, in the amount of \$2,300,000, had already been expended as part of the \$100 per student for energy relief;
- advised that there will be a Joint Assembly/School Board Committee on School Issues meeting on Monday, May 5, 2008; and
- requested the education budget be postponed until after the conclusion of that meeting, which would allow time to work out details with the School District.

Discussion ensued regarding:

- the expenditure of the energy funds; and
- whether the Assembly Members could attend the Joint Assembly/School Board Committee on School Issues meeting.

Ms. McKechnie:

- advised that no more than three Assembly Members can attend the May 5, 2008, joint meeting; and
- spoke regarding the Open Meetings Act (OMA).

Ms. Thomas stated that she would confirm with Mr. Spiropoulos via telephone.

Debt Service

Assemblymember Kluberton queried the Enhanced 911 service.

Mr. Brodigan:

- stated that the number of customers is increasing; and
- spoke regarding the Phase II implementation.

Assemblymember Woods queried if the Assembly had input into the reverse 911 system.

Mr. Brodigan stated that the committee would be making recommendations to the Assembly.

Discussion ensued regarding:

- the reverse 911 system; and
- monies to the city of Palmer and the city of Wasilla.

Mayor Menard directed the Assembly towards the agriculture portion of the budget.

Assemblymember Church queried if there was an appropriation for farm conservation easements within the budget.

Mr. Duffy stated that there was not due to the fact that there is \$300,000 remaining from last years funds.

Ms. Clayton:

- stated the money is listed with the grant match for \$1,500,000; and.
- clarified that the money has been spent or obligated.

Assemblymember Wells requested that further research take place regarding the \$300,000.

Ms. Thomas:

- advised that she spoke with Mr. Spiropoulos who stated that it would be a violation of the OMA if a quorum was present at the joint meeting on May 5, 2008; and
- added that Mr. Spiropoulos advised against a third Assembly Member being present at the joint meeting.

Amendment No. 1 – Solid Waste: Central Landfill (510-150-401-411-100, 510.150.412's, 510.150.401.411.200) (Tab K, Page 5)

MOTION: Assemblymember Woods moved a primary amendment to the Solid Waste, Central Landfill as follows:

- 411.100, Wages, by decreasing the wages in the amount of \$261,259 leaving a balance of \$253,200;
- 411.412's, Benefits, by decreasing the benefits in the amount of \$251,441, leaving a balance of \$249,481;
- 411.200, Temporary Wages, by increasing temporary wages in the amount of \$273,586, leaving a balance of \$323,586; and
- 411.412's, Benefits by increasing the benefits in the amount of \$73,223, leaving a balance of \$322,704.

VOTE: The primary amendment passed without objection.

Port Enterprise Fund

Assemblymember Bettine queried if the Borough had received \$1,077,876 in revenues to date.

Ms. Clayton stated that the Borough had received roughly \$780,000 in revenues, debt service reimbursement, PERS relief, and a small amount in wharfage in 2008.

Assemblymember Bettine queried the reimbursement of the bonds.

Ms. Clayton:

- stated that there was \$753,000 in the State's budget plus the PERS relief;
- spoke regarding dockage and wharfage based on the expected gravel sales and transfer of gravel related to the Anchorage Port project; and
- advised that this amount is a third of what the Borough expects to receive for that project.

Discussion ensued regarding the increases in the budget as it pertains to the Port Enterprise Fund.

Fire Service Areas

Assemblymember Bettine queried the grants which were received in addition to the tax revenues.

Ms. Clayton:

- stated that Assembly would see the grants that were received; and
- elaborated that the grants are accepted through ordinances and resolutions which would identify the scope of work and budget.

Assemblymember Wells requested that Mr. Brodigan address the Greater Palmer Fire Service Area email traffic.

Mr. Brodigan;

- stated that the discussions revolved around grant monies that may be available to the Greater Palmer Fire Service Area;
- spoke specifically to a grant that may be available from the city of Palmer;
- commented on the revisions to the contract;

- noted that the city of Palmer is currently reviewing the revisions; and
- added that the Greater Palmer Fire Service Area Board of Supervisors will be addressing the contract next.

Assemblymember Kluberton queried the service and maintenance fees for the Talkeetna Fire Service Area.

Mr. Brodigan:

- stated that there are three full-time mechanics to service the fleet;
- elaborated that the “as-needed” maintenance takes up the majority of the fleet mechanics’ time;
- noted room for improvement as it pertains to the preventive maintenance of the fleet vehicles;
- spoke regarding work order submissions from the fire chiefs;
- stated that most of the fire trucks were purchased in 1984; and
- commented on drafting water from natural water supplies.

Ms. Clayton:

- provided clarification on where the funds are drawn from; and
- explained that the fund will be determined by who works on the vehicle, whether it would be an employee or if the vehicle is worked on out-of-house.

Assemblymember Bettine queried the consolidation of the Meadow Lakes Fire Service Area and the Big Lake Fire Service Area.

Mr. Brodigan:

- stated that it is a relatively new topic; and
- added that it will be addressed at the next joint fire service area meeting.

MOTION: Assemblymember Woods moved to postpone Ordinance Serial No. 08-008 to a time certain of May 8, 2008.

VOTE: There was no objection noted.

Assemblymember Bettine queried the date that the budget had to be passed by.

Ms. Clayton responded that the due date is May 31, 2008.

VI. AUDIENCE PARTICIPATION

The following person spoke regarding privatizing Solid Waste: Mr. Mokie Tew.

VII. MAYOR, ASSEMBLY, AND STAFF COMMENTS

Assemblymember Bettine requested an additional special meeting regarding continued deliberations on Ordinance Serial No. 08-008, for May 13, 2008, at 12 noon.

There was no objection noted.

Assemblymember Wells spoke to the need to revisit the revenue cap.

Assemblymember Church extended her appreciation for the work performed on the proposed South Palmer Elementary School site.

Assemblymember Houston expressed his concerns with the different cost issues related to the proposed South Palmer Elementary School site.

VIII. ADJOURNMENT

The special meeting adjourned at 9:50 p.m.

/ S /

CURTIS D. MENARD, Borough Mayor

ATTEST:

/ S /

LONNIE R. McKECHNIE, CMC, Borough Clerk

Minutes approved: 05/20/08