

# MUNICIPALITY OF ANCHORAGE

## ANCHORAGE ASSEMBLY

Minutes for Regular Meeting of November 16, 1999

### 1. CALL TO ORDER:

The meeting was convened at 4:00 p.m. by Assembly Chairman George Wuerch in the Assembly Chambers, 3600 Denali, Anchorage, Alaska.

### 2. ROLL CALL:

Present: Dan Kendall (5:10 p.m.), Dan Sullivan, Dick Tremaine (4:02 p.m.), Allan Tesche, Melinda Taylor, George Wuerch, Kevin Meyer, Anna Fairclough, Pat Abney (5:10 p.m.), Fay Von Gemmingen, Cheryl Clementson.  
Absent: None.

### 3. PLEDGE OF ALLEGIANCE:

The pledge was led by Ms. Taylor.

Mr. Tesche moved, seconded by Ms. Taylor, and it passed with Mr. Meyer objecting, to recess into executive session for the purpose reviewing ongoing litigation as it effects the financial and fiscal affairs of the municipality.

Mayor Mystrom introduced Mike Reynvaan and Kate Tank of Perkins Coie who would attend the executive session and present the legal assessment of the case. Neither he nor other members of the Municipal administration would attend the session.

Mr. Tesche was disappointed administration representatives were not participating in the executive session.

Mr. Tierney stated that Mr. Reynvaan listened to the previous executive session tape and will be able to answer the questions raised.

The meeting recessed at 4:10 p.m. and reconvened at 5:05 p.m.

Mr. Tesche moved, seconded by Ms. Clementson, and it passed without objection, that tapes of the executive session be kept confidential until such time as all appeals from the pending litigation have been resolved.

### 4. MINUTES OF PREVIOUS MEETING:

A. Regular Meeting - July 20, 1999

Mr. Meyer moved, seconded by Ms. Von Gemmingen, and it passed without objection, to approve the minutes of July 20, 1999.

### 5. MAYOR'S REPORT:

Mayor Mystrom requested a work session be scheduled on November 23 to discuss holiday staffing issues. He invited Assembly members to take a tug ride across Cook Inlet to look at the port project at Point McKenzie. He highlighted positive effects the project would have on Anchorage.

The work session on holiday staffing was set for 11:30 to noon on November 23.

Mr. Tesche moved, seconded by Ms. Abney, and it passed without objection, to change the orders of the day and take up Assembly Comments.

In response to Mr. Tremaine's question concerning the grievance filed by the police on the issue of four - ten hour days versus five - eight hour days, Mr. Tierney stated the grievance was properly filed. Mr. Reynvaan added that labor contracts typically contain clauses on binding or final arbitration. Usually disputes are resolved at the grievance and arbitration level. However, appeal from the decision of an arbitrator is allowed in some states.

Mayor Mystrom pointed out Article 7, Section 1 of the contract says "the work week for the police officers shall be either five consecutive eight hour days or four consecutive ten hour days." He felt the Municipality followed the contract as written and was appropriately pursuing resolution through the courts.

In reply to Mr. Tesche, Mayor Mystrom advised that prior to the arbitrator's decision, the union did offer to settle for four hours of compensatory time per day. That offer was rejected because he felt it was contrary to the goal of keeping as many officers as possible on the street. After the arbitrator's decision, the union offered to settle for six hours of compensatory time for every fifth day the officers had to work for the past three years and four months. Monetarily, that offer would equal more than arbitrator's decision would cost so it was rejected. The administration is preparing an offer for the union's consideration.

Mr. Reynvaan stated he would provide a memo to Mr. Meyer detailing the interest accrual on the arbitrator's decision.

Ms. Fairclough clarified the goal of the Assembly Public Safety Committee was that negotiations resume between the administration and the police union. Five months of vacation was not offered as indicated by the Mayor.

In reply to Ms. Taylor, Mr. Reynvaan advised it would be almost impossible to accurately determine the number of times a given arbitrator has been overturned because the appeal is to Superior Court and those decisions are not reported to Westlaw. Appellate court decisions can be searched.

Ms. Taylor urged members to attend a meeting on November 18 at 11:30 with State of Alaska Budget Director Anna Lee McConnell to discuss the FY2001 budget.

The Assembly returned to the regular order of business.

#### 6. ADDENDUM TO AGENDA:

Mr. Meyer moved, to amend the agenda to include the addendum items.  
seconded by Ms. Fairclough,

Chairman Wuerch read the addendum items.

Question was called on the motion to amend the agenda and it passed without objection.

#### 7. CONSENT AGENDA:

Ms. Clementson moved, to approve all items on the consent agenda as amended.  
seconded by Mr. Taylor,

A. BID AWARDS: None.

B. ORDINANCES AND RESOLUTIONS FOR INTRODUCTION:

1. Resolution No. AR 99-335, a resolution of the Municipality of Anchorage appropriating \$500,000 to Areawide General Fund (101), Non-Departmental for the **contribution to the Anchorage Convention and Visitors Bureau** for 50% of the estimated increase in hotel-motel tax revenue collections, Office of Management and Budget. public hearing 11-23-99.
  - a. Assembly Memorandum No. AM 1134-99.

C. RESOLUTIONS FOR ACTION:

1. Resolution No. AR 99-336, a resolution of the Anchorage Municipal Assembly **recognizing and supporting the American Cancer Society's Great American Smokeout**, November 18, 1999, Assembly Chair Wuerch; Assembly Members Von Gemmingen, Fairclough, Meyer, Taylor, Tesche, Tremaine, Sullivan, Clementson, and Abney. (**addendum**)

Mr. Meyer asked this item be considered on the regular agenda. See 8.D.

2. Resolution No. AR 99-337, a resolution of the Anchorage Municipal Assembly **recognizing Jody Solmonson upon her selection on USA TODAY's All-USA Teacher First Team**, Assemblymembers Abney, Tremaine, Von Gemmingen, Fairclough, Meyer, Taylor, Tesche, Sullivan, and Clementson. (**addendum**)

Ms. Abney asked this item be considered on the regular agenda. See 8.D.

3. Resolution No. AR 99-339, a resolution of the Anchorage Municipal Assembly **supporting the State of Alaska's agreement with BP Amoco on the acquisition of ARCO**, Assemblymembers Wuerch, Abney, Kendall, Sullivan, Taylor, and Tesche. (**addendum**)

Ms. Abney asked this item be considered on the regular agenda. See 8.D.

D. NEW BUSINESS:

1. Assembly Memorandum No. AM 1132-99, amendment 3 - **extension of Sexual Assault Response Team (SART) contract** with Alaska Regional Hospital, Anchorage Police Department.
2. Assembly Memorandum No. AM 1135-99, **Findings and Conclusions** Appeal 98-177 Akeela House, Community Planning and Development.
3. Assembly Memorandum No. AM 1136-99, approval of the Arts Advisory Commission recommendations for **Year 2000 art grants**, Cultural and Recreational Services.

Ms. Clementson asked this item be considered on the regular agenda. See 8.E.

4. Assembly Memorandum No. AM 1137-99, change order No. 1 to vendor contract 99MLP462 with Curriers Asphalt Maintenance for providing **small landscaping and clean-up work** for the Municipality of Anchorage, Municipal Light and Power/ Purchasing.
5. Assembly Memorandum No. AM 1138-99, change order No. 1 to purchase order 80378 to exercise the option period with Greer Tank, Inc. for furnishing **miscellaneous steel products** to the Municipality of Anchorage, Purchasing Department.

E. INFORMATION AND REPORTS:

1. Information Memorandum No. AIM 104-99, **Investment Advisory Commission Annual Report**, Finance.

Ms. Von Gemmingen asked this item be considered on the regular agenda. See 8.F.

2. Information Memorandum No. AIM 105-99, **Eagle River Water Improvements 1998** - future change order with Eastwind, A Division of NORCON, Inc., Water and Wastewater Utility.

Question was called on the motion to approve the remaining items on the consent agenda and it passed:

AYES: Kendall, Sullivan, Tremaine, Tesche, Taylor, Wuerch, Meyer, Fairclough, Abney, Von Gemmingen, Clementson.  
NAYS: None.

8. REGULAR AGENDA:

- A. TIME CRITICAL ITEMS: None.
- B. BID AWARDS: None.
- C. ORDINANCES AND RESOLUTIONS FOR INTRODUCTION: None.
- D. RESOLUTIONS FOR ACTION:

1. Resolution No. AR 99-336, a resolution of the Anchorage Municipal Assembly **recognizing and supporting the American Cancer Society's Great American Smokeout**, November 18, 1999, Assembly Chair Wuerch; Assembly Members Von Gemmingen, Fairclough, Meyer, Taylor, Tesche, Tremaine, Sullivan, Clementson, and Abney. (**addendum**)

Mr. Meyer moved, to approve AR 99-336.  
seconded by Ms. Fairclough,  
and it passed without objection,

Ms. Fairclough read the resolution while Mr. Meyer presented it.

Jill Gates, American Cancer Society, thanked the Assembly for the recognition and introduced student members of CADFY (Caring About Drug Free Youth) who described activities the group planned.

2. Resolution No. AR 99-337, a resolution of the Anchorage Municipal Assembly **recognizing Jody Solmonson upon her selection on USA TODAY's All-USA Teacher First Team**, Assemblymembers Abney, Tremaine, Von Gemmingen, Fairclough, Meyer, Taylor, Tesche, Sullivan, and Clementson. (**addendum**)

Ms. Abney moved, to approve AR 99-337.  
seconded by Ms. Taylor,  
and it passed without  
objection,

Mr. Tremaine read the resolution while Ms. Abney presented it.

Ms. Solmonson thanked the Assembly for the recognition.

3. Resolution No. AR 99-339, a resolution of the Anchorage Municipal Assembly **supporting the State of Alaska's agreement with BP Amoco on the acquisition of ARCO**, Assemblymembers Wuerch, Abney, Kendall, Sullivan, Taylor, and Tesche. (**addendum**)

Ms. Abney moved, to approve AR 99-339.  
seconded by Mr. Kendall,

Ms. Abney moved, to amend AR 99-339 by deleting lines 30 and 31  
seconded by Mr. Kendall, and changing line 36 to read: "...between the State of Alaska and BP Amoco and providing quarterly progress reports to Alaskans on the agreement's conditions; and..."

Mr. Meyer felt he had a conflict of interest because, as an employee of ARCO, the merger could directly effect him financially.

Ms. Fairclough moved,  
seconded by Ms. Taylor,

the question "does Assembly member Kevin Meyer have a substantial financial interest in the matter of AR 99-339 before the Assembly?"

AYES: Tesche, Taylor, Wuerch, Fairclough, Abney, Von Gemmingen,.

NAYS: Kendall, Sullivan, Tremaine.

ABSTAIN: Meyer, Clementson.

Ms. Clementson stated her husband worked for ARCO and will lose his job as a result of the takeover. She was disappointed in the way fellow Assembly members presented the resolution and that her voice would not be heard on this issue.

Ms. Fairclough moved,  
seconded by Mr. Kendall,

the question "does Assembly member Cheryl Clementson have a substantial financial interest in AR 99-339 before the Assembly?"

AYES: Tesche, Wuerch, Fairclough, Von Gemmingen,.

NAYS: Kendall, Sullivan, Tremaine, Taylor, Abney.

ABSTAIN: Clementson.

(Clerk's Note: Mr. Meyer was out of the room at the time of the vote.)

Ms. Abney moved,  
seconded by Ms. Taylor,

immediate reconsideration of the vote on Mr. Meyer's conflict of interest.

Mr. Meyer noted the original merger agreement eliminated 350 to 375 jobs. The most recent agreement may increase the number of jobs lost. There is a good chance one of those jobs lost will be his. Because of that direct financial impact, he felt he should not participate in the discussion or vote.

Question was called on the motion to reconsider the vote on Mr. Meyer's conflict of interest and it passed:

AYES: Kendall, Sullivan, Tesche, Taylor, Fairclough, Abney, Von Gemmingen, Clementson.

NAYS: Tremaine, Wuerch.

ABSTAIN: Meyer.

Mr. Tremaine noted because Mr. Meyer disclosed a specific merger agreement may effect his livelihood he felt Mr. Meyer had a conflict of interest. He felt there was a clear distinction between Mr. Meyer's situation and Ms. Clementson's.

Ms. Clementson contended both members had a conflict. Although Mr. Meyer's circumstances are more tenuous, the agreement will put her husband out of a job. In both cases there is financial impact. She felt it would be inconsistent to find one member in conflict but not the other.

Question was called on the question of Mr. Meyer's conflict of interest and it passed:

AYES: Tremaine, Tesche, Taylor, Wuerch, Fairclough, Von Gemmingen, Clementson.

NAYS: Kendall, Sullivan, Abney.

ABSTAIN: Meyer.

Chairman Wuerch directed Mr. Meyer not to participate in the discussion or vote on AR 99-339.

Mr. Sullivan moved,  
seconded by Ms. Fairclough,

immediate reconsideration of the vote on Ms. Clementson's conflict of interest.

AYES: Kendall, Sullivan, Tesche, Wuerch, Fairclough, Abney.

NAYS: Tremaine, Taylor, Von Gemmingen.

ABSTAIN: Meyer, Clementson.

Mr. Sullivan urged consistency. However, since the resolution merely applauds an event that has already taken place, it has no effect on either Mr. Meyer or Ms. Clementson. He did not feel either member had a conflict of interest.

Mr. Tremaine thought the agreement was the subject of public comment and not a "done deal" yet. He saw the resolution as a method for the Assembly to endorse a particular agreement.

If the agreement is still open to change, Mr. Sullivan suggested the resolution should be amended to reflect that the agreement is "proposed" not "final" as it indicates now.

Ms. Clementson disclosed that ARCO was the source of 80% of her household income.

Question was called on the question of Ms. Clementson's conflict of interest and it passed:

AYES: Kendall, Sullivan, Tesche, Wuerch, Fairclough, Von Gemmingen.

NAYS: Tremaine, Taylor, Abney.

ABSTAIN: Clementson.

(Clerk's Note: Mr. Meyer was out of the room at the time of the vote.)

Chairman Wuerch directed Ms. Clementson not to participate in the vote or discussion of AR 99-339.

Question was called on Ms. Abney's motion to amend AR 99-339 and it passed with only Ms. Von Gemmingen objecting.

Ms. Von Gemmingen objected to Section 2 of the resolution. A group called Backbone has raised serious concerns about this agreement. BP's previous request for tax breaks and recent demanded that this takeover be completed in 20 days shows a heavy hand. She questioned how the Assembly could say the takeover will be beneficial to all when two Assembly members face job loss. The job reductions will ripple through the Anchorage economy. She felt the resolution was premature since the state is taking testimony tonight on the agreement.

At the invitation of Ms. Taylor, JIM PALMER, Vice President of External Affairs for BP, came forward to respond to the Backbone ad read by Ms. Von Gemmingen. First, BP will acquire not merge with ARCO. ARCO asked BP to buy it. Secondly, the Governor has asked BP to divest enough production to allow other major companies to invest in Alaska. The agreement being discussed now contains divestiture of at least 175,000 barrels of crude oil. There will be new operators at the Kuparuk and Alpine fields. These new producers will own commensurate shares of the pipeline. If buyers can be found, BP will divest ARCO's entire pipeline ownership to others. BP will divest itself of 220,000 acres of land in the NPRA plus 400,000 acres on shore for exploration by competitors. Given the uncertainties of the proposed agreement, it is unclear how many jobs will be lost. It was inevitable that operation of Prudhoe Bay would be consolidated to continue its economic viability. In reply to Mr. Sullivan, he indicated the agreement was not final at this time. In the long term, it is in BP's best interest to have an agreement Alaskan's accept. He believed for the health of the industry, continued production and revenues the acquisition was for the best long term.

Mr. Sullivan moved, to amend AR 99-339 "...Alaska's proposed  
seconded by Ms. Fairclough, agreement..." and place the word "proposed" before the word  
"agreement" on lines 17, 19, 22, 25, 35, and 39.

Mr. Tesche moved, to amend the amendment to delete the words  
seconded by Mr. Sullivan, "participants from" on line 38.  
and it passed without objection,

Question was called on the Mr. Sullivan's amendment as amended and it passed without objection.

In response to Mr. Kendall, Mr. PALMER stated his company continued to see a huge future in Alaska. The big prize is the natural gas ownership. BP plans to market that resource in the most economically way.

In reply to Ms. Von Gemmingen, Mr. PALMER stated over 50% of the stock in BP will be owned by American citizens after the takeover.

Ms. Fairclough moved, to amend AR 99-339 on line 39 to place a period  
seconded by Mr. Tremaine, after "agreement" and deleting "that is beneficial to all  
and it passed without objection, concerned."

Mr. Tremaine disclosed he had not read the subject agreement and therefore could not support the resolution. He voiced deep concerns about how the responsibility for dismantling and restoration of the fields would be carried out once production was done.

Question was called on the motion to approve AR 99-339 as amended and it passed:

AYES: Kendall, Sullivan, Tesche, Taylor, Wuerch, Fairclough, Abney.  
NAYS: Tremaine, Von Gemmingen.

(Clerk's Note: Mr. Meyer and Ms. Clementson were out of the room at the time of the vote.)

E. NEW BUSINESS:

1. Assembly Memorandum No. AM 1136-99, approval of the Arts Advisory Commission recommendations for **Year 2000 art grants**, Cultural and Recreational Services.

Ms. Clementson moved, to approve AM 1136-99.  
seconded by Ms. Fairclough,

Ms. Clementson moved, to postpone action to November 23, 1999  
seconded by Ms. Fairclough, to review financial information on one of the  
and it passed without objection, recommended groups.

F. INFORMATION AND REPORTS:

1. Information Memorandum No. AIM 104-99, **Investment Advisory Commission Annual Report**, Finance.

Ms. Von Gemmingen moved, to accept AIM 104-99.  
seconded by Ms. Meyer,

Commission member Rod Shipley advised Ms. Von Gemmingen they met with the Assembly last year in early summer.

Ms. Von Gemmingen requested another meeting with the Commission to receive an update on the ATU fund.

Further, Mr. Shipley explained the commission was expanded to nine members. As a result of the sale of ATU and creation of a fund, it has been a busy year for the commission. He outlined how the investment managers for the ATU fund were chosen and stated the size of the fund increased since investment began. The commission meets regularly to review the fund's progress.

Question was called on the motion to accept AIM 104-99 and it passed without objection.

#### 9. OLD BUSINESS AND UNFINISHED ACTION ON PUBLIC HEARING ITEMS:

- A. Assembly Memorandum No. AM 1130-99, Assembly Meeting Schedule (January-June 2000), Assembly Office.  
(POSTPONED FROM 11-9-99)
  - 1. Assembly Memorandum No. AM 1130-99(A), Assembly Meeting Schedule (January-June 2000), Assemblymember Clementson. (**addendum**)

This item was considered later in the meeting. See item 16, unfinished agenda.

#### 10. APPEARANCE REQUESTS:

- A. **Claris Syren**, to discuss issues relating to the resolution of a long standing zoning violation at Scotty's Garage on the corner of 13th Avenue and Juneau Street.
- B. **Jerald Haggerty**, to discuss issues relating to the resolution of a long standing zoning violation at Scotty's Garage on the corner of 13th Avenue and Juneau Street.

Chairman Wuerch announced Ms. Syren and Mr. Haggerty had asked to appear at a later date.

The meeting recessed at 7:00 p.m. and reconvened at 7:28 p.m.

#### 11. CONTINUED PUBLIC HEARINGS: None.

#### 12. NEW PUBLIC HEARINGS:

- A. Resolution No. AR 99-323, a resolution of the Municipality of Anchorage appropriating \$1,035,128 to the State Categorical Grants Fund (231) from the Alaska Department of Health and Social Services for the **provision of Women, Infants & Children Nutrition Services**, Health and Human Services.
  - 1. Assembly Memorandum No. AM 1001-99.

Chairman Wuerch opened the public hearing and asked if anyone wished to speak. There was no one, and he closed the public hearing.

Mr. Kendall moved, to approve AR 99-323.  
seconded by Ms. Taylor,

AYES: Kendall, Sullivan, Tremaine, Tesche, Taylor, Wuerch, Meyer, Fairclough, Abney, Von Gemmingen, Clementson.  
NAYS: None.

- B. Resolution No. AR 99-326, a resolution of the Municipality of Anchorage appropriating \$1,095,971 to the State Categorical Grants Fund (231) from the Alaska Department of Labor and Workforce Development for the **JTPA Program - STEP Grant**, Community Planning and Development.
  - 1. Assembly Memorandum No. AM 1110-99.

Chairman Wuerch opened the public hearing and asked if anyone wished to speak. There was no one, and he closed the public hearing.

Mr. Kendall moved, to approve AR 99-326.  
seconded by Ms. Taylor,

AYES: Kendall, Sullivan, Tremaine, Tesche, Taylor, Wuerch, Meyer, Fairclough, Abney, Von Gemmingen, Clementson.  
NAYS: None.

- C. Resolution No. AR 99-327, a resolution of the Municipality of Anchorage appropriating \$114,752 to the State Categorical Grants Fund (231) from the Alaska Department of Labor and Workforce Development for the **JTPA Program - Title IIC Youth Grant**, Community Planning and Development.
  - 1. Assembly Memorandum No. AM 1111-99.

Chairman Wuerch opened the public hearing and asked if anyone wished to speak. There was no one, and he closed the public hearing.

Ms. Von Gemmingen moved, to approve AR 99-327.  
seconded by Ms. Taylor,

AYES: Kendall, Sullivan, Tremaine, Tesche, Taylor, Wuerch, Meyer, Fairclough, Abney, Von Gemmingen, Clementson.  
NAYS: None.

- D. Resolution No. AR 99-329, a resolution of the Municipality of Anchorage appropriating \$1,142,515 to the State Categorical Grants Fund (231) from the Alaskan Department of Labor and Workforce Development for the **JTPA Program - Title III Dislocated Worker Grant**, Community Planning and Development.
1. Assembly Memorandum No. AM 1112-99.

Chairman Wuerch opened the public hearing and asked if anyone wished to speak. There was no one, and he closed the public hearing.

Ms. Von Gemmingen moved, to approve AR 99-329.  
seconded by Ms. Fairclough,

AYES: Kendall, Sullivan, Tremaine, Tesche, Taylor, Wuerch, Meyer, Fairclough, Abney, Von Gemmingen, Clementson.  
NAYS: None.

- E. Resolution No. AR 99-330, a resolution of the Municipality of Anchorage appropriating \$808,291 to the State Categorical Grants Fund (231) from the Alaskan Department of Labor and Workforce Development for the **JTPA Program - Title IIA Adult Grant**, Community Planning and Development.
1. Assembly Memorandum No. AM 1113-99.

Chairman Wuerch opened the public hearing and asked if anyone wished to speak. There was no one, and he closed the public hearing.

Ms. Von Gemmingen moved, to approve AR 99-330.  
seconded by Mr. Kendall,

AYES: Kendall, Sullivan, Tremaine, Tesche, Taylor, Wuerch, Meyer, Fairclough, Abney, Von Gemmingen, Clementson.  
NAYS: None.

- F. Resolution No. AR 99-300, a resolution of the Anchorage Municipal Assembly approving a conditional use for sales of alcoholic beverages (Restaurant and Eating Place Liquor License) located on Modern Age Estates, Block 2, Lot 1A, generally located on the south side of West 36th Avenue and west of "C" Street (Sawaddi Midtown Thai Restaurant d.b.a. **Sawaddi Midtown Thai Restaurant**) (Case 99-208), Community Planning and Development.
1. Assembly Memorandum No. AM 950-99.
  2. Information Memorandum No. AIM 106-99, Municipal Clerk. (**addendum**)

Chairman Wuerch opened the public hearing and asked if anyone wished to speak. There was no one. He noted the Assembly had received a request to continue the public hearing.

Ms. Clementson moved, to continue the public hearing to December 7.  
seconded by Mr. Meyer,  
and it passed without objection,

- G. **SECOND PUBLIC HEARING: Ordinance No. AO 99-125**, an ordinance of the Municipality of Anchorage adopting and appropriating funds for the **2000 Plan Year Anchorage Police and Fire Retirement System Operating Budget**, Police and Fire Retirement System.
1. Assembly Memorandum No. AM 815-99.

Chairman Wuerch opened the public hearing and asked if anyone wished to speak. There was no one, and he closed the public hearing. He noted action was scheduled for November 23, 1999.

- H. **SECOND PUBLIC HEARING: Ordinance No. AO 99-123**, an ordinance adopting and appropriating funds for the **2000 Enterprise Activities/Municipal Utilities Operating and Capital Budgets** for the Municipality of Anchorage, Office of Management and Budget.
1. Assembly Memorandum No. AM 812-99.

Chairman Wuerch opened the public hearing and asked if anyone wished to speak. There was no one, and he closed the public hearing. He noted action was scheduled for November 23, 1999.

- I. **SECOND PUBLIC HEARING: Resolution No. AR 99-236**, a resolution adopting the **2000-2005 Enterprise Activities/Municipal Utilities Capital Improvement Program**, Office of Management and Budget.
1. Assembly Memorandum No. AM 813-99.

Chairman Wuerch opened the public hearing and asked if anyone wished to speak. There was no one, and he closed the public hearing. He noted action was scheduled for November 23, 1999.

- J. **SECOND PUBLIC HEARING: Ordinance No. AO 99-124**, an ordinance of the Municipality of Anchorage adopting and appropriating funds for the **2000 General Government Operating Budget for the Municipality of Anchorage**, Office of Management and Budget.
1. Assembly Memorandum No. AM 814-99.
  2. Ordinance No. AO 99-124(S), an ordinance of the Municipality of Anchorage adopting and appropriating funds for the 2000 General Government Operating Budget for the Municipality of Anchorage, Office of Management and Budget. (**addendum**)
  3. Assembly Memorandum No. AM 1148-99.

Chairman Wuerch opened the public hearing and asked if anyone wished to speak.

DIANNE O'CONNELL, treasurer of Out North Theater, asked for support of the Arts Advisory Commission grant. Out North only wants to be given the same consideration as other grant applicants. The community deserves a strong, diverse offering of cultural opportunities. She pointed out the Grandview Center Association, a tenant group that includes Out North, signed a long-term lease with the municipality. The lease included provisions for building renovations. Out North led the effort to raise \$425,000, plus in-kind contributions, to fund the renovations. Additionally, Out North pays \$17,000 annually for maintenance and utilities. Out North's contributions to the building, when amortized, equals \$67,000 per year which is \$7,000 per year more than the fair market rent estimated by Municipal Property and Facility Management. There is no free rent.

In response to Ms. Clementson, Ms. O'CONNELL stated accounting procedures were improved and they are now eligible for CDB Grant funds. She agreed to respond in writing to Ms. Clementson's question about grant repayment if Out North were unable to meet the grant accounting requirements.

In response to Ms. Von Gemmingen, Ms. O'CONNELL advised the credit card debt was paid and more effort was being put into fund raising.

ERIC BRITTEN, Budget Advisory Commission Chair, expressed concern the State will make further reductions in revenue sharing and safe cities programs next year. It is unrealistic to think property taxes, as long as that is the largest source of revenue, can remain static without more budget cuts. Although the proposed reduction in municipal workers is fiscally necessary, the Assembly may begin to hear complaints about services. He commended the efforts of the administration on identifying reductions with the least impact on direct citizen services. When adjusted for inflation the municipal budget has decreased over the past 10 years. The Commission is working to identify alternate sources of revenue to reduce the pressure on property taxes. The Commission supports the budget submitted by the administration.

In response to Mr. Tremaine and Ms. Fairclough, Mr. BRITTEN estimated the effect of voter approval of a statewide initiative to cap property tax at 10 mills would cut \$80 million out of Anchorage's property tax revenues. The petition also attempts to limit the rate of increase in assessed valuation. Collaterally, Anchorage's ability to sell bonds will be severely curtailed.

MACON ROBERTS, Out North Theater Board Member, described the positive programs Out North offers for young people. Many programs offered by Out North are both thought provoking and educational.

FRANCINE LASTUFKA-TAYLOR, Alaska Moving Image Preservation Association (AMIPA), thanked the Assembly for past grants and asked for continued funding in 2000. This will be the pivotal third year of funding and allow AMIPA to move from a maintenance/storage situation to its real mission of preserving and making historical film, video and audio materials available to the public. Hopefully the Association will be able to move into the new multimedia building at UAA. She outlined past and planned activities of AMIPA.

WILDA MARSTON, Historical and Fine Arts Advisory Commission Chair, asked support for a full-time history curator and a part-time information specialist for the museum to be funded through increased museum admission fees.

ANDY LOHMAN, Boys and Girls Clubs' Board of Directors President, asked for another \$150,000 to fund operation of the Mt. View Community Center. This center replaces a recreation center and a Boys and Girls Club in Mt. View. He contended this was a very modest request in light of the funding allocated to other recreation centers and the number of people this center serves.

TONY LOPEZ, Mt. View Community Center Director, noted the center serves a neighborhood where most families are headed by single parents. The center provides a positive environment for the children. Average, daily attendance at the center is 230 people. He described the many activities offered by the center.

BRUCE BUSTAMANTE, Anchorage Convention and Visitors Bureau (ACVB) Board Chairman, conveyed the organization's support for appropriation of \$100,000 for the evaluation of new convention center. The study will provide valuable information on which to base future decisions.

BOB NEWMAN, ACVB Board member, also supported the appropriation for the convention center study.

DUKE BURPKEE, ACVB Board member, supported the appropriation for the convention center study.

DICK LLOYD, Friends of Eagle River Nature Center President, a non-profit group that manages the center, asked for a \$10,000 grant to supplement their budget. The center provides educational and recreational opportunities for a wide segment of Anchorage citizens and tourists. To maintain current operations with an appropriate staff, he estimated \$200,000 per year would be required. The center is a valuable asset of the community which deserves support.

In response to Mr. Sullivan, Mr. LLOYD explained the center is a state owned facility operated by a private entity. No state grants are being received at this point.

CHRIS LUNDGREN, Eagle River Nature Center volunteer worker, observed the center serves people of all ages from Anchorage and around the world. It provides a unique blend of education, recreation and socialization opportunities. She asked the Assembly to help keep the center going.

DEBBIE HINCHEY, opposed the proposed reductions to the budget for flowers. The flowers bring a lot of pride and joy to residents. Flowers are also used by ACVB to promote tourism.

JAN McLAREN, AWAIC Executive Director, discussed the impact of domestic violence on the community. She encouraged the Assembly to direct the maximum possible resources toward eliminating domestic violence in Anchorage.

LORI MILLER-TRYCK, Girdwood Beautification Committee Chair, stated the city has become a more beautiful place as a result of the efforts of the municipal greenhouse staff. Volunteers could not fill all the planters around town without the plant materials and advice provided by the municipal greenhouse staff.

PIXIE SEBREY supported restoration of bus routes 90, 91 and 92. Public transportation is a major element to making Anchorage a livable city by reducing air pollution and grid lock. She supported expansion of the current system through public subsidy if necessary.

ALDEN TODD, Friends of the Library Vice Chair, urged continued support for the library. He noted Anchorage was growing fast and it was essential to have a first class library system if it is to be a big league city. He commented the inflation in publishing costs effectively reduced the acquisition budget by \$80,000 last year. He encouraged the Assembly to make up at least what was lost to inflation.

The meeting recessed at 9:05 p.m. and reconvened at 9:15 p.m.

(Clerk's Note: Ms. Abney was excused from the meeting.)

SCOTT SELL, Rabbit Creek Community Council President, presented a resolution approved by the Council in support of adding EMS positions to the budget especially at Huffman station. The council also supported funding of a mountain rescue team.

BARBARA WEINIG, Rabbit Creek Community Council Vice President, stated the community needed trained emergency medical personnel, not personnel in training. She also recommended a mountain rescue team be funded. She felt allocations in the Fire Department should be shifted toward EMS support.

DIANE HURD, Alaska Women's Resource Center Executive Director, reminded members domestic violence was a crime and services are needed by the victims as well as perpetrators. Ending domestic violence is key to making Anchorage a safe, livable city. She urged additional funding in the police department to end domestic violence.

TOM McGRATH stated there was less than a 1% difference between the 1999 and 2000 municipal budgets and his taxes continued to increase. In light of the fiscal outlook, he felt the Assembly should be considering at least a 5% decrease from the 1999 appropriation.

BOB SCHER, Geotechnical Advisory Commission Chairman, presented a resolution recommending funding for the reevaluation of the municipality's seismic induced ground failure hazard map. An accurate map is essential for defining the level of technical and structural engineering required for development projects as well as land use planning. Since the map was adopted in 1980, information on soils conditions and seismic exposure has increased significantly. If funding cannot be added to the 2000 budget, the Commission recommends the review be considered for inclusion in future budgets.

KURT SORENSON, Fire Department paramedic supervisor, favored establishing quality control and field training programs for paramedics. He thanked the Assembly for initiating the audit of the Fire Department and providing five new ambulances. Problems in the department are causing people to quit and mandatory overtime is being used to offset those vacancies.

WARD HEPPER, paramedic, suggested the department charge the private ambulance services for the dispatch services they provide and for the cost of transporting patients the private service would normally handle. He explained the Alaska Native Hospital has a contract with a private service to transport patients. When the fire department transports those patients, it is the private service that gets paid. The fire department gets nothing. It will take a long time for the department to recover from years of neglect.

Chairman Wuerch asked if anyone else wished to speak. There was no one, and he closed the public hearing. He noted action was scheduled for November 23, 1999.

**13. BOARD OF ADJUSTMENT/ASSEMBLY APPEALS:** None.

**14. SPECIAL ORDERS:** None.

**15. ASSEMBLY COMMENTS:**

This item was taken up earlier in the meeting following the Mayor's Report, and later as part of the unfinished agenda.

**16. UNFINISHED AGENDA:**

A. Old Business and Unfinished Action on Public Hearing Items:

1. Assembly Memorandum No. AM 1130-99, Assembly Meeting Schedule (January-June 2000), Assembly Office. (POSTPONED FROM 11-9-99)
  - a. Assembly Memorandum No. AM 1130-99(A), Assembly Meeting Schedule (January-June 2000), Assemblymember Clementson. (**addendum**)

Chairman Wuerch gave the history of the memorandum and noted a motion to amend was on the floor.

Ms. Clementson moved, to substitute AM 1130-99(A) for AM 1130-99.  
seconded by Ms. Taylor  
and it passed without objection,

Gene Dusek, Budget Director, was concerned cancellation of the April 8 meeting would interfere with introduction and hearing on the first quarter budget revisions and setting of mill levies.

Chairman Wuerch suggested one solution would be to hold a special, noon meeting to introduce these items with a work session to follow.

Question was called on the motion to approve AM 1130-99(A) and it passed without objection.

B. Assembly Comments:

1. Mr. Sullivan encouraged members to line up sponsors for budget amendments in anticipation of next week's action on the operating budget. He announced the Assembly budget committee would be meeting on November 23 at 10:30 a.m. with the rental car industry to explore tax options.

2. Chairman Wuerch announced an ethics seminar would be held at Bartlett High on Saturday.

17. **AUDIENCE PARTICIPATION:** None.

18. **EXECUTIVE SESSIONS:**

A. Pending Litigation

This session was held earlier in the meeting. See after item 3, pledge of allegiance.

19. **ADJOURNMENT:**

The meeting adjourned at 10:15 p.m.

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Chairman

ATTEST:

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Municipal Clerk

Date Minutes Approved: January 25, 2000

LF/lf

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