

I. CALL TO ORDER

The special meeting of the Matanuska-Susitna Borough Assembly was held on June 28, 2005, at the Borough Assembly Chambers, 350 E. Dahlia Avenue, Palmer, Alaska. The meeting was called to order at 6:25 p.m. by Mayor Timothy L. Anderson for the purpose of holding a public hearing on Ordinance Serial No. 05-106 and AM No. 05-098, regarding the reappropriation of funds for a management review audit; and addressing Resolution Serial Nos. 05-067 and 05-081 regarding Enhanced 911; and AM No. 05-104, regarding sand and gravel sales and Point MacKenzie.

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. Jody Simpson, Assembly District No. 5
Mr. Jim Colver, Assembly District No. 6 (*Deputy Mayor*)
Ms. Betty Vehrs, Assembly District No. 7

Assembly members absent and excused were:

Ms. Mary Kvalheim, Assembly District No. 4

Staff in attendance were:

Mr. John Duffy, Borough Manager
Ms. Michelle M. McGehee, CMC, Borough Clerk
Ms. Teresa S. Williams, Borough Attorney
Ms. Janice A. Case, Deputy Borough Clerk
Ms. Marian Romano, Assistant Borough Manager
Mr. Ron Swanson, Community Development Director
Mr. Dennis Brodigan, Emergency Services Director
Ms. Cheyenne Heindel, Revenue and Budget Manager

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. Art Scates, a member of the audience.

V. ITEMS OF BUSINESS

- B. Resolution Serial No. 05-067: A RESOLUTION SETTING THE SURCHARGE FOR WIRELINE AND WIRELESS ENHANCED 911 SYSTEMS FOR THE PERIOD OF JULY 1, 2005, THROUGH JUNE 30, 2006.
1. IM No. 05-111

Mr. Brodigan:

- provided a staff report on the legislation;
- noted that GCI would soon be providing local telephone service in the Borough;
- discussed the priorities recommended by the Enhanced 911 Advisory Board; and
- stated that even with some unanticipated costs, the \$0.75 surcharge should be sufficient for the 2006 fiscal year.

MOTION: Assemblymember Colver moved to adopt Resolution Serial No. 05-067.

VOTE: The motion passed without objection.

- C. Resolution Serial No. 05-081: A RESOLUTION APPROVING THE ENHANCED 911 ADVISORY BOARD RECOMMENDATIONS, WHICH PRIORITIZES THE ALLOCATION OF THE ENHANCED 911 FUNDS FOR FISCAL YEAR 2006.
1. IM No. 05-144

Mr. Brodigan provided a staff report.

MOTION: Assemblymember Colver moved to adopt Resolution Serial No. 05-081.

VOTE: The motion passed without objection.

(The regular meeting recessed at 6:46 p.m. and reconvened at 7 p.m.)

- A. SPECIAL ORDERS - Public Hearing (to begin at 7 p.m.)
1. Ordinance Serial No. 05-106: AN ORDINANCE APPROVING A REAPPROPRIATION OF \$50,000 FROM THE FISCAL YEAR 2005 ASSEMBLY OPERATING BUDGET, FUND 100, TO FUND 480, PROJECT NO. 20359, FOR A MANAGEMENT REVIEW AUDIT.
- a. IM No. 05-171
- b. AM No. 05-098: AWARD OF PROPOSAL NO. 05-091 TO MATRIX CONSULTING GROUP FOR THE MANAGEMENT REVIEW AUDIT FOR THE CONTRACT AMOUNT NOT TO EXCEED \$50,000.

Ms. Duffy 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 Colver moved to adopt Ordinance Serial No. 05-106 and AM No. 05-098.

VOTE: The motion passed without objection.

VI. AUDIENCE PARTICIPATION

The following person spoke to the need for a septic treatment facility in the Borough: Ms. Helen Munoz.

The following person spoke in support of AM No. 05-104 as written by the Manager: Ms. Jay Nolfi.

There being no others who wished to testify, Mayor Anderson closed audience participation.

D. AM No. 05-104: AUTHORIZING THE MANAGER TO SELL MATERIAL (SAND AND GRAVEL) FOR CONTRACTS NOT TO EXCEED ONE YEAR AND AT QUANTITIES NOT LESS THAN 500,000 TONS WITHIN THE POINT MACKENZIE PORT DISTRICT WITH FIXED ROYALTY RATES TO ANY QUALIFIED APPLICANT, TO ESTABLISH A WHARFAGE RATE OF \$1.10 PER TON AND TO NEGOTIATE A CONVEYOR USE RATE NOT TO EXCEED \$1.54 PER TON.
(Sponsor: Assemblymembers Colberg, Allen, and Colver)

Mr. Swanson:

- noted that this legislation addressed the concerns that were previously discussed; and
- reviewed the contract requirements and pricing.

Assemblymember Colver inquired if there are any other projects that this could be used for other than the Port of Anchorage.

Mr. Swanson stated that he is unaware of any other projects at this time and noted that he has not been contacted by anyone expressing an interest in other projects.

Discussion ensued regarding:

- opening the bid only to the Port of Anchorage contract bidders; and
- the competitive costs used to come up with the rates for the contract.

MOTION: Assemblymember Colver moved to approve AM No. 05-104.

Assemblymember Allen:

- stated that any revenues received by the Borough will benefit the residents of the Borough, regardless of which fund they are placed in;
- stated that these revenues should offset the property taxes; and

- spoke in support of the legislation, as it promotes economic development in the Borough.

Assemblymember Vehrs:

- agreed that the Port is important to the economic development of the Borough; and
- opined that she does not see how these funds will benefit the residents of the Borough if they are placed in the Port Enterprise Fund.

Mayor Anderson inquired how much of the revenue would be placed in the Port Enterprise Fund and how much would be placed in the Land Management Fund.

Mr. Duffy replied that the wharfage fees would be placed in the Port Enterprise Fund and that the royalties would go to the Land Management Fund.

Mayor Anderson:

- stated that this is a good opportunity for the Borough;
- spoke to reservations regarding the timing of the legislation;
- opined that if the purpose of the gravel sale is for the Port of Anchorage, then the contract should state that it is for the Port of Anchorage project; and
- spoke in support of Assemblymember Colver's proposed amendments.

MOTION: Assemblymember Colver moved a primary amendment to AM No. 05-104 to state that the sale of material shall be offered to the general contractors bidding on the Port of Anchorage project.

Assemblymember Colver:

- spoke in support of the amendment;
- stated that the intent of the amendment is to sell gravel for the Port of Anchorage project and to be a director supplier and a party to the contract for the Port of Anchorage; and
- stated that the amendment would give the tax payers assurance that the Borough will receive payment on the gravel and the wharfage.

Assemblymember Colberg inquired if the Borough knew who the contractors bidding on the Port of Anchorage project were at this time.

Mr. Duffy affirmed that the Borough does have a list of people who have requested the bid packets.

Assemblymember Allen inquired if it would be possible to receive direct payment from the Port of Anchorage.

Mr. Duffy replied that the option could be explored.

(The special meeting recessed at 7:54 p.m. and reconvened at 8 p.m.)

VOTE: The primary amendment passed without objection.

MOTION: Assemblymember Colver moved a primary amendment to AM No. 05-104 to insert the phrase, “award of any such contract to be authorized by the Assembly.” to read as follows, “Authorizing the Manager to sell material (sand and gravel) for contracts not to exceed one year and at quantities not less than 500,000 tons within the Point MacKenzie Port District with fixed royalty rates to any qualified applicant, to establish a wharfage rate of \$1.10 per ton and to negotiate a conveyor use rate not to exceed \$1.54 per ton, with award of contracts to have final authorization by the Assembly.”

Assemblymember Colver stated that this is in line with our standard practice.

Assemblymember Simpson asked for clarification on the Borough’s standard practice.

Mr. Duffy:

- voiced concern regarding the time frame; and
- stated that the contractor would have no guarantee when they are required to bid on the Port of Anchorage project if the Borough had not yet made a decision to award the bid.

Ms. Williams referenced MSB 23.10.120(B), Material Sales, which states, “Material sales or auctions in excess of a fair market value of \$25,000 per transaction shall be negotiated or conducted by the Manager and approved by the Assembly by resolution.”

Mayor Anderson spoke in support of the amendment.

Assemblymember Colberg:

- stated that it would be unreliable for a contractor to bid on the project with the Borough’s gravel rates and then rely on the Assembly to pass the legislation; and
- spoke in opposition to the amendment.

Assemblymember Woods spoke in support of the amendment.

Discussion ensued regarding the primary amendment.

VOTE: The primary amendment passed with Assemblymember Colberg in opposition.

Assemblymember Allen requested that a special meeting be scheduled if an issue of uncertainty on the Borough’s part arises in terms of the contractor or the owner wanting insurance that the Borough will follow through.

Mayor Anderson stated that he would be in support of calling a meeting for this reason if requested by the Manager.

VOTE: The main motion as amended passed without objection.

MOTION: Assemblymember Vehrs moved to reconsider AM No. 05-104.

VOTE: The motion to reconsider failed unanimously.

VII. MAYOR, ASSEMBLY, AND STAFF COMMENTS

Assemblymember Simpson:

- requested a copy of the Alaska State Department of Labor's opinion on Davis Bacon wages; and
- discussed the importance of economic development and follow through.

Assemblymember Allen discussed the need to develop a set of standards and procedures to follow in order to be competitive in the marketplace.

Assemblymember Colver:

- noted the differences of working in the public sector versus the private sector;
- stated that the legislation passed tonight is how he saw the Borough selling gravel; and
- discussed the importance of communicating better and support each other.

Mayor Anderson:

- spoke to the process of voicing his opinion through the veto process;
- opined that that he made a responsible decision in vetoing the first action memorandum for the gravel sale;
- spoke in support of AM No. 05-104; and
- noted that any contractor who bids on the gravel sale will have to go through a ridged procedure, not only with the Borough, but also with the Port of Anchorage.

VIII. ADJOURNMENT

The special meeting adjourned at 8:25 p.m.

/s/

TIMOTHY L. ANDERSON, Borough Mayor

ATTEST:

/s/

MICHELLE M. MCGEHEE, CMC, Borough Clerk

Minutes approved: 07/19/05