

# MUNICIPALITY OF ANCHORAGE

## ANCHORAGE ASSEMBLY

Minutes for Regular Meeting of December 7, 1999

### 1. CALL TO ORDER:

The meeting was convened at 5:00 p.m. by Assembly Chairman George Wuerch in the Assembly Chambers, 3600 Denali, Anchorage, Alaska.

### 2. ROLL CALL:

Present: Dan Kendall, Dan Sullivan, Dick Tremaine, Allan Tesche, Melinda Taylor, George Wuerch, Kevin Meyer, Anna Fairclough, Pat Abney, Fay Von Gemmingen, Cheryl Clementson.  
Absent: None.

### 3. PLEDGE OF ALLEGIANCE:

#### A. Presentation of Colors by U.S. Marines and Recognition of Pearl Harbor Survivors

Chairman Wuerch played a recording of David Brinkley's remarks and a portion of President Franklin Roosevelt's speech following the attack on Pearl Harbor on December 7, 1941.

Chairman Wuerch introduced the members of "E" company 4<sup>th</sup> Reconnaissance Battalion, 4<sup>th</sup> Marine Division, from Elmendorf Air Force Base.

The company presented the colors.

Ms. Clementson, a veteran of service in the U.S. Army, led the pledge.

Chairman Wuerch requested the Assembly change the orders of the day to consider item 7.C.1, AR 99-348. There was no objection.

Resolution No. AR 99-348, a resolution of the Anchorage Municipal Assembly **recognizing Pearl Harbor Remembrance Day - December 7th** - and remembering and honoring the patriotic service performed by the heroic Pearl Harbor veterans, Assemblymembers Wuerch, Abney, Clementson, Fairclough, Kendall, Meyer, Sullivan, Taylor, Tesche, Tremaine, and Von Gemmingen.

Ms. Abney read the resolution.

Mr. Meyer moved, to approve AR 99-348.  
seconded by Ms. Taylor,  
and it passed without  
objection,

Vice Chair Taylor assumed the Chair.

Mr. Wuerch was excused from the meeting. He returned later in the evening.

### 4. MINUTES OF PREVIOUS MEETING:

- A. Regular Meeting - May 25, 1999
- B. Regular Meeting - September 14, 1999
- C. Regular Meeting - September 21, 1999

Mr. Meyer moved, to approve the minutes of the regular Assembly meetings of  
seconded by Mr. Tesche, May 25, September 14 and September 21, 1999.  
and it passed without  
objection,

### 5. MAYOR'S REPORT:

Mayor Mystrom reminded the Assembly about the tour of the Point McKenzie port on December 9, 1999. He noted Anchorage has been recognized as a George Washington Bicentennial City. The application was made by the local chapter of the Daughters of the American Revolution (DAR). The designation was created to honor President Washington, who died two hundred years ago on December 14. Mayor Mystrom encouraged everyone in the community to remember George Washington was one of the great leaders of our country. He noted that flags at Municipal facilities would fly at half-staff on December 14. He read a proclamation and presented it to representatives of the DAR.

Andrea Darrow, honorary state regent of the Alaska Society, DAR, described the activities planned to commemorate President Washington's death. Anchorage was one of many communities across the nation that was recognized as an official George Washington Bicentennial Community. She explained many historians were concerned about preserving historic

homes and documents, which began a ten-year effort to gather information and focus on our founding father. Ms. Darrow explained according to U.S. Senate Resolution 83, protocol for all private, city, state and federal participating organizations is for bells to ring at 9:00 a.m. and for the U.S. flag to fly at half-staff on December 14. She presented Mayor Mystrom with a certificate from Mount Vernon recognizing Anchorage as a George Washington Bicentennial Community.

Mayor Mystrom continued with an announcement of a settlement of all issues on the Police and Fire Retirement funds. He noted all police and fire employees hired before November 1994 were members of the Police and Fire Retirement system. According to an Assembly resolution, in July 1994 the Administration stopped payments to the Plan, and members discontinued payments to the Plan, because it was overfunded. Many court cases regarding disposition of the funds followed. All those cases failed to provide a clear picture of what could be done with the money, which left the decision up to the Board. The members of the Board negotiated a settlement which he felt was excellent. He explained the settlement provided that there would be a payment to the Municipality of \$40 million, leaving a net market value of \$422.6 million. The Board agreed \$366.6 million should be left in the Plan to cover liabilities and contingencies. So there was \$56 million available for benefit enhancements and distribution to the members of the System. Mayor Mystrom added the settlement also finalized all litigation, and changed the composition of the Board. The Board will now have nine members, six of which would be appointed by Plan members, and three appointed by the Mayor. He discussed the other details of the settlement. He added there would be some Assembly actions required regarding the settlement. The last step is to appear before the judges presiding over the litigation to inform them of the agreement and request the issue be dismissed. He thanked all the members of the Board for their work on this issue.

In response to Mr. Tesche, Mayor Mystrom said Judge Serdahely was the facilitator of the process and received praise from all concerned parties.

#### 6. ADDENDUM TO AGENDA:

Ms. Clementson moved, to amend the agenda to include the addendum items.  
seconded by Ms. Von Gemmingen,

Vice Chair Taylor read the addendum items.

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

#### 7. CONSENT AGENDA:

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

##### A. BID AWARDS:

1. Assembly Memorandum No. AM 1171-99, recommendation of award to D.R. Johnson & Associates for the **Lake Otis Elementary School outdoor ice rink roof design/build** for the Municipality of Anchorage, Property and Facility Management (ITB 99-C068), Purchasing.

Mr. Sullivan requested this item be considered on the Regular Agenda. See item 8.B.

2. Assembly Memorandum No. AM 1172-99, recommendation of award to Skyline Electric, Inc. for **Klatt Road and Timberlane Drive signalization improvements** for the Municipality of Anchorage, Department of Public Works (ITB 99-C077), Purchasing.
3. Assembly Memorandum No. AM 1173-99, recommendation of award to Alaska Mechanical, Inc. for the **Abbott Loop mainline valve vault** for the Municipality of Anchorage, Anchorage Water and Wastewater Utility (ITB 99-C070), Purchasing.

Mr. Meyer requested this item be considered on the Regular Agenda. See item 8.B.

4. Assembly Memorandum No. AM 1174-99, recommendation of award to Alaska Truck Center for furnishing **one truck mounted catch basin cleaner** to the Municipality of Anchorage, Water and Wastewater Utility (ITB 99-B109), Purchasing.

Ms. Fairclough requested this item be considered on the Regular Agenda. See item 8.B.

##### B. ORDINANCES AND RESOLUTIONS FOR INTRODUCTION:

1. Ordinance No. AO 99-155, an ordinance of the Municipality of Anchorage **authorizing the purchase of Tract A, Block 1, Georgeville Estate**, TID #012-272-53, generally located at the northeast corner of 88th and Jewel Lake Road, for the replacement of Fire Station No. 7 in Sand Lake, Heritage Land Bank/Property and Facility Management. public hearing 1-11-00.
  - a. Assembly Memorandum No. AM 1167-99.
2. Ordinance No. AO 99-156, an ordinance amending Anchorage Municipal Code Chapters 6.50.060 and 4.50.090 to **further define the responsibilities of the Investment Advisory Commission**, Legal Department. public hearing 1-11-00.
  - a. Assembly Memorandum No. AM 1175-99.
3. Ordinance No. AO 99-157, an ordinance amending the Anchorage Municipal Code to amend Section 8.40.040 and to **recover costs of responses to false alarms by the Anchorage Police Department** and enact a new Chapter 10.75, Inspection Fees, to **recover costs of inspections by the Anchorage Fire Department**, Legal Department. public hearing 1-11-00.
  - a. Assembly Memorandum No. AM 1178-99.

Mr. Tesche requested this item be considered on the Regular Agenda. See item 8.C.

4. Resolution No. AR 99-344, a resolution amending Regulation 21 of the Anchorage Municipal Code of Regulations by enacting a new Chapter 21.67, Stormwater Discharge, to **provide for stormwater plan review fees**, Public Works. public hearing 1-11-00.
  - a. Assembly Memorandum No. AM 1162-99.

Ms. Fairclough requested this item be considered on the Regular Agenda. See item 8.C.

5. Resolution No. AR 99-350, a resolution of the Municipality of Anchorage appropriating \$700,000 from the MOA Trust Fund (0730) for **expert financial management services needed to invest the proceeds from the sale of the Anchorage Telephone Utility**, Finance Department. public hearing 12-14-99.
  - a. Assembly Memorandum No. AM 1176-99.
6. Resolution No. AR 99-351, a resolution of the Municipality of Anchorage appropriating \$590,744 from the Federal Highway Administration (FHWA) and \$32,000 as match from the CY2000 Community Planning and Development Operating Budget to the Federal Categorical Grants Fund (241) for **transportation planning in Anchorage through the Anchorage Metropolitan Area Transportation Study (AMATS)**, Legal Department. public hearing 12-14-99.
  - a. Assembly Memorandum No. AM 1177-99.

C. RESOLUTIONS FOR ACTION:

1. Resolution No. AR 99-348, a resolution of the Anchorage Municipal Assembly **recognizing Pearl Harbor Remembrance Day - December 7th** - and remembering and honoring the patriotic service performed by the heroic Pearl Harbor veterans, Assemblymembers Wuerch, Abney, Clementson, Fairclough, Kendall, Meyer, Sullivan, Taylor, Tesche, Tremaine, and Von Gemmingen.

This item was considered earlier in the meeting. See item 3.

2. Resolution No. AR 99-346, a resolution of the Anchorage Municipal Assembly **recognizing and honoring Senior Police Clerk Brenda A. Arney for her 19 years of service** with the Anchorage Police Department, Assemblymembers Abney, Clementson, Fairclough, Kendall, Meyer, Sullivan, Taylor, Tesche, Tremaine, Von Gemmingen, and Wuerch.

Ms. Abney requested this item be considered on the Regular Agenda. See item 8.D.

3. Resolution No. AR 99-347, a resolution of the Anchorage Municipal Assembly **recognizing and honoring Detective Ronald R. Emmons for his 26 years of service** with the Anchorage Police Department, Assemblymembers Abney, Clementson, Fairclough, Kendall, Meyer, Sullivan, Taylor, Tesche, Tremaine, Von Gemmingen, and Wuerch.

Ms. Abney requested this item be considered on the Regular Agenda. See item 8.D.

4. Resolution No. AR 99-345, a resolution of the Municipality of Anchorage providing for the appropriation of a grant totaling \$42,538 from the State of Alaska, Department of Education and \$2,220 as a contribution from the Library Operating Budget (Areawide General Fund, 101) to the State Categorical Grants Fund (231) for the **Patent Depository/Serials Holdings program**, Cultural and Recreational Services/Library.
  - a. Assembly Memorandum No. AM 1163-99.
5. Resolution No. AR 99-349, a resolution of the Municipal Assembly appropriating \$45,580 from the 1999 Assembly Operating Budget, Areawide General Fund (101) to the Areawide Capital Improvement Program (401) as a contribution to Property and Facility Management for the **Assembly Chambers voting system upgrade project**, Municipal Clerk.
  - a. Assembly Memorandum No. AM 1170-99.
6. Resolution No. AR 99-353, a resolution of the Municipality of Anchorage appropriating \$68,720 from the State of Alaska, Department of Community and Economic Development, to the State Categorical Grants Fund (231) for **continuing implementation of the Anchorage Coastal Management Program**, Community Planning and Development.
  - a. Assembly Memorandum No. AM 1181-99.
7. Resolution No. AR 99-352, a resolution of the Anchorage Municipal Assembly **adopting the capital grants section of the 2000 Legislative Program** for the Municipality of Anchorage, Legal Department.
  - a. Assembly Memorandum No. AM 1179-99.

D. NEW BUSINESS:

1. Assembly Memorandum No. AM 1180-99, **Animal Control Advisory Board appointments** (LaVon Ausman, Sean Broshnahan), Mayor's Office.
2. Assembly Memorandum No. AM 1161-99, amendment No. 1 to the professional consulting services contract with PricewaterhouseCoopers regarding the **Internal Revenue Service review of municipal bonds**, Legal Department.

Mr. Tesche requested this item be considered on the Regular Agenda. See item 8.E.

3. Assembly Memorandum No. AM 1168-99, change order No. 2 to construction contract C-996090 with Tam Construction, Inc. for the **Wisconsin and 34th Sewer Upgrade Project**, Water and Wastewater Utility.
4. Assembly Memorandum No. AM 1182-99, **Eagle River water improvements** - 1998 contract with Eastwind, a Division of NORCON, Inc., Change Order No. 2, Water and Wastewater Utility.
5. Assembly Memorandum No. AM 1183-99, proprietary purchase of **workstations** from Capital Office Systems for the Municipality of Anchorage, Public Works Department/Purchasing.
6. Assembly Memorandum No. AM 1184-99, change order No. 3 to purchase order 83868 to exercised the first option renewal period with Snowball Express for providing **snow and ice removal services at various bus stops** for the Municipality of Anchorage, Public Transportation/Purchasing.

Ms. Von Gemmingen requested this item be considered on the Regular Agenda. See item 8.E.

7. Assembly Memorandum No. AM 1185-99, sole source contract for **professional services** from Decision Support, Inc. for the Municipality of Anchorage, Anchorage Police Department/Purchasing.

Mr. Kendall requested this item be considered on the Regular Agenda. See item 8.E.

8. Assembly Memorandum No. AM 1186-99, cooperative purchase of **digital microwave system equipment** from the Harris Corporation, Farinon Division for the Municipality of Anchorage, Management Information Systems Department/ Purchasing.
9. Assembly Memorandum No. AM 1187-99, proprietary purchase to Bergen Brunswig Medical Corporation and SmithKline Beecham Pharmaceutical for furnishing **medical supplies** to the Municipality of Anchorage, Department of Health and Human Services/Purchasing.
10. Assembly Memorandum No. AM 1188-99, amendment No. 1 to the contract with the law firm of James E. Gorton and Associates for **Indigent Defense Services** for the Municipality of Anchorage/Office of Management and Budget.
11. Assembly Memorandum No. AM 1190-99, **Tesoro 2 Go #73** - Transfer of Location of a Package Store Liquor License, Clerk's Office. (**addendum**)

Mr. Kendall requested this item be considered on the Regular Agenda. See item 8.E.

E. INFORMATION AND REPORTS:

1. Information Memorandum No. AIM 110-99, waiver of formal procedures for **Eau Claire Place water upgrade** for the Municipality of Anchorage, Anchorage Water and Wastewater Utility (ITB 99-C080), Purchasing.

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

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

(Clerk's Note: Mr. Wuerch was absent at the time of the vote.)

8. REGULAR AGENDA:

A. TIME CRITICAL ITEMS: None.

B. BID AWARDS:

1. Assembly Memorandum No. AM 1171-99, recommendation of award to D.R. Johnson & Associates for the **Lake Otis Elementary School outdoor ice rink roof design/build** for the Municipality of Anchorage, Property and Facility Management (ITB 99-C068), Purchasing.

Mr. Sullivan moved, to approve AM 1171-99.  
 seconded by Mr. Meyer,

In response to Mr. Sullivan, Mayor Mystrom explained this ice rink roofing project was the only one that has funding. There was interest in doing other rinks. He expected and hoped this design would serve as a prototype for future ice rink roofing projects.

Property and Facility Management Director Joe Beauchamp confirmed the design for the roof structure was a prototype and could be replicated. It was a steel structure, and construction was planned for February or March 2000.

Ms. Fairclough noted staff at Fire Lake Elementary and Ravenwood Elementary schools have asked to be placed on the waiting list for future rink roofs.

In response to Mr. Sullivan, Municipal Manager George Vakalis explained the school was selected after a committee was formed and members met with Anchorage School District (ASD) personnel. ASD provided possible locations that met the criteria, the committee decided on suggested locations, and presented them to the Parks and Recreation Commission, which selected this site.

Mr. Tremaine felt this was a good idea, but the cost was too large for his comfort.

Question was called on the motion to approve AM 1171-99 and it passed:

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

NAYS: Tremaine, Clementson.

(Clerk's Note: Mr. Wuerch was absent at the time of the vote.)

2. Assembly Memorandum No. AM 1173-99, recommendation of award to Alaska Mechanical, Inc. for the **Abbott Loop mainline valve vault** for the Municipality of Anchorage, Anchorage Water and Wastewater Utility (ITB 99-C070), Purchasing.

Mr. Meyer moved, to approve AM 1173-99.  
seconded by Mr. Tremaine,

Mr. Meyer said he has heard concerns, and requests that when the pipe is laid and covered with dirt, the dirt area remain clear to create a sort of trail. There has been a desire to have a trail along Abbott Loop Road for a long time.

Anchorage Water and Wastewater Utility General Manager Mark Premo replied the proposed award does not include pipe line work. This is only for work on the valve vault. The associated pipe work was already awarded by the Assembly. He said he has been involved with discussions about the trail. There would be many agreements necessary for Water and Wastewater to acquire from adjacent land and homeowners, Alaska Department of Transportation, Parks and Beautification etc. He felt because of these complications, the trail proposed by Mr. Meyer was not feasible at this time. However, he suggested the trail be made a discussion topic at the February 17 meeting of the Abbott Loop Community Council. Mr. Premo clarified the proposed vault project was to install an underground vault at the intersection of Abbott Loop Road and East 88<sup>th</sup> Avenue. The vault would intertie Phase 4 to Phase 5 of the Anchorage Loop Water Transmission Main project and adjust the water pressure.

Ms. Von Gemmingen recalled AWWU officials told Sand Lake Community Council members that a similar trail they requested would be impossible. She questioned the difference with this situation.

Mr. Premo said he was not sure there was a difference. That is why he would like to discuss all the associated problems with Abbott Loop Community Council members in February.

Ms. Von Gemmingen felt during the ongoing water main project, AWWU officials and the Administration should try to investigate incorporating trails when and if possible.

Ms. Abney noted State officials said they would cooperate on right-of-way issues with regard to water main placement on Abbott Loop Road and Abbott Road.

Question was called on the motion to approve AM 1173-99 and it passed without objection.

3. Assembly Memorandum No. AM 1174-99, recommendation of award to Alaska Truck Center for furnishing **one truck mounted catch basin cleaner** to the Municipality of Anchorage, Water and Wastewater Utility (ITB 99-B109), Purchasing.

Mr. Tesche moved, to approve AM 1174-99.  
seconded by Mr. Meyer,  
and it passed without  
objection,

C. ORDINANCES AND RESOLUTIONS FOR INTRODUCTION:

1. Ordinance No. AO 99-157, an ordinance amending the Anchorage Municipal Code to amend Section 8.40.040 and to **recover costs of responses to false alarms by the Anchorage Police Department** and enact a new Chapter 10.75, Inspection Fees, to **recover costs of inspections by the Anchorage Fire Department**, Legal Department. public hearing 1-11-00.
  - a. Assembly Memorandum No. AM 1178-99.

Mr. Tesche, Ms. Von Gemmingen and Ms. Fairclough joined in introducing this ordinance. The public hearing was scheduled for January 11, 2000.

Mr. Tesche requested the Administration consult Anchorage School District officials regarding the issue of charges for false alarms. He also asked the Administration provide an analysis of how the ordinance provisions for inspections would apply to commercial properties, and a definition of multi-family properties.

Ms. Abney noted many churches are affected by vandalism and false alarms. She suggested church groups be surveyed to determine the effect of the ordinance on them.

2. Resolution No. AR 99-344, a resolution amending Regulation 21 of the Anchorage Municipal Code of Regulations by enacting a new Chapter 21.67, Stormwater Discharge, to **provide for stormwater plan review fees**, Public Works. public hearing 1-11-00.
  - a. Assembly Memorandum No. AM 1162-99.

Ms. Fairclough, Ms. Clementson and Mr. Meyer joined in introducing this resolution. The public hearing was scheduled for January 11, 2000.

Ms. Fairclough requested the Administration explore the possibility of extending the guarantees on stormwater drains beyond the time frame for the subdivision agreements. She pointed out as development increases in north Anchorage, developers tend to install creative solutions to address storm water runoff. She explained in some developments, when the storm drain systems fail, responsibility reverts to the Municipality and the cost of repairs is borne by taxpayers. If storm drainage systems were separate from subdivision agreements, responsibility for the systems may be able to be placed on the developer for more than the existing two-year time frame.

D. RESOLUTIONS FOR ACTION:

1. Resolution No. AR 99-346, a resolution of the Anchorage Municipal Assembly **recognizing and honoring Senior Police Clerk Brenda A. Arney for her 19 years of service** with the Anchorage Police Department, Assemblymembers Abney, Clementson, Fairclough, Kendall, Meyer, Sullivan, Taylor, Tesche, Tremaine, Von Gemmingen, and Wuerch.

Ms. Abney moved, to approve AR 99-346.  
seconded by Ms. Clementson,  
and it passed without  
objection,

2. Resolution No. AR 99-347, a resolution of the Anchorage Municipal Assembly **recognizing and honoring Detective Ronald R. Emmons for his 26 years of service** with the Anchorage Police Department, Assemblymembers Abney, Clementson, Fairclough, Kendall, Meyer, Sullivan, Taylor, Tesche, Tremaine, Von Gemmingen, and Wuerch.

Ms. Abney moved, to approve AR 99-347.  
seconded by Mr. Meyer,  
and it passed without  
objection,

E. NEW BUSINESS:

1. Assembly Memorandum No. AM 1161-99, amendment No. 1 to the professional consulting services contract with PricewaterhouseCoopers regarding the **Internal Revenue Service review of municipal bonds**, Legal Department.

Mr. Tesche moved, to approve AM 1161-99.  
seconded by Ms. Clementson,

Mr. Tesche requested a status report on the IRS audit that is in process. Also, he questioned whether the Assembly was receiving quarterly reports on the status of the Beluga Gas Field project.

Municipal Manager George Vakalis said the Assembly has received several reports, but not on a quarterly basis. The last report was in conjunction with an overview on the utility's budget.

Mr. Tesche requested another briefing. Mr. Vakalis agreed.

Question was called on the motion to approve AM 1161-99 and it passed without objection.

2. Assembly Memorandum No. AM 1184-99, change order No. 3 to purchase order 83868 to exercised the first option renewal period with Snowball Express for providing **snow and ice removal services at various bus stops** for the Municipality of Anchorage, Public Transportation/Purchasing.

Ms. Clementson moved, to approve AM 1184-99.  
seconded by Mr. Tremaine,

Ms. Von Gemmingen declared a conflict of interest on this item. She declined to elaborate other than saying it was a business matter.

Question was called on the motion to approve AM 1184-99 and it passed without objection, except Ms. Von Gemmingen who abstained.

3. Assembly Memorandum No. AM 1185-99, sole source contract for **professional services** from Decision Support, Inc. for the Municipality of Anchorage, Anchorage Police Department/Purchasing.

Mr. Kendall moved, to approve AM 1185-99.  
seconded by Ms. Clementson,

In response to Mr. Kendall, Police Chief Duane Udland explained these services were included in the original RFP which was awarded to the Tiburon company. However, the price that Tiburon responded with was very high, and the department chose not to award. There was also concern that the company would not be able to perform the services, since they had no experience with the system in place at the time. He confirmed the Tiburon system runs on the NT platform.

Question was called on the motion to approve AM 1185-99 and it passed without objection.

4. Assembly Memorandum No. AM 1190-99, Tesoro 2 Go #73 - Transfer of Location of a Package Store Liquor License, Clerk's Office. **(addendum)**

Mr. Kendall moved, to postpone action on AM 1190-99 until after action on item  
seconded by Ms. Clementson, 12.C, AR 99-334.  
and it passed without  
objection,

F. INFORMATION AND REPORTS: None.

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

- A. Assembly Memorandum No. AM 1149-99, Platting Board appointment (Rick Barrier), Mayor's Office.  
(POSTPONED FROM 11-23-99)

Vice Chair Taylor gave the history of the memorandum and noted a motion to approve was on the floor.

In response to Mr. Tesche, Denise Burger of the Mayor's Office said the office has not received any comments from the public on this appointment.

Question was called on the motion to approve AM 1149-99 and it passed without objection.

- B. 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.
1. Assembly Memorandum No. AM 1134-99.  
(POSTPONED FROM 11-23-99)

Vice Chair Taylor gave the history of the resolution and noted a motion to approve was on the floor.

Ms. Clementson pointed out \$1 million in revenues was received in excess of the amount which was budgeted for Anchorage Convention and Visitors Bureau (ACVB). The Municipal Charter mandates that 50 percent of hotel-motel tax revenues be designated for tourism. In the past, those funds have traditionally been disbursed to ACVB, although it is not required to be given to that organization. She felt since the Municipality has decided to pay \$100,000 towards the cost of a study for a new convention center, it would be prudent to use \$100,000 from the \$1 million excess, so it would not come directly from property taxes.

In response to Mr. Kendall, Bill Elander of ACVB addressed the Assembly. Mr. Elander announced Anchorage has been awarded the Gold Service Award, six times in the last seven years. The Award is voted on by ACVB customers, meeting planners and associations, to decide the best convention bureau in the world. He explained the history of the hotel-motel tax and its relationship to ACVB, the tourism/marketing agency for the community. In 1991, it was decided ACVB would no longer be funded directly from the Municipal budget, but after the hotel-motel tax had been collected and audited. He explained ACVB estimates its budget based on forecasts in the convention and tourism trade. This year, the ACVB budget estimate was based on hotel-motel tax collections of at least \$9,750,000. He said to take \$100,000 from ACVB would cost the industry about \$300,000 in success in the long run.

In response to Mr. Tesche, Mr. Elander confirmed the proposed \$500,000 appropriation has already been identified in the ACVB budget.

In response to Ms. Fairclough, Mayor Mystrom confirmed that the subject \$100,000 was already allocated in his proposed 2000 budget. He clarified the \$1 million that was not anticipated by the Municipality was not actually a windfall, because ACVB did anticipate those funds, and budgeted accordingly.

In response to Ms. Clementson, Don Simmons of Property and Facility Management said his department deals mostly with the Egan Center portion of ACVB's budget. He could not say without further research if ACVB budget compares to revenue forecasts.

Mr. Wuerch returned to the meeting.

Ms. Clementson encouraged the Administration to do more oversight of the ACVB budget and contract.

In response to Ms. Clementson, Municipal Attorney Mary Hughes quoted from the current contract with ACVB: "ACVB shall receive funds from the Municipality equal to fifty percent of the total collected and posted Anchorage hotel-motel tax receipts for the calendar year 1999 by the Municipality, not to exceed the amount appropriated for this purpose. The Municipality shall pay ACVB no later than twenty-one days after the close of each month, fifty percent of the hotel-motel room tax receipts posted for that month in Municipal revenue account 9023, not to exceed the amount appropriated for this purpose." Ms. Hughes said she needed to analyze this provision, because she has not yet determined the implications.

In response to Mr. Tremaine, Mr. Elander recalled Anchorage voters approved the hotel-motel tax with the proviso that 50 percent would be used for tourism promotion. He felt it would be wrong for ACVB to use tourism marketing funds for another purpose, including a study. He pointed out when ACVB learned the study would cost \$200,000, members of the tourism industry agreed to pay half, but only with dollars separate from tourism promotion funds. He felt although a new convention center would be good for tourism, paying for a study was not promotion. He felt "promotion" was for existing attractions only.

Ms. Von Gemmingen pointed out ACVB does not have to submit their budget for approval by the Municipality.

Ms. Abney pointed out Assembly and Administration members serve on the ACVB Board, so the group's activities are well known. She encouraged support for the resolution.

Mr. Kendall felt the increase in hotel-motel tax revenues was a sign that ACVB was doing a good job of tourism promotions. He added new hotels resulting from a growing tourism industry increases property tax revenues. He supported the resolution.

Mr. Tesche felt the issue was one of differing budgeting styles, neither of which is incorrect. The law states 50 percent of the revenues will go to promote tourism, and historically the promoting organization has been ACVB. He felt the convention center study was a separate issue. He supported the resolution.

Ms. Clementson felt the discussion was helpful. She cautioned the question of what "tourism promotion" funds can be used for must be researched more carefully, before the hotel-motel bed tax is increased to help pay for a potential new convention center.

Mr. Tremaine moved, to postpone action on AR 99-335 until later in the meeting,  
seconded by Ms. Clementson,

AYES: Tremaine, Clementson.

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

Question was called on the motion to approve AR 99-335 and it passed:

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

NAYS: None.

Chairman Wuerch returned to the Chair. He reported that he presented AR 99-348, approved earlier in the meeting, to the Pearl Harbor survivors organization at a dinner party earlier in the evening.

- C. Resolution No. AR 99-280, a resolution authorizing the Municipality of Anchorage to **purchase Lot 28, Block 4, Wickersham Park Addition No. 1**, located at 1606 Cache Drive, Anchorage, Alaska, to enlarge the Tudor Elementary School parking lot, Heritage Land Bank/Real Estate Services.
1. Assembly Memorandum No. AM 918-99.  
(CONTINUED FROM 10-26-99; POSTPONED FROM 11-9-99 AND 11-23-99)

Chairman Wuerch gave the history of the resolution and noted a motion to approve was on the floor.

Ms. Clementson moved, to amend AR 99-280 on line 13 in the title to read: "...TO  
seconded by Ms. Fairclough, IMPROVE SAFETY AND ACCESS AT THE TUDOR  
ELEMENTARY SCHOOL PARKING..."

Ms. Fairclough clarified the proposed parking lot addition would separate the bus circulation route from the private vehicle drop-off area. She explained it is important to act now, while the property is for sale and before it is purchased by another resident. However, there may not be funds available to implement the improvements immediately.

Question was called on Ms. Clementson's motion to amend and it passed without objection.

Mr. Meyer spoke in support of approval. He noted the parcel is very small, but the purchase will benefit the school and increase safety for students.

Chairman Wuerch also spoke in support.

Question was called on the motion to approve AR 99-280 as amended and it passed:

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

NAYS: None.

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

- D. Resolution No. AR 99-233, a resolution **adopting the 2000 Legislative Program** for the Municipality of Anchorage, Legal Department.
1. Assembly Memorandum No. AM 811-99.  
(POSTPONED FROM 11-9-99)

Chairman Wuerch gave the history of the resolution and noted a motion to approve was on the floor.

Mr. Meyer pointed out today's worksession was very productive. However, several ideas and potential changes were raised which he felt deserved additional discussion.

Mr. Meyer moved, to postpone action on AR 99-233 until December 14, 1999 and  
seconded by Ms. Clementson, schedule a worksession on the same day.  
and it passed without  
objection,

10. **APPEARANCE REQUESTS:** None.

## 11. CONTINUED PUBLIC HEARINGS:

- A. 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.  
(CONTINUED FROM 11-16-99)

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

Ms. Clementson moved, to approve AR 99-300.  
seconded by Mr. Sullivan,

In response to Mr. Tremaine, Don Alspach of Community Planning and Development requested this item be postponed indefinitely. He explained this was a request from the corporation, which is apparently having internal difficulties.

Mr. Meyer moved, to postpone action on AR 99-300 indefinitely.  
seconded by Mr. Tremaine,  
and it passed without  
objection,

- B. Ordinance No. AO 98-64(S), an ordinance amending the Anchorage Municipal Code Title 21 to **increase the allowable maximum sign viewing area for churches and schools from 20 square feet to 50 square feet**, to increase the number of signs from one per church or school to one sign for each street frontage and to permit signs for schools to be illuminated or lighted, Assemblymember Bell.
1. Information Memorandum No. AIM 102-99, Municipal Clerk.
  2. Information Memorandum No. AIM 109-99, Municipal Clerk. (**addendum**)  
(POSTPONED FROM 7-21-98; ON 9-28-99 ASSEMBLY ACTION WAS POSTPONED TO THE FIRST MEETING IN JUNE 2000; NOTICE OF RECONSIDERATION WAS GIVEN BY MR. TESCHE 9-29-99; RECONSIDERED AND PUBLIC HEARING RE-OPENED 10-12-99)

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

JOHN COPELAND, senior pastor at Skyline Family Fellowship in Eagle River, spoke in support of the ordinance. He said comments in the letter to the Assembly from the Chugiak Community Council did not reflect the opinions of everyone in the community. He felt there should be uniformity of laws for all areas of the Municipality. Pastor Copeland felt the church needed a sign larger than the size of a door to announce their presence and services to the public.

MARTHA QUIMBY spoke in opposition to the ordinance. She noted everyone seems to be able to find their own churches and schools. There are four churches in her neighborhood. Three of these churches have discreet signs, but the fourth has a larger sign. This church is on a corner, so under the proposed ordinance they would be allowed two large signs on each street. Ms. Quimby felt the church in question is already an eyesore, and increasing the size of the signs would exacerbate that problem.

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

Mr. Kendall moved, to adopt AO 98-64(S).  
seconded by Ms. Fairclough,

Mr. Kendall noted this issue has received much discussion since the ordinance was introduced in March of 1998. He recalled the Administration indicated they were working on a comprehensive change to the sign ordinance, and would provide that within six months. However, it was not until October 1999 that a committee met, and committee members indicated they would not be finished until June of 2000. He requested a report.

Community Planning and Development (CPD) Director Caren Mathis noted CPD staff drafted a revised sign ordinance this summer, at the same time a sign review committee held meetings. It was quickly clear the scope of the revisions in the draft ordinance would require more detailed discussion. It was the decision of committee members to regroup, enhance representation on the committee and revise the timeline for a final ordinance. She said there are currently 18 members on the committee. Ms. Mathis explained the draft ordinance structure is very different from the existing law. The draft ordinance would assess the impact of sign size based on the type of neighborhood in which the sign would be placed. She asked a member of the committee to address the issue of time frames.

In response to Mr. Meyer, Ms. Mathis said concerns from the business community was one reason the committee composition was changed to ensure representation from that community.

In response to Mr. Kendall, Robert Yahara and Michele Czajkowski, members of the sign review committee, addressed the Assembly. Mr. Yahara read a letter from the committee requesting AO 98-64(S) be postponed until the committee has had the opportunity to complete revision of a draft sign ordinance. He noted the committee includes two members from the church community to ensure their perspectives are considered in the ordinance revision. Mr. Yahara said the revision is expected in April, 2000. The committee has met every two weeks since October, 1999. The committee is working to

achieve an ordinance that will serve the entire Municipality; members caution against a piecemeal approach to decision-making on the amendment.

In response to Mr. Tesche, Reverend Ron Martinson spoke representing Central Lutheran Church. He said he was a member of the original committee and the present committee. He felt the committee was successful because the membership is well-balanced with fair representation from many community interests. He was in agreement with the committee's recommendation.

Ms. Von Gemmingen moved, to postpone action on AO 98-64(S) indefinitely.  
seconded by Mr. Tesche,

Ms. Von Gemmingen felt it was best to wait for the committee to work on the comprehensive sign ordinance.

Mr. Meyer moved, to substitute a motion to postpone action until June 13, 2000.  
seconded by Mr. Kendall,

AYES: Kendall, Wuerch, Meyer, Clementson.

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

Question was called on Ms. Von Gemmingen's motion to postpone action indefinitely and it passed:

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

NAYS: Wuerch, Meyer.

The meeting recessed at 7:35 p.m. and reconvened at 8:05 p.m.

- C. Ordinance No. AO 99-109, an ordinance amending the Anchorage Municipal Code by enacting a new Chapter 12.50 to provide **procedures for declaration of a deteriorated area or property**, including definitions of deteriorated area or property and rehabilitation, and requiring a Confirmation Impact Study (CIS), and requiring the Assembly to hold a public hearing prior to declaring a deteriorated area or property, application procedures for obtaining taxation exemption or deferral, Assemblymember Clementson.
1. Ordinance No. AO 99-109(S), an ordinance amending the Anchorage Municipal Code by enacting a new Chapter 12.50 to provide procedures for declaration of a deteriorated area or property, including definitions of deteriorated area or property and rehabilitation, and requiring a Confirmation Impact Study (CIS), and requiring the Assembly to hold a public hearing prior to declaring a deteriorated area or property, application procedures for obtaining taxation exemption or deferral, Assemblymember Clementson.  
(CONTINUED FROM 8-17-99, 9-21-99, AND 10-12-99)

Ms. Clementson moved, to postpone the public hearing for AO 99-109 to coincide  
seconded by Mr. Kendall, with item 12.G, AO 99-140.  
and it passed without  
objection,

## 12. NEW PUBLIC HEARINGS:

- A. Ordinance No. AO 99-150, an ordinance of the Municipality of Anchorage, Alaska, authorizing and providing for the borrowing of not to exceed \$8,400,000 from the State of Alaska Clean Water Fund for the purpose of **financing a portion of the costs of the Asplund (Pt. Woronzof) solids handling project** in the Municipality, and providing for related matters, Water and Wastewater Utility.
1. Assembly Memorandum No. AM 1153-99.

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 adopt AO 99-150.  
seconded by Ms. Fairclough,

In response to Ms. Fairclough, Anchorage Water and Wastewater Utility General Manager Mark Premo explained the new seafood plant operators estimate the plant will reach full production within four years. Mr. Premo said during that same time frame, the existing system will reach its limit to handle solids, which is why the system is being expanded. He said the new seafood processing plant, and any others that are built, will receive a rate increase based on the cost of handling the excess solids.

Question was called on the motion to adopt AO 99-150 and it passed:

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

NAYS: None.

- B. Ordinance No. AO 99-152, an ordinance amending Anchorage Municipal Code Sections 1.25.005 and 1.25.015 to **require that announcements of meetings of the Assembly, the School Board, and other Boards and Commissions be posted in a public place** maintained by the Municipal Clerk, played on a recording maintained by the Municipal Clerk, and posted on a publicly accessible computer bulletin board maintained by the Municipality, Assemblymember Fairclough.
1. Assembly Memorandum No. AM 1165-99.

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

Ms. Fairclough moved, to adopt AO 99-152.  
seconded by Mr. Meyer,

Ms. Fairclough explained this proposal is in response to constituent comments regarding the availability of information on public meetings.

Ms. Clementson questioned whether the proposal might cause any impact to the Municipal Clerk's office.

Municipal Clerk Jane Ferguson said she had some questions on the proposal, and felt there would be some costs that are not reflected in the Summary of Economic Effects.

Ms. Clementson added another question about the effect on the School District. She pointed out the District posts their own advertisements, and wondered about the responsibilities to ensure District compliance.

Ms. Fairclough moved, to postpone action on AO 99-152 until January 25, 2000  
seconded by Mr. Tesche, pending more information on the economic effect.

Ms. Clementson suggested this issue also be discussed during the next Assembly/School Board joint meeting.

Question was called on the motion to postpone action and it passed without objection.

- C. Resolution No. AR 99-334, a resolution of the Anchorage Municipal Assembly approving a conditional use for sales of alcoholic beverages (Package Store) located on Walter G. Pipple Subdivision Addition No. 2, Block 12, Lot 1 (Proposed Lot 1A), generally located on the northeast corner of Old Glenn Highway and Eagle River Loop Road (Tesoro Northstore Co., Inc. d.b.a. **Tesoro 2 Go**) (Case 99-224), Community Planning and Development.
1. Assembly Memorandum No. AM 1131-99.

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

DAN COFFEY explained the proposal would move an existing license about 4/10 of a mile away to the new location. He requested support and offered to answer questions. He introduced RICK BUCY from Tesoro.

In response to Mr. Kendall, Mr. Busy said at the Community Council meeting, members specifically mentioned concerns about the sign at the Garret's Tesoro station at the intersection of Northern Lights and New Seward Highway. He explained to the Council that the station was not owned by the Tesoro company, but by an independent dealer. At company-owned stations, those types of signs are not used. The sign on Tesoro on Muldoon Road will be the same as the one for the proposed Eagle River site. The Muldoon sign is smaller, and there is no flashing lights or animation.

In response to Mr. Tremaine, Mr. Busy said the only reason company officials agreed to restrictions on alcohol sales in the Spenard area was in response to concerns by area residents about inebriates. Therefore, the company eliminated alcohol items within certain price ranges that are attractive to inebriates. The inebriate situation is not a problem in Eagle River, and the Community Council members did not seem to have concerns.

In response to Mr. Tesche, Mr. Coffey clarified there is no restaurant in the proposed facility. The gas station is tied to a package store location.

In response to Mr. Tesche, Mr. Busy said he would not agree to refrain from selling chilled single beers at the proposed location. He said most of the single beers they sell are super-premium imports. However, he said he might be willing to prohibit sales of "broken" six-packs, singles that are separated from a damaged portion of a six-pack. He said since sale of the premium import singles represent a significant portion of the beer revenues in their gas/convenience stores, he would prefer to continue selling those products.

In response to Ms. Fairclough, Mr. Busy explained construction was still in progress. His intent was that all the plans and conditions listed in the conditional use permit would be met by the time construction is completed.

In response to Mr. Tremaine, Mr. Coffey said he felt the convenience store would meet the standards for a conditional use, including *forwarding the goals and policies of the Comprehensive Plan*. He agreed those goals included "creating a living environment of the highest possible quality" pointing out that statement read further: "...considering among other things the economic social considerations and physical development."

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

Ms. Fairclough moved, to approve AR 99-334.  
seconded by Mr. Kendall,

Mr. Tesche spoke in opposition to the resolution. He pointed out the applicant indicated on the record that the sale of single servings of beer was a major part of the business in the store. He felt the unwillingness of the applicant to cease this practice in a store that also sells gasoline and that is located along a highway sends the wrong message to the community.

Ms. Fairclough urged Mr. Tesche to reconsider. She normally opposes establishments selling gasoline and alcohol together. However, Tesoro has been a good neighbor in Eagle River. She felt the staff at the store would be well-trained. Also, the Eagle River Community Council supported the store. She encouraged support.

Mr. Kendall pointed out the Assembly has not approved any regulations concerning the sale of single servings of alcoholic beverages. He felt Tesoro has been a good operator and good corporate citizen in Eagle River. He noted the operation is existing, but in a small location. The operation will not change, but merely move to a more competitive location.

Ms. Clementson supported Mr. Tesche's position.

Question was called on the motion to approve AR 99-334 and it passed:

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

NAYS: Tesche, Clementson.

The Assembly then returned to item 8.E.4, AM 1190-99.

Assembly Memorandum No. AM 1190-99, Tesoro 2 Go #73 - Transfer of Location of a Package Store  
Liquor License, Clerk's Office. (**addendum**)

Mr. Kendall moved, to approve AM 1190-99.  
seconded by Mr. Meyer,

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

NAYS: None.

- D. Ordinance No. AO 99-154, an ordinance amending AO 99-104 (amending the zoning map and providing for the rezoning from R-3 (Multiple Family Residential District) to R-4 SL (Multiple Family Residential District) with Special Limitations, for **Third Addition Subdivision, Block 15C, Lots 1 through 12**; generally located between East 12th and 13th Avenues and between Cordova and Barrow Streets, Amended and Approved 8/17/99) by enlarging the time within to complete conditions precedent to effectiveness of the rezoning ordained by AO 99-104 (Fairview Community Council) (Planning and Zoning Commission Case 99-004), Assemblymember Kendall.

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

BILL BREDESON, representing the landowner and the Alano Club, recalled conditions in the rezoning that was approved in August. One condition was that the landowner and the Club come to agreement within 120 days. A lawsuit has caused a problem with this goal. The proposed ordinance would extend the time to complete the conditions, which he felt was necessary. He said the lawsuit was unexpected and has been a great hardship.

In response to Mr. Kendall, Mr. Bredeson explained the Alano Club and the Municipality were defendants in the lawsuit. He said the contention in the lawsuit was that since the Club is less than 1.75 acres, and R-4SL is adjacent to R-4, it is not a contiguous zone and does not qualify.

In response to Ms. Fairclough, Mr. Bredeson said there were several reasons he was not pursuing a conditional use, including timing issues.

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

Mr. Kendall moved, to adopt AO 99-154.  
seconded by Ms. Taylor,

Ms. Clementson opposed the ordinance because the applicant has the opportunity to apply for a conditional use under the current zoning which would make the lawsuit moot. She noted the property, without the rezoning, is R-3, and the proposed use would be allowed with a conditional use permit. It seems the rezoning, which some on the Assembly considered a spot-zoning for a specific purpose, was less appropriate than the conditional use process.

Mr. Kendall pointed out although the petitioner has other options, he chose to take this route. He felt the proposal was a routine matter of extending the zoning action, to allow settlement of the lawsuit. He felt it was a relatively minor item.

Mr. Meyer questioned whether there were comments from the Fairview Community Council or Planning and Zoning Commission (P&Z).

In response to Mr. Meyer, Don Alspach of Community Planning and Development said this change would not go before P&Z. He noted the Assembly has extended dates of conditions on a rezoning in the past.

Mr. Tesche added he was not aware of any comments or consideration by the Fairview Community Council on this extension ordinance. He felt the issue was relatively minor.

Mr. Tremaine requested a status report on the extent of the Municipality's involvement in the lawsuit.

Question was called on the motion to adopt AO 99-154 and it passed:

AYES: Kendall, Sullivan, Tremaine, Tesche, Taylor, Wuerch, Meyer, Fairclough, Abney.

NAYS: Von Gemmingen, Clementson.

- E. Ordinance No. AO 99-144, an ordinance **adopting the Potter Valley Land Use Analysis as an element of the Municipality of Anchorage Comprehensive Plan** and amending Chapter 21.05 of the Anchorage Municipal Code, Community Planning and Development.
1. Assembly Memorandum No. AM 1008-99.

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

Ms. Clementson moved, to adopt AO 99-144.  
seconded by Ms. Fairclough,

In response to Ms. Clementson, Thede Tobish of Community Planning and Development discussed the areas which would be set aside for future residential development.

Question was called on the motion to adopt AO 99-144 and it passed:

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

- F. Resolution No. AR 99-341, a resolution **authorizing eminent domain proceedings and acceptance of the Decisional Document for the construction of the 15th Avenue Safety Improvements, "L" Street to Juneau Street, Part II**, Public Works.
1. Assembly Memorandum No. AM 1154-99.

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

Mr. Tesche moved, to approve AR 99-341.  
seconded by Ms. Clementson,

Assistant Municipal Attorney Dennis Wheeler reported that since the resolution was introduced, agreements have been reached with owners of two parcels, #6 and 27. He distributed a substitute Exhibit A for the resolution and asked the resolution be amended accordingly.

Mr. Tesche moved, to amend AR 99-341 to attach the substitute version of  
seconded by Ms. Clementson, Exhibit A.  
and it passed without  
objection,

Mr. Wheeler clarified the "Part II" mentioned in the title referred to the fact that this is the second resolution before the Assembly. However, the resolution itself is part III of the Decisional Document.

Question was called on the motion to approve AR 99-341 as amended and it passed:

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

Mr. Tesche moved, to combine the public hearings for items 12.G. and 11.C,  
seconded by Ms. Clementson, AO 99-140 and AO 99-109.  
and it passed without  
objection,

- G. Ordinance No. AO 99-140, an ordinance amending Chapter 12.35 of the Anchorage Municipal Code to **provide procedures for designation of a "deteriorated area"**, Assemblymember Tesche.  
Ordinance No. AO 99-109, an ordinance amending the Anchorage Municipal Code by enacting a new Chapter 12.50 to provide **procedures for declaration of a deteriorated area or property**, including definitions of deteriorated area or property and rehabilitation, and requiring a Confirmation Impact Study (CIS), and requiring the Assembly to hold a public hearing prior to declaring a deteriorated area or property, application procedures for obtaining taxation exemption or deferral, Assemblymember Clementson.
1. Ordinance No. AO 99-109(S), an ordinance amending the Anchorage Municipal Code by enacting a new Chapter 12.50 to provide procedures for declaration of a deteriorated area or property, including definitions of deteriorated area or property and rehabilitation, and requiring a Confirmation Impact Study (CIS), and requiring the Assembly to hold a public hearing prior to declaring a deteriorated area or property, application procedures for obtaining taxation exemption or deferral, Assemblymember Clementson.

(CONTINUED FROM 8-17-99, 9-21-99, AND 10-12-99)

Chairman Wuerch opened the public hearing for AO 99-140 and AO 99-109 and asked if anyone wished to speak. There was no one, and he closed the public hearing.

Ms. Clementson moved, to postpone action on AO 99-109(S) and AO 99-140 until  
seconded by Mr. Tesche, January 25, 2000.  
and it passed without  
objection,

Ms. Clementson moved, to postpone action on AO 99-109 indefinitely.  
seconded by Mr. Tesche,  
and it passed without  
objection,

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

14. **SPECIAL ORDERS:**

- A. Ordinance No. AO 99-148, an ordinance **repealing Ordinance 84-101 concerning Tracts C11 and C15 Eagle Crossing Subdivision, Tract A, Ptarmigan Subdivision and the SW 1/4 of the SE 1/4 of the NW 1/4 of Section 17 along the S 1/2 of Section 17** excepting therefrom Tract A, Eagle River Greenbelt, located within Sections 17 and 18, T14N, R1W and amending the zoning map and providing for the rezoning from R-3/SL (Multiple-Family Residential with Special Limitations) to R-3/SL (Multiple-Family Residential with Special Limitations) for the Tracts C11 and C15, Eagle Crossing Subdivision, Tract A, Ptarmigan Subdivision and the SW 1/4 of the SE 1/4 of the NW 1/4 of Section 17 along the S 1/2 of Section 17 excepting therefrom Tract A, Eagle River Greenbelt, located within Sections 17 & 18, T14N, R1W, SM, AK, containing approximately 225 acres and generally located south of Ptarmigan Boulevard and north of the Eagle River Greenbelt and along both sides of Eagle River Lane (Eagle River Valley Community Council) (Planning and Zoning Commission Case 99-109), Community Planning and Development.
1. Assembly Memorandum No. AM 1140-99.

Ms. Fairclough moved, to reschedule the public hearing for AO 99-148 from January 11 to February 1, 2000 to allow the Community Council to review and reach consensus on the ordinance.  
seconded by Mr. Tremaine,  
and it passed without  
objection,

The meeting recessed at 9:05 p.m. and reconvened at 9:25 p.m.

- B. Ordinance No. AO 99-124(S) (AS AMENDED), 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. (VETOED 11-30-99)

Mr. Tesche moved, to override the Mayoral veto of AO 99-124(S) as amended and adopted on November 23, 1999.  
seconded by Mr. Sullivan,

Mr. Tesche discussed his approach to the 2000 budget. He felt the budget that was proposed by the Mayor represented a responsible allocation of public resources. After action and amendment by the Assembly, he felt the budget did not deviate seriously from the original presented budget and still represented good public policy. He felt it was unfortunate that the Mayor not only vetoed the amendments, but the entire budget, which leaves the Municipality without a budget, according to a legal opinion by attorney Joe Josephson. Mr. Josephson was retained by the Assembly. Mr. Tesche felt the task before the Assembly was to find the most prudent way to adopt a budget, and the option he preferred would be to override the veto. He said another alternative was to act on AO 99-124.

Mr. Kendall quoted from the Municipal Charter regarding veto of the budget: *"If the Assembly fails to approve the budget and make the necessary appropriation within the time stated, the budget proposal shall become the budget and appropriation for the fiscal year without further Assembly action."* He felt Assembly action included approval or veto override. Mr. Kendall questioned the propriety of requesting an opinion from Mr. Josephson. He disagreed with the argument that if the Mayor's veto is not overridden, there would be no budget. The authors of the Charter anticipated controversy over the budget and thus included provisions for an automatic enactment of a budget.

Mayor Mystrom agreed with Mr. Kendall. He felt the issue was not too complicated. The Charter ensures the Municipality has a budget every year. He felt final action was not complete until the time for reconsideration or action on a veto was complete. He pointed out the Charter is clear and provides if final approval has not taken place, the budget is that that was proposed by the Mayor. He felt the issue was whether Assembly members feel AO 99-124 or AO 99-124(S) were best for the community. He encouraged the Assembly to debate, and then sustain the veto.

Ms. Clementson said she understood from Mr. Josephson's opinion that the Mayor is required to utilize line-item veto power. By issuing an overall veto, his own budget was nullified. However, she pointed out when the Charter was written, there was no line-item veto power, just general veto power. She felt if a general veto would have resulted in a no-budget situation, the Charter authors would have addressed that issue. It was not addressed. She felt if the Assembly does not override the veto, it will not have approved a budget, and the provisions of the Charter *...the budget proposal shall become the budget* would be in force.

Ms. Fairclough felt the Administration has done an exemplary job of dealing with a \$6 million budget shortfall. She did not agree with current proposals to maintain property taxes by not filling current vacancies. Fire fighting and EMS positions need immediate attention, therefore she could not support the veto.

Ms. Abney said she would support an override. She felt public safety was a high priority, and the process of maintaining property taxes by not filling employee vacancies is unacceptable. She pointed out although the Assembly increased the budget for public safety items, it also made reductions in other areas.

Ms. Taylor said the goal of the Public Safety Committee was to shift the focus of the budget to public safety, while at the same time maintaining the level of property taxes.

Mr. Tremaine questioned what version of the budget would take effect if the veto was not overridden, so he commissioned the legal opinion. He pointed out it was possible that a mistake would result in funds being spent improperly. He felt there was sufficient confusion on the issue, so override of the veto was the safest course of action. He urged his colleagues to take the most conservative approach possible.

Mr. Tesche felt provisions of the Code regarding the timing of approval of the budget, and the Mayor's veto power were in conflict, and did not address the current situation. Because of this conflict and the doubt and risk involved, he also urged his colleagues to override the veto because it was safest course of action.

In response to Chairman Wuerch, Mayor Mystrom said the intent of his veto was to retain AO 99-124(S), without amendments, as the budget.

Ms. Clementson pointed out the budget is extremely complicated. She was not aware that new members did not receive an orientation by staff to explain how to read and interpret the budget, as she and Mr. Meyer received when they were new members. She pointed out the impacts of some of the reductions was significant, especially to departments with very few people. She supported public safety, but could not support those additions at the expense of certain departments' ability to function. She could not support an override.

Chairman Wuerch summarized that if the override failed, the default budget would be AO 99-124(S) without amendments. He asked for discussion of his interpretation.

Mr. Sullivan pointed out many of the Municipality's revenue sources are not in the Assembly's control. He felt it would be prudent to wait until after the 1<sup>st</sup> quarter for revisions, when there will be a better picture of the Municipality's financial situation, to add or remove positions.

Mr. Tesche felt it was not certain that if the override fails, AO 99-124(S) would automatically become the budget. He urged discussion of that point.

Mr. Kendall felt the default budget would be AO 99-124(S), because that was the last budget submitted by the Mayor.

Mr. Tremaine felt the default budget, if the override failed, would be AO 99-124 because the S version has not had two public hearings as required by law. He pointed out the S version was not submitted until November 16, 1999, the date of the second public hearing on the budget.

In response to Chairman Wuerch, Municipal Attorney Mary Hughes said she felt Mr. Josephson's opinion was wrong. She asked Deputy Municipal Attorney Bill Greene to elaborate.

Mr. Greene suspected that Mr. Josephson ignored the importance of Charter section 13.05. After reading the minutes and listening to audio tapes of the Charter Commission meetings at which this section was discussed, he felt it was clear the section was designed to ensure there was a final budget in place before Assembly members went on vacation at end of the year. Mr. Greene did not believe Federal law was instructive in this situation. As he understood Mr. Josephson's opinion, the Mayor would be left with only the line item veto option, which is clearly not correct under the Charter. Mr. Greene felt the Assembly's options were to either override the veto or let AO 99-124(S) go into effect.

In response to Mr. Sullivan, Mr. Greene explained the Charter provides that the Mayor may veto an entire ordinance or certain lines of an ordinance.

Mr. Meyer agreed with some points made by the Mayor in his veto message, such as that the budget is too large. However, Mr. Meyer felt it is the Assembly's job to set the priorities for the Municipality, because they represent the various types of citizens in the city. He felt public safety was a slightly higher priority than the Mayor. He did not feel 1<sup>st</sup> Quarter budget revisions was the appropriate place for certain changes. He pointed out 1<sup>st</sup> Quarter is for emergencies or circumstances unforeseen at the time the budget is approved.

Chairman Wuerch restated the motion before the Assembly. He said if the vote to override passed, AO 99-124(S) as amended would become the budget. If the vote failed, AO 99-124(S) without amendment would become the budget.

Question was called on the motion to override the Mayoral veto of AO 99-124(S) as amended and it failed:

AYES: Tremaine, Tesche, Taylor, Fairclough, Abney.

NAYS: Kendall, Sullivan, Wuerch, Meyer, Von Gemmingen, Clementson.

Mr. Tesche moved,  
and it died for lack of a second,

to appeal the ruling of the Chair, that AO 99-124(S)  
became the budget upon failure of the vote to override the  
veto.

Mr. Kendall moved,  
seconded by Mr. Sullivan,

to affirm the ruling of the Chair, that AO 99-124(S) became  
the budget upon failure of the vote to override the veto.

Mr. Tesche said he would be disappointed if his colleagues take an action that he felt was too risky for the public good.

Mr. Kendall pointed out it has been common practice for an original budget to be presented, and a substitute version be acted upon by the Assembly.

Ms. Clementson felt the S version was probably the budget, but since there was some doubt, she suggested the original version be adopted and later amended, to ensure clarity and safety.

Ms. Clementson moved, to substitute a motion to adopt AO 99-124.  
seconded by Ms. Taylor,

Chairman Wuerch ruled Mr. Kendall’s motion, being procedural, must be voted on before Ms. Clementson’s motion.

Ms. Von Gemmingen urged a vote against affirming the Chair’s ruling. She pointed out the issue is legally uncertain, and felt adopting AO 99-124 would remove the legal uncertainty. Amending AO 99-124 later would be a simple process.

Ms. Clementson pointed out Mr. Josephson’s letter included the opinion that both the Mayor and Assembly impliedly and expressly rejected AO 99-124. The Municipal Attorney agrees with that portion of Mr. Josephson’s opinion, therefore in her opinion AO 99-124 was “dead” and would have to be reintroduced.

Mr. Tesche disagreed that AO 99-124 could not be resurrected.

Ms. Clementson moved, to extend the meeting to complete this issue.  
seconded by Ms. Taylor,  
and it passed with Mr. Kendall  
objecting,

In response to Ms. Clementson, Mr. Greene said when the Assembly votes on a substitute version of legislation, it typically implies rejection of the original ordinance.

In response to Ms. Clementson, Municipal Clerk Jane Ferguson confirmed that in the past, the Assembly has acted on substitute ordinances, and after reconsideration returned to the original versions. However, typically when the Assembly acts on a specific version of an ordinance, it disposes of the remaining versions. She pointed out the former example of reconsideration does not apply in this circumstance because immediate reconsideration of the S version was moved and failed on November 23, 1999. She noted reconsideration of an ordinance suspends the ordinance, while veto of an ordinance negates the action of the ordinance.

Mayor Mystrom pointed out debate over which version of the ordinance was the proposed budget could be concluded by his clarification. He reiterated his intent was that the proposed budget was AO 99-124(S). He agreed with the Chair’s ruling.

Question was called on Mr. Kendall’s motion to affirm the ruling of the Chair and it passed:

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

15. ASSEMBLY COMMENTS: None.

16. UNFINISHED AGENDA: None.

17. AUDIENCE PARTICIPATION: None.

18. EXECUTIVE SESSIONS:

A. Pending Litigation.

This session was not held.

19. ADJOURNMENT:

Mr. Kendall moved, to adjourn.  
seconded by Mr. Sullivan,  
and it passed without  
objection,

The meeting adjourned at 11:05 p.m.

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Chairman

ATTEST:

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Municipal Clerk

Date Minutes Approved: February 15, 2000

LF/db

**INDEX**

<i>Subject</i>	<i>Page</i>
15th Avenue Safety Improvements.....	13
Abbott Loop Mainline Valve Vault .....	2, 5
Anchorage Coastal Management Program.....	3
Anchorage Comprehensive Plan .....	13
Anchorage Convention And Visitors Bureau .....	7
Anchorage Metropolitan Area Transportation Study (AMATS).....	3
Animal Control Advisory Board .....	3
Asplund (Pt. Woronzof) Solids Handling Project.....	10
Assembly Chambers Voting System Upgrade Project.....	3
Bus Stops Snow Removal .....	4, 6
Computer Purchases, Maintenance Or Licensing .....	10
Conditional Use For Sales Of Alcoholic Beverages .....	9, 11
Conflict Of Interest.....	6
Deteriorated Area Or Property Designation.....	10, 13
Digital Micro wave System Equipment .....	4
Eagle River Water Improvements.....	4
Eau Claire Place Water Upgrade.....	4
Eminent Domain .....	13
Executive Sessions	
Pending Litigation .....	16
False Alarms Fees.....	2, 5
Financial Management Services .....	3
Fire Department .....	2, 5
General Government Operating Budget .....	14
Heritage Land Bank.....	2, 8
Ice Rink Roof Design/Build .....	2, 4
Indigent Defense Services .....	4
Internal Revenue Service Review Of Municipal Bonds.....	3, 6
Investment Advisory Commission.....	2
Klatt Road And Timberlane Drive Signalization Improvements .....	2
Lake Otis Elementary School.....	2, 4
Land Sale, Purchase, Lease Or Conveyance.....	2, 8
Legislative Program .....	3, 8
Liquor Licenses.....	4, 7, 9, 12
Medical Supplies.....	4
MOA Trust Fund.....	3
Municipal Bonds Review .....	3, 6
Patent Depository/Serials Holdings Program.....	3
Plan Review Fees.....	3, 5
Planning And Zoning Commission.....	12, 14
Platting Board .....	7
Police Department .....	2, 3, 4, 5, 6
Potter Valley Land Use Analysis .....	13
Professional Services .....	4, 6
Public Meetings Notice And Publication.....	10
Recognizing	
Brenda A. Arney.....	3, 6
Pearl Harbor Remembrance Day .....	1, 3, 8
Ronald R. Emmons .....	3, 6
Rezoning.....	12, 14
Sign Viewing Area For Churches And Schools .....	9
Snow And Ice Removal Services .....	4, 6
Transportation Planning.....	3
Truck Mounted Catch Basin Cleaner .....	2, 5
Veto.....	14
Wisconsin And 34th Sewer Upgrade Project.....	4
Workstations .....	4