

I. CALL TO ORDER

The special meeting of the Matanuska-Susitna Borough Assembly was held on June 24, 2008, at the Borough Assembly Chambers, 350 E. Dahlia Avenue, Palmer, Alaska. The meeting was called to order at 6:05 p.m. by Deputy Mayor Lynne Woods for the purpose of holding a public hearing on Ordinance Serial No. 08-075, for discussion on Ordinance Serial Nos. 08-068 and 08-069, the Solid Waste Division, and to discuss Resolution Serial Nos. 08-074 and 08-075, and AM Nos. 08-069 and 08-072.

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
Ms. Mary Kvalheim, Assembly District No. 4
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
Mr. John Aschenbrenner, Deputy Borough Attorney
Ms. Amanda E. Charles, Executive Assistant to the Borough Clerk
Ms. Tammy Clayton, Finance Director
Mr. Keith Rountree, Public Works Director
Mr. Linda Brenner, Community Development Director
Mr. Mark Mayo, Planning and Land Use Director
Mr. Brad Sworts, Transportation and Environmental Planning Manager
Mr. Bill Klebesadel, Project Management and Engineering Division Manager
Ms. Audrey Jensen, Solid Waste Administrative Assistant
Mr. Kent Crafton, Projects Manager for Solid Waste

III. APPROVAL OF AGENDA

Deputy Mayor Woods inquired if there were any changes to the agenda.

Mr. Duffy requested that AM No. 08-072 be removed from the agenda.

There was no objection noted.

GENERAL CONSENT: The agenda was approved as amended without objection.

IV. PLEDGE OF ALLEGIANCE

The Pledge of Allegiance was led by Mr. Bill Frick, Chair of the Senior Citizens Advisory Board.

V. PUBLIC HEARING

A. Ordinance Serial No. 08-075: AN ORDINANCE RELATING TO THE CONSTRUCTION, ADDITIONS, IMPROVEMENTS, BETTERMENTS, REPAIR, RECONSTRUCTION, OR ACQUISITION OF PUBLIC ROADS AND FACILITIES RELATED THERETO IN THE MATANUSKA-SUSITNA BOROUGH, TOGETHER WITH ALL NECESSARY EQUIPMENT AND TRANSPORTATION FACILITIES, AND THE ACQUISITION OF LANDS OR RIGHTS IN LANDS IN CONNECTION THERE WITH, AND A DEBT OF SAID BOROUGH, AUTHORIZING THE ISSUANCE OF AREAWIDE GENERAL OBLIGATIONS BONDS OF SAID BOROUGH IN AN AMOUNT NOT TO EXCEED THE SUM OF \$34,500,000 TO FINANCE THE COST, IN WHOLE OR IN PART, OF SUCH PUBLIC ROADS AND APPURTENANCES, AND PROVIDING FOR THE SUBMISSION TO THE VOTERS OF SAID BOROUGH OF A PROPOSITION RATIFYING THE AUTHORIZATION OF SAID BONDS AT THE OCTOBER 7, 2008, REGULAR BOROUGH ELECTION.

(1) IM No. 08-147

Mr. Sworts provided a staff report.

Assemblymember Church queried how the selection of roads were chosen.

Mr. Sworts:

- stated that 15 projects were considered;
- spoke regarding discussions with engineers; and
- covered areas of consideration when some of the projects dropped off the list.

Assemblymember Church queried how Outer Springer Loop was chosen to be on the list.

Mr. Duffy spoke regarding a possible amendment to remove Outer Springer Loop from the list and replace it with Herman Road in Wasilla.

Deputy Mayor Woods opened the public hearing.

The following person spoke in support of Ordinance Serial No. 08-075 in particular the Dogwood Extension: Mr. Bill Allen, Palmer City Manager.

The following person spoke against Ordinance Serial No. 08-075: Mr. Jay Clifford.

There being no others present who wished to testify, the public hearing closed and discussion moved to the Assembly.

Mr. Aschenbrenner:

- spoke regarding the need for a new public notice should the amounts of the bonds increase on the projects changes; and
- advised that the public hearing could be continued.

MOTION: Assemblymember Bettine moved to adopt Ordinance Serial No. 08-075.

MOTION: Assemblymember Houston moved to strike the Outer Springer Loop project and insert in its place the Dogwood Extension project in the amount of \$4,050,000, and to adjust the total amounts accordingly.

Assemblymember Houston noted that this extension would connect Dogwood Avenue to Felton Street.

VOTE: The primary amendment passed without objection.

MOTION: Assemblymember Kvalheim moved a primary amendment to Ordinance Serial No. 08-075, to insert Hermon Road extension in the amount of \$5,100,000 to the project list, and to adjust the total amounts accordingly.

Assemblymember Kvalheim noted that it would connect the Parks Highway to the Palmer-Wasilla Highway.

Mr. Sworts:

- stated that that the original price for Hermon Road was \$10,000,000;
- spoke regarding building the extension; and
- commented on widening the lanes to the current Hermon Road.

Assemblymember Bettine queried if \$5,000,000 would accommodate the thru-traffic.

Mr. Sworts:

- stated that widening the lanes to 12 feet would accommodate the current thru-traffic needs; and
- stated that there would not be a need to purchase any additional property if the road was widened.

VOTE: The primary motion passed without objection.

Assemblymember Church queried the Seldon Road upgrade and extension.

Mr. Sworts:

- explained the areas for improvement for the upgrade on Seldon Road; and
- spoke to the extension of Seldon Road to the west of Church Road.

Assemblymember Bettine spoke in support of the Seldon Road upgrade.

Mr. Sworts stated that the upgrade to Seldon Road would occur from Shrock Road towards Wards Road.

Assemblymember Bettine:

- spoke to comments received from the public regarding the bonds;
- noted that she had discussions with the public pertaining to 50 percent State funding; and
- opined that a \$41 million dollar bond would not be passed by the voters.

MOTION: Assemblymember Bettine moved a primary amendment to Ordinance Serial No. 08-075 as follows:

- by striking the reference of “\$34,500,000” throughout the ordinance and inserting in its place “\$20,875,000;”
- Section 3,
 - in the 1st paragraph: at the end of the paragraph, by striking “\$34,500,000” and insert in its place “\$41,375,000;” and
 - in the 2nd paragraph: by striking the current language and inserting the following: “The Borough shall petition the State for a transportation grant to pay at least one-half (being at least \$20,500,000) of the cost of such transportation capital improvements and, in the event the State provides such amount or a portion of such amount, the Borough shall issue its unlimited tax levy general obligation bonds in the principal sum up to the amount of the State grant plus cost of issuance but not to exceed \$20,875,000 for the purposes of financing the Borough’s portion, as indicated, for the following transportation systems public facilities.”
- Section 3 by changing the amounts in the project list as follows:
 - Jenson-Soapstone Road Connection – strike \$2,050,000 and insert \$1,000,000
 - Dogwood Extension – strike 2050000 and insert 2000000
 - Seward Meridian Parkway Extension South – strike \$8,100,000 and insert \$4,000,000
 - Hermon Road - strike \$5,100,000 and insert 2,500,000
 - Vine Road Upgrade – strike \$7,100,000 and insert \$3,500,000
 - Seldon Road Upgrade, Schrock Road to Wards Road – strike \$9,100,000 and insert \$4,500,000;
 - Seldon Road Extension, Church Road to Beverly Lake Road – strike \$6,100,000 and insert \$3,000,000;
 - Insert the “Cost of Issuance of \$375,000,” and
 - Insert the “Total \$20,875,000”
- Section 5, ballot language
 - by changing the amounts in the project list, inserting the cost of issuance, and the total for the projects as indicated above;
 - to strike the annual increase in taxes of \$36.55 and insert in its place \$22.11; and

- to insert a new paragraph at the bottom of the ballot to read: “Bonds may not be issued to pay costs of a project unless matching funds are received from the state of Alaska.”

Assemblymember Bettine spoke in support of her amendment.

Assemblymember Kvalheim spoke in support of the amendment.

Mr. Sworts spoke regarding how the Alaska State Department of Transportation rates their projects for funding.

Mr. Duffy spoke regarding how the funds would be split between the Borough and the State.

Discussion ensued regarding a 60/40 and 70/30 split with the State.

(The special meeting recessed at 7:03 p.m. and reconvened at 7:21 p.m.)

VIII. AUDIENCE PARTICIPATION

The following person spoke regarding financial problems at the senior centers as it pertains to funding: Mr. Bill Frick, Chair of the Senior Citizens Advisory Board.

[CLERK’S NOTE: Concluding the Audience Participation the Assembly returned to Ordinance Serial No. 08-075.]

- MOTION:** Assemblymember Kluberton moved a secondary amendment to Ordinance Serial No. 08-075 as follows:
- by striking the reference of “\$34,500,000” throughout the ordinance and inserting in its place “\$12,575,000;”
 - Section 3,
 - in the 1st paragraph: at the end of the paragraph, by striking “\$34,500,000” and insert in its place “\$41,275,000;” and
 - in the 2nd paragraph: by striking the current language and inserting the following: “The Borough shall petition the State for a transportation grant to pay at least 70 percent (being at least \$28,700,000) of the cost of such transportation capital improvements and, in the event the State provides such amount or a portion of such amount, the Borough shall issue its unlimited tax levy general obligation bonds in the principal sum up to the amount of the State grant plus cost of issuance but not to exceed \$12,575,000 for the purposes of financing the Borough’s portion, as indicated, for the following transportation systems public facilities.”
 - Section 3 by changing the amounts in the project list as follows:
 - Jenson-Soapstone Road Connection – strike \$2,050,000 and insert \$600,000
 - Dogwood Extension – strike \$4,050,000 and insert \$1,200,000

- Seward Meridian Parkway Extension South – strike \$8,100,000 and insert \$2,400,000
- Hermon Road Extension- strike \$5,100,000 and insert \$1,500,000
- Vine Road Upgrade – strike \$7,100,000 and insert \$2,100,000
- Seldon Road Upgrade, Schrock Road to Wards Road – strike \$9,100,000 and insert \$2,700,000;
- Seldon Road Extension, Church Road to Beverly Lake Road – strike \$6,100,000 and insert \$1,800,000;
- Insert the “Cost of Issuance of \$275,000,” and
- Insert the “Total \$12,575,000”
- Section 5, ballot language
 - by changing the amounts in the project list, inserting the cost of issuance, and the total for the projects as indicated above;
 - to strike the annual increase in taxes of \$36.55 and insert in its place \$13.32; and
 - to insert a new paragraph at the bottom of the ballot to read: “Bonds may not be issued to pay costs of a project unless matching funds are received from the state of Alaska.”

Ms. Clayton:

- explained that the Borough could only issue the bonds for the projects that have 70 percent of the funds in-hand; and
- elaborated that if the voters approved the bonds, the authorization would be good until the bonds were issued or until a separate legislative action unauthorized them.

Assemblymember Houston queried how it would impact projects on the list that already have State funding.

Assemblymember Clayton stated that the 70 percent would have to be issued to the Borough, who would expend the funds.

Assemblymember Church queried if the railroad illumination project could be brought into Ordinance Serial No. 08-075.

Mr. Sworts:

- stated that if this ordinance passed the Assembly he would approach the Railroad to see if they would be willing to participate; and
- deferred to Ms. Clayton on how the Railroad’s funding would affect the bonding amount.

Ms. Clayton:

- noted that she was not a bond attorney;
- stated that the illumination/overpass project being discussed was a total of \$8 million; and
- offered that if the Railroad provided \$2 million for the overpass then the Borough would only need to receive 70 percent of \$6 million.

Deputy Mayor Woods asked Assemblymember Bettine if she had spoken with her State delegation regarding splitting these bonds.

Assemblymember Bettine stated that she had not spoken to the State Delegation.

Assemblymember Wells queried the advertisement needs if the Railroad was brought into the ordinance.

Mr. Aschenbrenner:

- spoke regarding changes to the sum of the project;
- advised that the public needs to be adequately notified on matters which effect them; and
- suggested amending the informational memorandum to incorporate the additional requests.

Assemblymember Wells opined his hesitancies with relying upon the State for funding.

Assemblymember Woods noted that discussions are needed with the legislators.

Assemblymember Bettine:

- suggested contacting the appropriate persons before the next public hearing; and
- spoke to the importance of dispersing the highly congested traffic areas.

Ms. McKechnie advised on appropriate advertising.

Discussion ensued regarding requesting funding from the State.

VOTE: The secondary amendment passed without objection.

VOTE: The primary amendment passed as amended without objection.

Mr. Aschenbrenner provided further clarification on the Open Meetings Act as it pertains to proper notification to the public.

Ms. McKechnie stated that the Attorney, Administration, and the Clerk could work on restructuring the title to provide the appropriate advertising needs.

Assemblymember Wells:

- noted that with the 70/30 split the total amount of the projects is at \$12,575,000; and
- advised he would like the public notification to reference \$15,000,000, so that projects could be added should the Assembly choose to do so.

MOTION: Assemblymember Wells moved a primary amendment, for the purpose of public notification, to insert into the title “not to exceed \$15,000,000.”

VOTE: The primary amendment passed without objection.

MOTION: Assemblymember Bettine moved to postpone Ordinance Serial No. 08-075 to a time certain of August 5, 2008, and to hold another public hearing.

VOTE: There was no objection noted.

VI. UNFINISHED BUSINESS

- A. Ordinance Serial No. 08-068: AN ORDINANCE AUTHORIZING THE MATANUSKA-SUSITNA BOROUGH TO ENACT AN AREAWIDE SALES TAX NOT EXCEEDING 3 PERCENT OF SALES, SERVICES, AND RENTALS WITHIN THE BOROUGH AND TO SUBMIT THE QUESTIONS TO THE QUALIFIED VOTERS OF THE BOROUGH AT THE OCTOBER 7, 2008, REGULAR BOROUGH ELECTION. (*main motion pending from: 05/20/08*)
1. Ordinance Serial No. 08-069: AN ORDINANCE ADOPTING MSB 3.35, UNIFORM SALES TAX.
 - a. IM No. 08-114

Assemblymember Bettine opined that the ordinance would not pass due to the current economic issues.

Assemblymember Kvalheim noted her agreement with Assemblymember Bettine's comments.

Assemblymember Kluberton spoke about how the mill levy would need to decrease by 3 mills before the voters would pass a sales tax.

Discussion ensued regarding the need to lower the mill rate prior to the voters passing a sales tax.

Assemblymembers Kvalheim and Wells opined that they did not believe that a sales tax would pass the voters even with the mill rate lowered.

MOTION: Assemblymember Bettine moved to postpone Ordinance Serial Nos. 08-068 and 08-069 indefinitely

Assemblymember Houston:

- queried whether the Borough could educate the public regarding the need for a sales tax if it did not appear on the ballot; and
- offered that the sales tax could possibly go before the voters next year should the Borough educate the public.

Mr. Duffy affirmed Assemblymember Houston's statements.

VOTE: The motion to postpone Ordinance Serial Nos. 08-068 and 08-069 indefinitely passed without objection.

B. SOLID WASTE DIVISION

Dhillon Management Services (Transfer Sites) – Management Audit of the Solid Waste Division

Mr. Rountree:

- provided a staff report;
- spoke regarding possible solutions for cost savings at transfer sites.

Finding/Recommendation 1 (Operation of the Transfer Sites)

Assemblymember Kluberton:

- spoke to calls from the Trapper Creek community; and
- queried if the Trapper Creek transfer site is being rented.

Mr. Duffy confirmed the query.

Discussion ensued regarding options 1 and 2 for the operations of the transfer sites.

MOTION: Assemblymember Kluberton moved to approve option no. 2 for the transfer sites.

VOTE: The motion passed without objection.

Finding/Recommendation 2 (Environmental Technician)

Mr. Rountree addressed the addition of an environmental technician and asked for the Assembly's support.

Assemblymember Bettine spoke to concerns with the scope of work.

Mr. Rountree:

- spoke to the Hazardous Waste Program;
- discussed the types of hazardous materials that are received into the landfills; and
- spoke to the need for another Environmental Technician position.

Assemblymember Bettine queried if the enterprise fund would cover the additional position.

Mr. Duffy affirmed the query.

MOTION: Assemblymember Houston moved to support the new Environmental Technician position and for Administration to bring back legislation creating the position.

VOTE: The motion passed without objection.

Northern Economics, Inc. Solid Waste Division Evaluation of Operations

Mr. Rountree:

- spoke regarding suggestions from the Northern Economics Evaluation on the operations of the Solid Waste Division;

- provided the highlights and changes to the existing contract; and
- noted that the new contract is performance based.

Discussion ensued regarding the recommended changes to the contract.

Mr. Rountree:

- spoke to how the \$350,000 performance bond was arrived at;
- spoke regarding the need for liability insurance;
- noted that they are researching how other municipalities handle this in other areas of the country;
- spoke to the possibility of rate increases; and
- spoke to a full-time Quality Assurance Evaluator which is standard in most municipalities.

Discussion ensued regarding:

- the possibility of rate increases; and
- the procedure should the Borough go out to bid and then decide to perform the work instead.

(The special meeting recessed at 9:22 p.m. and reconvened at 9:28 p.m.)

VII. NEW BUSINESS

- A. Resolution Serial No. 08-074: A RESOLUTION AUTHORIZING THE MANAGER TO ENTER INTO A CONTRACT WITH QUALITY ASPHALT & PAVING FOR THE SALE OF MATERIAL FROM THE POINT MACKENZIE INTERIM MATERIALS DISTRICT SITE.
1. IM No. 08-165

Ms. Brenner provided a staff report.

MOTION: Assemblymember Bettine moved to adopt Resolution Serial No. 08-074.

VOTE: The motion passed without objection.

- B. Resolution Serial No. 08-075: A RESOLUTION DIRECTING THE MANAGER TO ANALYZE AND PROVIDE RECOMMENDATIONS ON THE PROPOSED UNIFICATION OF THE BIG LAKE FIRE SERVICE AREA NO. 33 AND THE MEADOW LAKES FIRE SERVICE AREA NO. 34
1. IM No. 08-163

Mr. Duffy provided a staff report.

Assemblymember Kluberton noted that the Meadow Lakes Community Council is supportive to the unification of the fire service areas.

MOTION: Assemblymember Bettine moved to adopt Resolution Serial No. 08-075.

VOTE: The motion passed without objection.

C. AM No. 08-069: AWARD OF PROPOSAL NO. 08-075 TO MICRODATA IN THE AMOUNT OF \$604,000 FOR THE ENHANCED 9-1-1 SYSTEM UPGRADE.

Mr. Duffy provided a staff report.

MOTION: Assemblymember Bettine moved to adopt AM No. 08-069.

VOTE: The motion passed without objection.

~~D. AM No. 08-072: AWARD OF PROPOSAL NO. 08-144 TO COLLINS CONSTRUCTION IN THE AMOUNT OF \$18,197,214 FOR THE CONSTRUCTION OF SUSITNA VALLEY JUNIOR/SENIOR HIGH SCHOOL.~~

IX. MAYOR, ASSEMBLY, AND STAFF COMMENTS

Ms. McKechnie noted that she will be out of the office during the week and Ms. Cheryl Marino, Deputy Clerk, will be acting in her stead.

Mr. Duffy:

- noted discussions with representatives from 30 firms to start working on the that the Point Mackenzie Prison project;
- spoke regarding support received for the ferry system; and
- stated that he would be out of the office during the next week.

Assemblymember Wells spoke regarding concerns with the Susitna Valley High School contract.

MOTION: Assemblymember Bettine moved to reconsider the amendments made to Ordinance Serial No. 08-075, in particular to the deletion of the Outer Springer Loop project, the addition of the Dogwood Extension, the Herman Road Extension, and the split of 70 percent State and 30 percent Borough funds.

Mr. Aschenbrenner cautioned against reconsidering the amendments.

VOTE: The motion to reconsider failed.

Assemblymember Bettine:

- spoke about building relationships between the Borough, the School Board, and the State Delegation; and
- commented on assisting the senior centers.

Assemblymember Church spoke regarding the importance of diversifying the tax base.

Assemblymember Kluberton asked the Manager to look into amending the shallow gas ordinance.

Mr. Duffy responded that staff has been working on such an ordinance.

Assemblymember Kluberton:

- suggested requiring upgrading roads outside of the subdivision as a condition of plat approval;
- noted that the working group for mining below the water table has been silent recently;
- queried work on a reclamation ordinance.

Mr. Duffy stated that there are major differences in opinion between the firms on what changes are needed for mining below the water table.

Assemblymember Kluberton noted discontent among his constituents with the Public Works Road Service Area Capital Projects Matrix.

X. ADJOURNMENT

The special meeting adjourned at 9:56 p.m.

/ S /

CURTIS D. MENARD, Borough Mayor

ATTEST:

/ S /

LONNIE R. McKECHNIE, CMC, Borough Clerk

Minutes approved: 07/15/08