

MATANUSKA-SUSITNA BOROUGH

350 East Dahlia Avenue, Palmer, Alaska 99645 - 907-861-8683

BOROUGH MAYOR

Vern Halter

BOROUGH CLERK

Lonnie R. McKechnie, CMC

BOROUGH MANAGER

John Moosey

BOROUGH ATTORNEY

Nicholas Spiropoulos



BOROUGH ASSEMBLY

Jim Sykes, District 1
Matthew Beck, District 2
George McKee, District 3
Steve Colligan, District 4
Dan Mayfield, District 5
Barbara J. Doty, District 6
Randall Kowalke, District 7

ASSEMBLY AGENDA ASSEMBLY CHAMBERS 350 EAST DAHLIA AVENUE, PALMER

SPECIAL MEETING

6 P.M.

TUESDAY, FEBRUARY 23, 2016

I. CALL TO ORDER

II. ROLL CALL

III. APPROVAL OF AGENDA

IV. PLEDGE OF ALLEGIANCE

V. AUDIENCE PARTICIPATION

VI. ITEMS OF BUSINESS

A. INTRODUCTION (for public hearing on 03/15/16)

1. **Ordinance Serial No. 16-023:** An Ordinance Amending MSB 5.25.140, To Annex Property Located In Secluded Point Estates Area Into The Central Mat-Su Fire Service Area No. 130.

a. **Resolution Serial No. 16-016:** A Resolution Finding The Annexation Of Properties Located In Secluded Point Estates Area Into The Central Mat-Su Fire Service Area No. 130 Serves The Public Interest Without The Placement Of The Question On The Ballot.

(1) IM No. 16-030

B. PUBLIC HEARING (Three Minutes Per Person.)

1. **Ordinance Serial No. 16-013:** An Ordinance Appropriating \$1,993,488 From The Land Management Permanent Fund 203, For M/V Susitna Engine Repairs, Project No. 70013, As A Loan To The Ferry Fund 450 And Reappropriating The \$1,993,488 Back The Land Management Permanent Fund 203 Once The Anticipated Vessel Sale Funds And Insurance Funds Are Received.

a. **Resolution Serial No. 16-015:** A Resolution Approving The Scope Of Work And Budget For The M/V Susitna Ferry Engine Repairs, Project No. 70013; And Authorization To Enter Into A Contract With Associated Maritime Providers, Inc. In The Amount Of \$1,993,488.

(1) IM No. 16-037

VII. MAYOR, ASSEMBLY, AND STAFF COMMENT

VIII. ADJOURNMENT

**Disabled Persons Needing Reasonable Accommodation In Order To Participate At An Assembly Meeting
Should Contact The Borough ADA Coordinator At 861-8432 At Least One Week In Advance Of The Meeting.**

SUBJECT: AN ORDINANCE OF THE MATANUSKA-SUSITNA BOROUGH ASSEMBLY AMENDING MSB 5.25.140, TO ANNEX PROPERTY LOCATED IN SECLUDED POINT ESTATES AREA INTO THE CENTRAL MAT-SU FIRE SERVICE AREA NO. 130.

AGENDA OF: FEB 23, 2016

ASSEMBLY ACTION:

MANAGER RECOMMENDATION: Introduce and set for public hearing.

APPROVED BY JOHN MOOSEY, BOROUGH MANAGER: _____

Route To:	Department/Individual	Initials	Remarks
	Originator	LRM	
	Emergency Services Director	BG	
	Finance Director	[Signature]	
	Borough Attorney	[Signature]	
	Borough Clerk	[Signature]	2/12/16

ATTACHMENT (S): Fiscal Note: NO _____ YES X
 Ordinance Serial No. 16-023 (5 pp)
 Resolution Serial No. 16-016 (2 pp)
 Map of proposed area for annexation (1 pp)
 Central Mat-Su FSA Board of Supervisors Minutes (1 P)

SUMMARY STATEMENT:

The Borough received a petition to annex property located in the Secluded Point Estates area into the Central Mat-Su Fire Service Area. The petition met the requirements of MSB 5.10.010 and 5.20.005 by containing the signatures of 100 percent of the real property owners within the proposed area and was certified by the Borough Clerk (50 percent required by code).

The proposed area for annexation is in the Fairview Road Service Area; however, the subdivision is in a gated community and they will be maintaining their own roads.

MSB 5.20.005(G) allows for annexation into a fire service area without going forward to ballot, if the increase is not more than 6 percent and would add not more than 1,000 residents. The proposed annexation would increase the number of parcels in the fire service area by 1 parcel to the existing 23,116 parcels. The proposed annexation would add "0" residents to the fire service area. The petition meets the criteria required by code to annex property into a fire service area without the question going forward to the ballot.

1. The legal description of the area to be annexed into the Central Mat-Su Fire Service Area is found in the ordinance.
2. The assessed or estimated value of all taxable property within the area to be annexed is as follows:
 - a. Real Property \$268,600
 - b. Personal Property \$0
3. The total number of parcels to be annexed is 1.
4. The estimated cost of the proposed services for the first year expressed in mills and dollar amount for the area to be annexed:
 - a. FSA Mill Levy: 1.99
 - b. Cost of services: \$199 per \$100,000 of assessed valuation
5. Map of the proposed area for annexation into the fire service area is attached.

The property owners within the proposed area were notified by letter from the Borough Clerk. The letter affirmed when the legislation would be introduced and when the public hearing would be before the Assembly. The letter also advised that if a property owner could not participate in the public hearing written comments can be submitted to the Assembly.

RECOMMENDATION OF ADMINISTRATION: Respectfully requests adoption of the proposed annexation.

**MATANUSKA-SUSITNA BOROUGH
FISCAL NOTE**

Agenda Date: 02/16/16

SUBJECT: AN ORDINANCE OF THE MATANUSKA-SUSITNA BOROUGH ASSEMBLY AMENDING MSB 5.25.140, TO ANNEX PROPERTY LOCATED IN SECLUDED POINT ESTATES AREA INTO THE CENTRAL MAT-SU FIRE SERVICE AREA NO. 130.

ORIGINATOR: Lonnie McKechnie

FISCAL ACTION (TO BE COMPLETED BY FINANCE)	FISCAL IMPACT (YES) NO
AMOUNT REQUESTED *\$534	FUNDING SOURCE FSA, Fund 250
FROM ACCOUNT # 250	PROJECT #
TO ACCOUNT :	PROJECT #
VERIFIED BY: <i>[Signature]</i>	CERTIFIED BY:
DATE: 2/4/16	DATE:

EXPENDITURES/REVENUES: (Thousands of Dollars)

OPERATING	FY2016	FY2017	FY2018	FY2019	FY2020	FY2021
Personnel Services						
Travel						
Contractual						
Supplies						
Equipment						
Land/Structures						
Grants, Claims						
Miscellaneous						
TOTAL OPERATING						

CAPITAL						
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REVENUE		.5				
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FUNDING: (Thousands of Dollars)

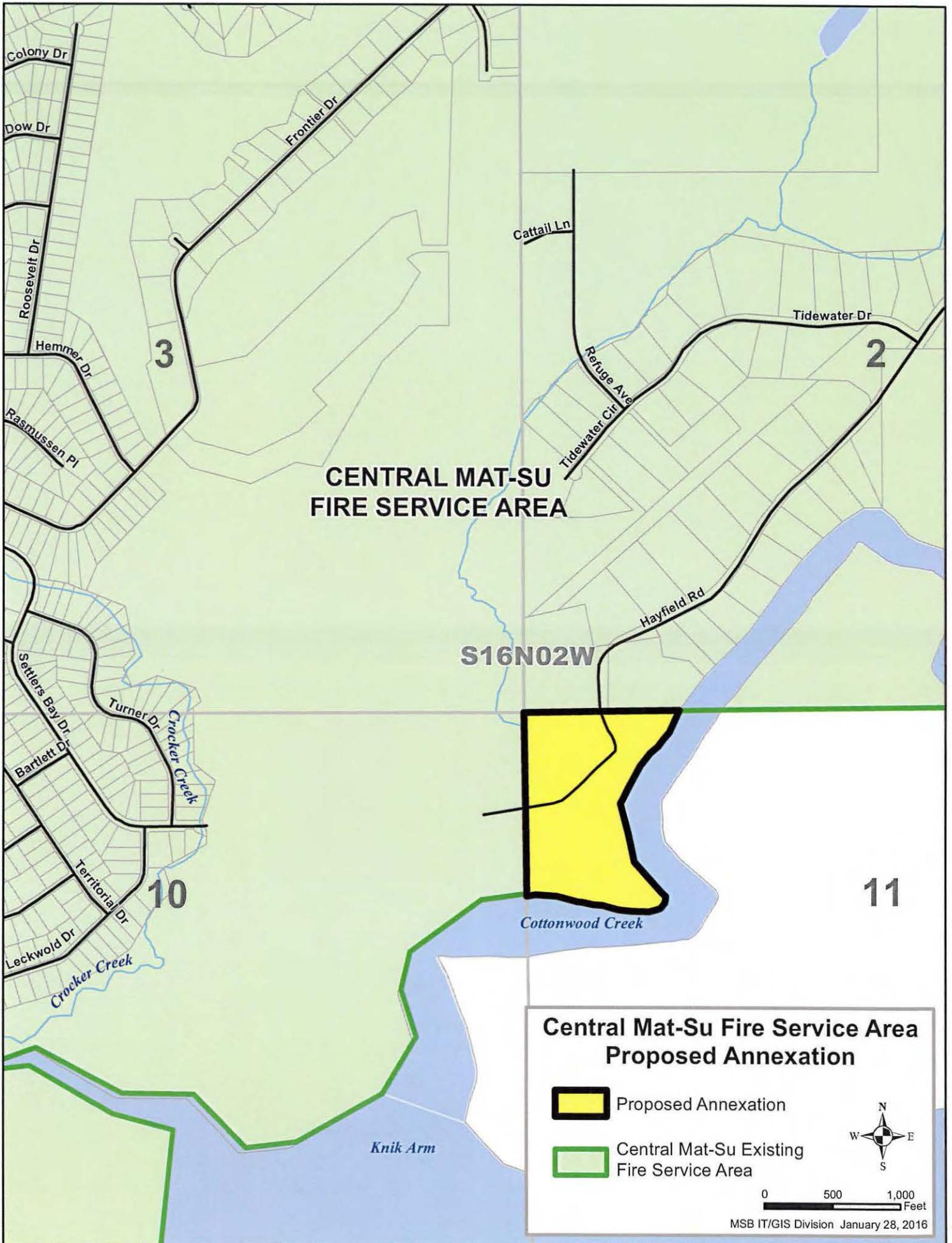
General Fund						
State/Federal Funds						
Other FSA		.5				
TOTAL		.5				

POSITIONS:

Full-Time						
Part-Time						
Temporary						

ANALYSIS: (Attach a separate page if necessary) * This amount represents the increase of revenue and service expenses to Fund 250

PREPARED BY: _____ PHONE: _____
 DEPARTMENT: *Chief of Dept* DATE: _____
 APPROVED BY: *[Signature]* DATE: 2/9/16



Im16-030 OR16-023 R516-016

CENTRAL MAT-SU FSA BOARD OF SUPERVISORS MEETING

Mr. Eller asked when the Station 62 project would kick-off once the budgets and mill rate are approved.

Chief Steele said he was told by Public Works, not until spring of 2017.

Mr. Eller asked Mr. Mayfield for his input on the draft memo to the Assembly.

Mr. Mayfield looked over the draft memo and said it looked fine.

IX. NEW BUSINESS

A – Recommendation to Assembly for Annexation of Secluded Point Estates into CMSFSA

Mr. Slauson said he met with Deputy Director Barkley, Chief Steele, Mr. Eller and the property developers pertaining to the Secluded Point Estates development, requesting the property be annexed into the Central Mat-Su FSA#130. He said the property owners assured them that the roads would be built to Borough standards or better. He said that the property development is approximately 4.2 miles from Station 66.

MOTION: Mr. Jameson moved, Mr. Tucker seconded, recommending the Assembly approve the legislation to annex property located in Secluded Point Estates area into the Central Mat-Su FSA#130.

VOTE: The voting on the motion, it passed unanimously.

Mr. Eller said that the annexation makes sense and explained how all the other properties around the development are already located within Central Mat-Su FSA#130.

The board continued to discuss the matter further.

X. OTHER BUSINESS

Flag Lots

Mr. Tucker said he sent a response to a letter he received from the Borough regarding a development that includes a flag lot. He also mentioned a lot that is less than 10,000 sq. ft. and said it is not adequate in size for a septic system and sees a huge potential for a disaster for this development.

Mr. Slauson said he also sent his comments responding to the same issue.

Chief Steele said there is an outside investor from California that is really interested in developing 12-plex multi-family units.

CODE ORDINANCE

Sponsored by: Assemblymember Mayfield

Introduced:

Public Hearing:

Action:

**MATANUSKA-SUSITNA BOROUGH
ORDINANCE SERIAL NO. 16-023**

AN ORDINANCE OF THE MATANUSKA-SUSITNA BOROUGH ASSEMBLY AMENDING MSB 5.25.140, TO ANNEX PROPERTY LOCATED IN SECLUDED POINT ESTATES AREA INTO THE CENTRAL MAT-SU FIRE SERVICE AREA NO. 130.

WHEREAS, a petitioner has come forward requesting annexation of property in the Secluded Point Estates area into the Central Mat-Su Fire Service Area; and

WHEREAS, the petitioner has secured 100 percent of the signatures of the real property owners in the proposed area and the petition has been certified by the Clerk; and

WHEREAS, MSB 5.20.005(G) allows the annexation of property into a fire service area without placing the question of the annexation on the ballot if the result in increasing the number of parcels of land is not more than 6 percent and would add not more than 1,000 residents; and

WHEREAS, according to the best available assessment data, this annexation would be adding 1 parcel to the existing fire service area of 23,116 parcel, and would increase the total number of residences by "0"; and

WHEREAS, the Manager considers the proposed annexation to be feasible and serving the public interest, as the proposed annexation would provide fire coverage to the property, which is required by MSB 5.10.020; and

WHEREAS, the cost of services is 1.99 mills or \$199 per \$100,000 of assessed valuation as adopted by the Assembly in fiscal year 2016.

BE IT ENACTED:

Section 1. Classification. This ordinance is of a general and permanent nature and shall become a part of the Borough Code.

Section 2. Amendment of section. MSB 5.25.140, Service Area No. 130, Central Mat-Su Fire Service Area, legal description is hereby amended to read as follows:

Township 18 North, Range 1 West, Seward Meridian, Alaska

Section 23 S $\frac{1}{2}$ NW $\frac{1}{4}$, S $\frac{1}{2}$
Section 24 SE $\frac{1}{4}$ SE $\frac{1}{4}$, S $\frac{1}{2}$ SW $\frac{1}{4}$
Sections 25 and 26 All
Section 27 SE $\frac{1}{4}$ SE $\frac{1}{4}$
Section 32 SE $\frac{1}{4}$
Section 33 S $\frac{1}{2}$
Section 34 NE $\frac{1}{4}$, S $\frac{1}{2}$
Sections 35 and 36 All

Township 18 North, Range 1 East, Seward Meridian, Alaska

Section 19 All
Sections 21 and 22 All
Section 23 NW $\frac{1}{4}$, S $\frac{1}{2}$
Section 24 S $\frac{1}{2}$ SW $\frac{1}{4}$
Section 25 W $\frac{1}{2}$ excepting: Lots 32 and 36, Block 1, Snowgoose Pond Addition No. 1 Subdivision, according to Plat No. 2002-120, recorded October 31, 2002, in the Palmer Recording District, Alaska.
Sections 26, 27, 28, 29, 30, 31, 32, and 33 All
Section 34 W $\frac{1}{2}$ SW $\frac{1}{4}$, N $\frac{1}{2}$
Section 35 N $\frac{1}{2}$
Section 36 NW $\frac{1}{4}$

Township 17 North, Range 3 West, Seward Meridian, Alaska

Section 24 and 25 All

Section 26 Lots 1, 2, 3, and 4, Block 1, Whale Lake Subdivision, according to Plat No. 78-59, recorded May 9, 1978, Palmer Recording District, Alaska.

Section 36 All

Township 17 North, Range 2 West, Seward Meridian, Alaska

Section 1 E $\frac{1}{2}$

Section 11 E $\frac{1}{2}$ TOGETHER WITH THE FOLLOWING PORTION: Easterly 225.52 feet of the North one-half of the Northwest one-quarter.

Sections 12, 13, and 14 All

Sections 19, 20, 21, 22, 23, 24, 25, 26, and 27 All

Sections 28, 29, 30, 31, 32, 33, 34, 35, and 36 All

Township 17 North, Range 1 West, Seward Meridian, Alaska

Sections 1, 2, 3, 4, 5, 6, 7, 8, 9, 10, 11, and 12 All

Sections 13, 14, 15, 16, 17, 18, 19, 20, 21, and 22 All

Sections 23 and 24 All

Section 26 All

Section 27 N $\frac{1}{2}$

Sections 28, 29, and 30 All

Section 31 N $\frac{1}{2}$, NW $\frac{1}{4}$ SW $\frac{1}{4}$

Section 32 N $\frac{1}{2}$

Township 17 North, Range 1 East, Seward Meridian, Alaska

Section 1 SW $\frac{1}{4}$

Section 2 S $\frac{1}{2}$

Section 3 NW $\frac{1}{4}$, S $\frac{1}{2}$

Sections 4, 5, 6, 7, 8, 9, 10, and 11 All

Section 12 W $\frac{1}{2}$

Sections 14, 15, 16, 17, 18, 19, 20, 21, and 22 All

Township 16 North, Range 4 West, Seward Meridian, Alaska

Section 29 All that portion of Tract D-2 within Section

29, according to Plat No. 68-31, recorded December 31, 1968, in the Palmer Recording District.

Section 32 All

Section 33 S $\frac{1}{2}$, W $\frac{1}{2}$ NW $\frac{1}{4}$

Sections 34, 35, and 36 All

Township 16 North, Range 3 West, Seward Meridian, Alaska

Section 1 All

Sections 10, 11, 12, 13,
14, and 15 All

Section 21 SE $\frac{1}{4}$ SE $\frac{1}{4}$

Sections 22 and 23 All

Sections 24, 25, and 26 Upland from mean high water

Section 27 All

Section 28 N $\frac{1}{2}$ NE $\frac{1}{4}$, SW $\frac{1}{4}$ NE $\frac{1}{4}$

Sections 30 and 31 All

Section 33 All

Section 34 All

Section 35 Upland from mean high water

Township 16 North, Range 2 West, Seward Meridian, Alaska

Section 1 NW $\frac{1}{4}$

Sections 2, 3, 4, 5, 6, 7,
8, and 9 All

Section 10 Upland from mean high water

Section 11 U.S. Government Lot 2

Sections 15, 16,
and 17 Upland from mean high water

Section 18 All

Section 19 Upland from mean high water

Township 15 North, Range 4 West, Seward Meridian, Alaska

Section 1 All

Section 3 All

Section 4 U.S. Government Lots 1, 2 and 3

Section 12 All

Township 15 North, Range 3 West, Seward Meridian, Alaska

Sections 2 and 3 Upland from mean high water

Section 4, 5, and 6 All
Section 9 Upland from mean high water
Section 10 Upland from mean high water
Including the area within the corporate limits of the city
of Wasilla.

Section 3. Effective date. This ordinance shall take effect
upon adoption by the Matanuska-Susitna Borough Assembly.

ADOPTED by the Matanuska-Susitna Borough Assembly this ___ day
of, _____ 2016.

VERN HALTER, Borough Mayor

ATTEST:

LONNIE R. McKECHNIE, CMC, Borough Clerk

(SEAL)

Sponsored by: Assemblymember Mayfield
Introduced:
Public Hearing:
Action:

**MATANUSKA-SUSITNA BOROUGH
RESOLUTION SERIAL NO. 16-016**

A RESOLUTION OF THE MATANUSKA-SUSITNA BOROUGH ASSEMBLY FINDING THE ANNEXATION OF PROPERTIES LOCATED IN SECLUDED POINT ESTATES AREA INTO THE CENTRAL MAT-SU FIRE SERVICE AREA NO. 130 SERVES THE PUBLIC INTEREST WITHOUT THE PLACEMENT OF THE QUESTION ON THE BALLOT.

WHEREAS, a petition has been certified by the Clerk requesting annexation of property into the Central Mat-Su Fire Service Area; and

WHEREAS, MSB 5.20.005(G) allows the annexation of property into a fire service area without placing the question of the annexation on the ballot, if that annexation is not increasing the number of parcels more than six percent and would not add more than a 1,000 people; and

WHEREAS, the Central Mat-Su Fire Service Area Board of Supervisors has reviewed the request and they have recommended the Assembly adopt the legislation; and

WHEREAS, a letter to the property owners in the proposed annexation has been sent advising them of when the legislation will be before the Assembly for introduction and public hearing and requesting their comment; and

WHEREAS, the Assembly, through the adoption of this resolution, finds that the public interest is being served through the annexation to the Central Mat-Su Fire Service Area in that the

property owners in the area will receive fire protection and insurance benefits that they currently are not receiving, and does not require the question for annexation to be placed on the ballot; and

WHEREAS, a map of the geographic boundaries of the proposed annexation is attached to the informational memorandum.

NOW, THEREFORE, BE IT RESOLVED, that the Matanuska-Susitna Borough Assembly approves the annexation of the aforementioned property into the Central Mat-Su Fire Service Area No. 130, without the question of annexation being placed on the ballot.

ADOPTED by the Matanuska-Susitna Borough Assembly this - day of -, 2016.

VERN HALTER, Borough Mayor

ATTEST:

LONNIE R. McKECHNIE, CMC, Borough Clerk

(SEAL)

SUBJECT: APPROPRIATE \$1,993,488 FROM THE LAND MANAGEMENT PERMANENT FUND 203 FOR M/V SUSITNA FERRY ENGINE REPAIRS, PROJECT NO. 70013, AS A LOAN TO THE FERRY FUND 450 AND REAPPROPRIATING THE \$1,993,488 BACK TO THE LAND MANAGEMENT PERMANENT FUND 203 ONCE THE ANTICIPATED VESSEL SALE FUNDS AND INSURANCE FUNDS ARE RECEIVED.

AGENDA OF: February 16, 2016

ASSEMBLY ACTION:

MANAGER RECOMMENDATION: Introduce and set for public hearing.

APPROVED BY JOHN MOOSEY, BOROUGH MANAGER: _____

Route To:	Department/Individual	Initials	Remarks
	Originator M. Van Dongen	<i>[Signature]</i>	
	Finance Director	<i>[Signature]</i>	
	Borough Attorney	<i>[Signature]</i>	
	Borough Clerk	<i>[Signature]</i>	2/8/16 <i>[Signature]</i>

ATTACHMENT(S): Fiscal Note: YES NO
 Ordinance Serial No. 16-013 (6 pp)
 Resolution Serial No. 16-015 (4 pp)

SUMMARY STATEMENT:

This legislation is to appropriate \$1,993,488 from the Land Management Permanent Fund 203 for M/V Susitna engine repairs, project no. 70013, as a loan to the Ferry Fund 450 and reappropriating the \$1,993,488 back to the Land Management Permanent Fund 203 once the anticipated vessel sale funds and insurance funds are received.

This legislation is also to approve the scope of work and budget for the engine repairs, combining the \$250,000 deposit from the Philippine Red Cross, the previous \$870,000 appropriation from the Major Repair and Renovation Reserve, Fund 100 and the \$1,993,488 from the Land Management Permanent Fund 450, for a total repair cost of \$3,093,488.

RECOMMENDATION OF ADMINISTRATION: Approve the appropriation of \$1,993,488 from the Land Management Permanent Fund 203 for M/V Susitna engine repairs, project no. 70013, as a loan to the Ferry Fund 450 and reappropriate the \$1,993,488 back to the Land Management Permanent Fund 203 once the anticipated vessel sale funds and insurance funds are received

**MATANUSKA-SUSITNA BOROUGH
FISCAL NOTE**

Agenda Date: February 16, 2016

SUBJECT: APPROPRIATE \$1,993,488.00 FROM THE LAND MANAGEMENT PERMANENT FUND 203 TO FUND 450, FOR M/V SUSITNA FERRY ENGINE REPAIRS, PROJECT NO. 70013.

ORIGINATOR: Therese Dolan, Division Administrative Specialist, Port MacKenzie

FISCAL ACTION (TO BE COMPLETED BY FINANCE)	FISCAL IMPACT (YES) NO
AMOUNT REQUESTED \$ 1,993,488	FUNDING SOURCE Land Mgt Perm Fund
FROM ACCOUNT # 203 262.400	PROJECT #
TO ACCOUNT: 450.000.000.3XX.XXX	PROJECT # 70013
VERIFIED BY: Barbara Baumgartner	CERTIFIED BY:
DATE: 2/8/16	DATE:

EXPENDITURES/REVENUES: (Thousands of Dollars)

OPERATING	FY2016	FY2017	FY2018	FY2019	FY2020	FY2021
Personnel Services						
Travel						
Contractual						
Supplies						
Equipment						
Land/Structures						
Grants, Claims						
Miscellaneous						
TOTAL OPERATING						

CAPITAL	1993					
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REVENUE						
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FUNDING: (Thousands of Dollars)

General Fund						
State/Federal Funds						
Other	1993					
TOTAL	1993					

POSITIONS:

Full-Time						
Part-Time						
Temporary						

ANALYSIS: (Attach a separate page if necessary)

PREPARED BY: _____ PHONE: _____
 DEPARTMENT: _____ DATE: _____
 APPROVED BY: Therese Dolan DATE: 2/8/16

IM No. 16-037
 Ordinance Serial No. 16-13
 RS16-015

NON-CODE ORDINANCE

Sponsored By:
Introduced:
Public Hearing:
Adopted:

**MATANUSKA-SUSITNA BOROUGH
ORDINANCE SERIAL NO. 16-013**

AN ORDINANCE OF THE MATANUSKA-SUSITNA BOROUGH ASSEMBLY APPROPRIATING \$1,993,488 FROM THE LAND MANAGEMENT PERMANENT FUND 203 FOR M/V SUSITNA FERRY ENGINE REPAIRS, PROJECT NO. 70013, AS A LOAN TO THE FERRY FUND 450 AND REAPPROPRIATING THE \$1,993,488 BACK TO THE LAND MANAGEMENT PERMANENT FUND 203 ONCE THE ANTICIPATED VESSEL SALE FUNDS AND INSURANCE FUNDS ARE RECEIVED.

WHEREAS, in January 2015, as a result of an extreme rain event in Ketchikan, the M/V Susitna engines and turbo chargers suffered significant damage when water entered through the exhaust towers; and

WHEREAS, on September 10, 2015, an offer to purchase the M/V Susitna by the Philippine Red Cross for \$1,750,000 was accepted by the Borough Manager by executing a formal Purchase and Sale Agreement; and

WHEREAS, the Matanuska-Susitna Borough received a \$250,000 deposit from the Philippine Red Cross as down payment on the sale of the ferry vessel, M/V Susitna; and

WHEREAS, funding is needed to affect the repairs totaling \$3,093,488; and

WHEREAS, there are funds available in the Land Management Permanent Fund 203; and

WHEREAS, upon appropriation, \$1,993,488 from the Land Management Permanent Fund 203 will be transferred to Fund 450, for M/V Susitna Ferry Engine Repairs, Project No. 70013; and

WHEREAS, \$850,000 was appropriated from fund 100, areawide repair and renovations reserve and transferred to fund 450, for M/V Susitna Ferry engine repairs, project no. 70013; and

WHEREAS, our insurance company, Lloyd's of London sent a senior adjustor to re-evaluate the required repair and he determined the vessel needed to be dry docked and the engines removed for repair at an approved fabrication facility in Kent, Washington; and

WHEREAS, the \$850,000 prior appropriation combined with the \$250,000 purchase deposit from the Philippines Red Cross and this appropriation of \$1,993,488 will total \$3,093,488 needed to complete the engine repairs; and

WHEREAS, prior to the sale of the M/V Susitna, major repairs to the diesel engines must be completed; and

WHEREAS, quotes were solicited through Associated Maritime Providers, Inc. from two qualified ship yards, Foss Maritime and Vigor Alaska; and

WHEREAS, contractors were required to use the same certified engine repair contractor and the differences in price were attributed to location and overhead costs; and

WHEREAS, Associated Maritime Providers submitted the least costly bid at \$3,093,488; and

WHEREAS, the Matanuska-Susitna Borough has a contract to sell the M/V Susitna to the Philippine Red Cross and we are owed \$1.5 million at closing, which could be used to help pay for the cost of the engine repairs; and

WHEREAS, Matanuska-Susitna Borough will submit a claim to our insurance company, Lloyd's of London, for the full amount of the repairs, minus the \$250,000 deductible which was paid with the purchase deposit, upon completion of the repairs and sea trial.

BE IT ENACTED:

Section 1. Classification. This Ordinance is a non-code ordinance.

Section 2. Acceptance and Appropriation Source. There is hereby appropriated by the Assembly \$1,993,488 from the Land Management Permanent Fund 203 to Fund 450, for M/V Susitna Ferry Engine Repairs, Project No. 70013.

Section 3. Re-Appropriation Sources. Upon receipt of vessel sale funds and insurance settlement funds, there is hereby re-appropriated by the Assembly \$1,993,488 with interest as appropriate to the Land Management Permanent Fund 203.

Section 4. Effective Date. This ordinance shall take effect upon adoption.

ADOPTED by the Matanuska-Susitna Borough Assembly this
__ day of February, 2016.

VERN HALTER, Borough Mayor

ATTEST:

LONNIE R. McKECHNIE, CMC, Borough Clerk

(SEAL)

Action:

**MATANUSKA-SUSITNA BOROUGH
RESOLUTION SERIAL NO. 16-015**

A RESOLUTION OF THE MATANUSKA-SUSITNA BOROUGH ASSEMBLY APPROVING THE SCOPE OF WORK AND BUDGET FOR THE M/V SUSITNA FERRY ENGINE REPAIRS, PROJECT NO. 70013; AND AUTHORIZATION TO ENTER INTO A CONTRACT WITH ASSOCIATED MARITIME PROVIDERS, INC. IN THE AMOUNT OF \$1,993,488.00.

WHEREAS, in January 2015, as a result of an extreme rain event in Ketchikan, the M/V Susitna engines and turbo chargers suffered significant damage when water entered through the exhaust towers; and

WHEREAS, funding is needed to affect the repairs totaling \$3,093,488; and

WHEREAS, the Matanuska-Susitna Borough Resolution Serial Number 15-105 authorized \$1,100,000 for engine repairs at Ward Cove, Ketchikan, Alaska and

WHEREAS, the Matanuska-Susitna Borough received a \$250,000 deposit from the Philippine Red Cross as down payment on the sale of the ferry vessel, M/V Susitna; and

WHEREAS, \$850,000 was appropriated from fund 100, areawide repair and renovations reserve and transferred to fund 450, for M/V Susitna Ferry engine repairs, project no. 70013; and

WHEREAS, our insurance company, Lloyd's of London sent a senior adjustor to re-evaluate the required repair and he determined the vessel needed to be dry docked and the engines

removed for repair at an approved fabrication facility in Kent, Washington; and

WHEREAS, the \$850,000 prior appropriation combined with the \$250,000 purchase deposit from the Philippine Red Cross and this appropriation of \$1,993,488 will total \$3,093,488 needed to complete the engine repairs; and

WHEREAS, prior to the sale of the M/V Susitna, major repairs to the diesel engines must be completed; and

WHEREAS, quotes were solicited through Associated Maritime Providers, Inc. from two qualified ship yards, Foss Maritime and Vigor Alaska; and

WHEREAS, contractors were required to use the same certified engine repair contractor and the differences in price were attributed to location and overhead costs; and

WHEREAS, Associated Maritime Providers submitted the least costly bid at \$3,093,488; and

WHEREAS, the Matanuska-Susitna Borough has a contract to sell the M/V Susitna to the Philippine Red Cross and we are owed \$1.5 million at closing, which could be used to help pay for the cost of the engine repairs; and

WHEREAS, Matanuska-Susitna Borough will submit a claim to our insurance company, Lloyd's of London, for the full amount of the repairs, minus the \$250,000 deductible which was paid with the purchase deposit, upon completion of the repairs and sea

trial.

NOW, THEREFORE, BE IT RESOLVED, that the Matanuska-Susitna Borough Assembly approves the scope of work for the M/V Susitna Ferry Engine Repairs, Project No. 70013.

SCOPE OF WORK

Repair the M/V Susitna ferry using funds identified in Ordinance Serial No. 16-....

BUDGET

Project No. 70013
M/V Susitna Ferry
Engine Repairs

Deposit from Philippines Red Cross	\$250,000
Major Repair and Renovations Reserve, Fund 100	\$870,000
Land Management Permanent Fund 450	<u>\$1,993,488</u>
TOTAL	\$3,093,488

FURTHER BE IT RESOLVED, that the Matanuska-Susitna Borough Assembly Authorizes a contract with Associated Maritime Providers, Inc. for repairs to the M/V Susitna engines in the amount of \$3,093,488.

ADOPTED by the Matanuska-Susitna Borough Assembly this - day of February-, 2016.

VERN HALTER, Borough Mayor

ATTEST:

LONNIE R. McKECHNIE, CMC, Borough Clerk

(SEAL)

OR 16-013

Im 16-037