

I. CALL TO ORDER

The special meeting of the Matanuska-Susitna Borough Assembly was held on February 23, 2016, at the Borough Assembly Chambers, 350 E. Dahlia Avenue, Palmer, Alaska. The meeting was called to order at 6 p.m. by Mayor Vern Halter.

II. ROLL CALL

Assembly members present and establishing a quorum were:

Mr. Jim Sykes, Assembly District No. 1
Mr. Matthew Beck, Assembly District No. 2 (*Deputy Mayor*)
Mr. George McKee, Assembly District No. 3
Mr. Steve Colligan, Assembly District No. 4
Mr. Dan Mayfield, Assembly District No. 5
Mr. Randall Kowalke, Assembly District No. 7

Assemblymembers absent and excused were:

Ms. Barbara Doty, Assembly District No. 6

Staff in attendance were:

Ms. Lonnie R. McKechnie, Borough Clerk
Mr. John Moosey, Borough Manager
Mr. George Hays, Assistant Borough Manager
Mr. Nicholas Spiropoulos, Borough Attorney
Mr. Marc Van Dongen, Port Director
Mr. James Wilson, Internal Auditor

III. APPROVAL OF AGENDA

Mayor Halter 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. Marc Van Dongen, Port Director.

V. AUDIENCE PARTICIPATION (Three minutes per person.)

The following person spoke to concerns with the Borough's ice rink rates being 45 percent under fair market value: Mr. Bill Haller.

The following person spoke to concerns with the public process: Mr. Eugene Carl Haberman.

The following person spoke to the need for a regional wastewater and septage facility and to concerns with the funds spent on the ferry: Ms. Helen Munoz.

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

Ms. McKechnie read the above legislation into the record.

MOTION: Assemblymember Beck moved to introduce the legislation as read into the record by the Clerk and set the public hearing for March 15, 2016.

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

Mayor Halter opened the public hearing.

The following person spoke to concerns with the funds spent on the ferry: Ms. Helen Munoz.

The following person spoke to concerns with the process for the public hearing: Mr. Eugene Carl Haberman.

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

MOTION: Assemblymember Beck moved to adopt Ordinance Serial No. 16-013 and Resolution Serial No. 16-015.

MOTION: Assemblymember Colligan moved to postpone Ordinance Serial No. 16-013 and Resolution Serial No. 16-015 to a time certain of March 1, 2016.

VOTE: The motion failed (tie vote) with Assemblymembers McKee, Colligan, and Beck in support and Assemblymembers Sykes, Kowalke, and Mayfield opposed. The motion passed with Mayor Halter invoking his voting privilege in the affirmative.

VII. MAYOR, ASSEMBLY, AND STAFF COMMENTS

Assemblymember Mayfield:

- spoke to concerns that the body needs to establish a firm leadership to eliminate the drain on tax payer money;
- noted that there is no way to know how the insurance negotiations will move forward;
- opined that the only viable option is to repair the vessel and sell it;
- encouraged the Manager and the Attorney to ensure a viable contract;
- stated that he would have liked to move the legislation forward this evening; and
- opined that time is of the essence.

Assemblymember Kowalke:

- expressed his concerns with the urgency of selling the ferry;
- stated that he has had questions that he has not been able to get answered;
- stated that at this time it appears that the only person fully informed on the status of the ferry has been the Finance Director; and
- spoke to the difficulty he has experienced trying to be up-to-date with the status of the insurance claim and sale.

Assemblymember Sykes:

- noted that at least a step has been made to move the ferry to Seattle for repairs;
- opined that the decision was made based on incomplete information;
- spoke to his efforts to gather information on the status of the ferry;
- stated that he wants to be able to understand exactly where the Borough is at in the negotiations for the sale and the insurance claim prior to the March 1 meeting; and
- spoke in support of doing whatever needs to be done to defend the insurance claim.

Assemblymember McKee queried if there was a signed purchase agreement that includes a sale date for the ferry.

Mr. Spiropoulos affirmed the query.

Assemblymember McKee queried if the boat is not delivered per the contract by March 31, if it would nullify the contract.

Mr. Spiropoulos affirmed the query.

Assemblymember McKee queried if there is a backup plan if that should occur.

Mr. Moosey:

- stated that if that should occur, then he will be prepared with options for the Assembly to consider;
- noted that there would be a significant cost for scrapping the vessel; and
- opined that a sale of the vessel is the most appropriate way to move forward.

Mr. Spiropoulos summarized the current contract and what could occur per the contract.

Assemblymember Colligan:

- noted that hindsight is an excellent business tool;
- spoke to concerns with the length of time it has taken to deal with the vessel; and
- summarized the history of action that had to occur before the vessel could be sold.

Mayor Halter requested that the Manager and the Attorney to have a copy of the exact contract language that is before the Pilipino Red Cross, provided to the body as soon as possible.

Mr. Moosey stated that he understands the request and will ensure that it happens immediately.

Assemblymember Sykes:

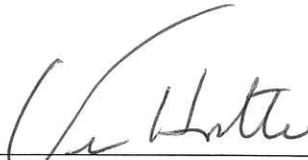
- spoke to his appreciation of the amount of work that is going into the sale of the ferry; and
- stated that the Assembly has designated the Attorney as the lead for this project.

Mayor Halter:

- noted that this has been a difficult issue;
- related that the entire body desires to make the sale happen as quickly as possible;
- spoke to recent meetings in Juneau he has attended regarding funding for important Borough projects;
- related that he had advised legislators that he intends to keep the mill rate under 10 mills this budget cycle; and
- opined that Mr. Harris, the Borough State Lobbyist is doing a good job in Juneau and is well respected.

VIII. ADJOURNMENT

The regular meeting adjourned at 7:07 p.m.



VERN HALTER, Borough Mayor

ATTEST:



LONNIE R. McKECHNIE, CMC, Borough Clerk

Minutes Approved: 03/15/16