

I. CALL TO ORDER

The special meeting of the Matanuska-Susitna Borough Assembly was held on June 14, 2005, at the Borough Assembly Chambers, 350 E. Dahlia Avenue, Palmer, Alaska. The meeting was called to order at 5:30 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
Mr. Talis J. Colberg, Assembly District No. 3
Ms. Mary Kvalheim, Assembly District No. 4
Ms. Jody Simpson, Assembly District No. 5
Ms. Betty Vehrs, Assembly District No. 7

Assembly members absent and excused were:

Mr. Jim Colver, Assembly District No. 6 (*Deputy Mayor*)

Staff in attendance were:

Mr. John Duffy, Borough Manager
Ms. Michelle M. McGehee, CMC, Borough Clerk
Ms. Teresa S. Williams, Borough Attorney
Ms. Lonnie McKechnie, Executive Assistant to the Borough Clerk

III. APPROVAL OF AGENDA

Mayor Anderson 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. Garvin Buccaria.

V. ITEMS OF BUSINESS

A. INTRODUCTION (For public hearing – 06/23/05, 7 p.m., Borough Assembly Chambers)

1. Ordinance Serial No. 05-065: AN ORDINANCE AUTHORIZING THE MATANUSKA-SUSITNA BOROUGH TO LEVY A SALES TAX NOT EXCEEDING 1 PERCENT OF SALES, SERVICES, AND RENTALS WITHIN THE BOROUGH, AND TO SUBMIT THE QUESTION OF THE LEVYING OF THE SALES TAX TO

THE QUALIFIED VOTERS OF THE BOROUGH AT THE OCTOBER 4, 2005, REGULAR BOROUGH ELECTION.

- a. Ordinance Serial No. 05-066: AN ORDINANCE ADOPTING MSB 3.35, A UNIFORM SALES TAX.
(1) IM No. 05-113
2. Ordinance Serial No. 05-069: AN ORDINANCE AUTHORIZING THE MATANUSKA-SUSITNA BOROUGH TO LEVY A SEVERANCE TAX NOT EXCEEDING \$0.25 PER YARD OF MATERIAL, \$0.25 PER SHORT TON OF COAL AND \$2.50 PER ACRE OF TIMBER, AND SUBMITTING THE QUESTION OF THE LEVYING OF THE SEVERANCE TAX TO THE QUALIFIED VOTERS OF THE BOROUGH AT THE OCTOBER 4, 2005, REGULAR BOROUGH ELECTION.
 - a. Ordinance Serial No. 05-067: AN ORDINANCE ESTABLISHING A TAX ON A NATURAL RESOURCE WHENEVER THE NATURAL RESOURCE IS SEVERED AND SOLD FROM PROPERTY WITHIN THE MATANUSKA-SUSITNA BOROUGH AND PROVIDING FOR PENALTIES FOR FAILURE TO PAY TAXES DUE BY ADOPTING MSB 3.55, NATURAL RESOURCE SEVERANCE TAX.
(1) IM No. 05-114

Mayor Anderson read the above legislation into the record.

Mayor Anderson advised that Ordinance Serial No. 05-065 referenced a 1 percent sales tax when it should reflect a 2 percent sales tax.

Mr. Duffy advised that the sales tax legislation was revised and that it should be a 2 percent sales tax reference.

(The special meeting recessed at 5:44 p.m. and reconvened at 5:57 p.m.)

Mayor Anderson:

- advised that the Clerk and Attorney had advised that Ordinance Serial No. 05-065 could be amend at introduction; and
- noted that the legislation would advertise 4 times prior to public hearing.

MOTION: Assemblymember Vehrs moved to introduce the legislation as read into the record by Mayor Anderson and set the public hearings for June 23, 2005.

MOTION: Assemblymember Colberg moved to divide the question.

VOTE: The motion to divide the question passed without objection.

MOTION: First segment of the motion: to introduce Ordinance Serial No. 05-065 and Ordinance Serial No. 05-066 as read into the record by Mayor Anderson and set the public hearing for June 23, 2005.

MOTION Assemblymember Vehrs moved a primary amendment to Ordinance Serial No. 05-065 and Ordinance Serial No. 05-066 by changing the reference of the “1 percent sales tax” to a “2 percent sales tax” throughout the legislation.

Assemblymember Vehrs:

- stated that she had heard comments that more people seem to be ready for a sales tax;
- noted that there are some members of the public who think the Borough has power to change the amount of the sales tax without going out to the voters; and
- stated that there would be less of a burden on the property owners with a sales tax.

Assemblymember Allen advised that the fiscal note also needs to be changed to reflect the 2 percent sales tax.

VOTE: The primary amendment passed with Assemblymembers Allen and Colberg in opposition.

VOTE: The first segment, to introduce Ordinance Serial No. 05-065 and Ordinance Serial No. 05-066 as read into the record by Mayor Anderson and set the public hearing for June 23, 2005, passed with Assemblymembers Allen and Colberg in opposition.

MOTION: Second segment of the motion: to introduce Ordinance Serial No. 05-069 and Ordinance Serial No. 05-067 as read into the record by Mayor Anderson and set the public hearing for June 23, 2005.

VOTE: The second segment, to introduce Ordinance Serial No. 05-069 and Ordinance Serial No. 05-067 as read into the record by Mayor Anderson and set the public hearing for June 23, 2005, passed with Assemblymember Allen and Colberg in opposition.

VI. AUDIENCE PARTICIPATION

The following persons spoke against Ordinance Serial Nos. 05-069 and 05-067: Mr. Steve Lovs; Mr. Wes VanderMartin; and Mr. Don Jean.

The following person spoke regarding mitigating extraction activity in the Borough: Mr. Garvin Buccaria.

VII. MAYOR, ASSEMBLY, AND STAFF COMMENTS

(There were no comments made.)

VIII. ADJOURNMENT

The special meeting adjourned at 6:21 p.m.

/s/

TIMOTHY L. ANDERSON, Borough Mayor

ATTEST:

/s/

MICHELLE M. MCGEHEE, CMC, Borough Clerk

Minutes approved: 07/19/05