

MUNICIPALITY OF ANCHORAGE

ANCHORAGE ASSEMBLY

Minutes for Regular Meeting of July 10, 2001

1. CALL TO ORDER:

Assembly Chairman Dick Traini convened the meeting at 5:00 p.m. in the Assembly Chambers, 3600 Denali, Anchorage, Alaska.

2. ROLL CALL:

Present: Anna Fairclough, Fay Von Gemmingen, Melinda Taylor, Dick Traini, Dan Kendall, Allan Tesche, Janice Shamberg, Dick Tremaine, Cheryl Clementson.

Absent: Dan Sullivan (excused), Doug Van Etten (excused).

3. PLEDGE OF ALLEGIANCE:

The pledge was led by Office of Planning, Development and Public Works Director Craig Campbell.

4. MINUTES OF PREVIOUS MEETING:

A. Special Meeting - February 2, 2001

Mr. Sullivan moved, to amend the minutes to replace the name “Kevin Meyer”
seconded by Ms. Taylor, with “Dick Traini” wherever it appears.
and it passed without objection,

Mr. Tesche moved, to approve the minutes of the February 2, 2001 special
seconded by Ms. Taylor, special meeting, as amended.
and it passed without objection,

B. Regular Meeting - February 6, 2001

C. Regular Meeting - February 13, 2001

Ms. Fairclough moved, to approve the minutes of the February 6, 2001 regular
seconded by Ms. Taylor, meeting.
and it passed without objection,

Ms. Fairclough moved, to approve the minutes of the February 13, 2001 regular
seconded by Ms. Von Gemmingen, meeting.
and it passed without objection,

5. MAYOR'S REPORT:

Mayor Wuerch mentioned the tragic automobile collision yesterday, in which Police Officer Justin Wollam and three young people were killed. He extended condolences to the families of the deceased and injured.

Mayor Wuerch reported about 400 young people from faith-based organizations around the country visited Anchorage to make repairs on homes and properties. By the end of this month, 500 more youth will complete a week of community service associated with the World Changers organization. About 100 homes will receive upgrades and repairs as a result of the program.

The Mayor noted a welcome and long-awaited rain on July 4 helped the extreme fire danger. Also, cooperation from citizens to refrain from the use of illegal fireworks helped this effort. He added the United States Senate Appropriations Committee recently announced \$6.5 million has been set aside for Anchorage’s ongoing fire mitigation efforts.

Lastly, Mayor Wuerch discussed the road projects scheduled for completion during this construction season. He also introduced the new acting Director of the Heritage Land Bank, George Cannelos.

Police Chief Walt Monegan thanked the community for the many calls, letters and expressions of condolences to Police Department staff in the wake of Officer Wollam’s death. He expressed condolences to the families of the other people who died with Officer Wollam.

6. ADDENDUM TO AGENDA:

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

Chairman Traini read the addendum items.

Mr. Tesche asked AR 2001-212 be added to the agenda, under item 7.C. 15. There was no objection.

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

7. CONSENT AGENDA:

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

A. BID AWARDS:

1. Assembly Memorandum No. AM 588-2001, recommendation of award to Swalling Construction Co., Inc. for **Chevigny North & Kincaid reservoir painting** for the Municipality of Anchorage, Water and Wastewater Utility (ITB 21-C030) (\$147,040), Purchasing.
2. Assembly Memorandum No. AM 589-2001, recommendation of award to Frontier Excavating, Inc. for **Thunderbird Heights Subdivision water system upgrades** for the Municipality of Anchorage, Water and Wastewater Utility (ITB 21-C031) (\$230,689), Purchasing.
3. Assembly Memorandum No. AM 590-2001, recommendation of award to KC Corporation for **Reservoir 2 interior paint** for the Municipality of Anchorage, Water and Wastewater Utility (ITB 21-C029) (\$344,587), Purchasing.

B. ORDINANCES AND RESOLUTIONS FOR INTRODUCTION:

1. Ordinance No. AO 2001-129, an ordinance amending Anchorage Municipal Code to enact a new Section 6.50.070 **establishing a trust fund for property tax relief**, Office of Management and Budget. *public hearing 7-24-01.*
 - a. Assembly Memorandum No. AM 586-2001.
2. Ordinance No. AO 2001-131, an ordinance of the Anchorage Municipal Assembly amending Anchorage Municipal Code Subsection 3.88.030C. to designate the Administrator of the Police and Fire Retiree Medical Trust as the **Program Administrator of the Prefunding Investment Board**, Employee Relations. *public hearing 7-24-01.*
 - a. Assembly Memorandum No. AM 623-2001.
3. Ordinance No. AO 2001-132, an ordinance amending Anchorage Municipal Code Subsection 3.30.172 F to **classify executive positions** (Deputy Police Chief), Employee Relations. *public hearing 7-24-01.*
 - a. Assembly Memorandum No. AM 624-2001.
4. Ordinance No. AO 2001-133, an ordinance authorizing the **lease of an area in the southern portion of the Transit Shed Warehouse at the Port of Anchorage**, totaling approximately 6,909 square feet, to Totem Ocean Trailer Express, Inc., Port of Anchorage. *public hearing 7-24-01.*
 - a. Assembly Memorandum No. AM 625-2001.
5. Ordinance No. AO 2001-134, an ordinance amending the zoning map and providing for the rezoning from PLI (Public Lands and Institutions) District to B-3 SL (General Business) District with Special Limitations for **Tract 1, ATU Subdivision**, generally located at the northeast corner of East 40th Avenue and Denali Street (Spenard Community Council (Planning and Zoning Commission Case No. 2001-012), Planning Department. *public hearing 9-11-01.*
 - a. Assembly Memorandum No. AM 626-2001.
6. Ordinance No. AO 2001-135, an ordinance of the Anchorage Assembly providing for the rezoning of approximately 42 acres from R-2A SL (Two-Family Residential District with Special Limitations) to R-2A SL (Two-Family Residential District with Special Limitations) for **Fire Lake Subdivision #2, Block 1, Lots 1A, 3A, 4A, 5 - 8, and Block 2, Lots 1 - 8; Fire Lake Heights, Lots 1 - 5; T15N, R1W, Section 31, SW 1/4 SW 1/4 NW 1/4 SW 1/4, SE 1/4 NW 1/4 SW 1/4 NW 1/4 SW 1/4, SW 1/4 NW 1/4 SW 1/4 NW 1/4 SW 1/4, NE 1/4 NW 1/4, SW 1/4 NW 1/4 SW 1/4, NW 1/4 NW 1/4 SW 1/4 NW 1/4 SW 1/4; Fire Lake Subdivision, Lot 3, Tracts H, I1, I2, K1, K2, K3, L1, and M**, generally located south of Fish Hatchery Road and East Knob Hill Drive, for the purpose of adding an additional special limitation limiting the number of dogs over the age of four months to no more than three (3) per lot (Chugiak Community Council) (Planning and Zoning Commission Case 2001-019), Planning Department. *public hearing 9-11-01.*
 - a. Assembly Memorandum No. AM 627-2001.
7. Ordinance No. AO 2001-136, an ordinance amending the zoning map and providing for the rezoning from approximately 2.5 acres from PLI (Public Lands and Institutions District) to R-3 SL (Multi-Family Residential District with Special Limitations) for **T14N, R2W, Section 11, Lot 59, S.M., A.K.**, generally located between VFW Road and Eagle River Road (Eagle River Valley Community Council) (Planning and Zoning Commission Case 2001-011), Planning Department. *public hearing 9-11-01.*
 - a. Assembly Memorandum No. AM 628-2001.
8. Ordinance No. AO 2001-137, an ordinance amending the zoning map and providing for the rezoning of approximately 9.49 acres from R-O SL (Residential-Office District with Special Limitations) to R-O SL (Residential-Office District with Special Limitations) for **Tract A, Lake Otis Acres Subdivision**, generally located south of Dowling Road and east of Laurel Street, for the purpose of increasing the number of allowable dwelling units from 80 to 95 (Abbott Loop Community Council) (Planning and Zoning Commission Case 2001-018), Planning Department. *public hearing 9-11-01.*
 - a. Assembly Memorandum No. AM 629-2001.
9. Ordinance No. AO 2001-138, an ordinance of the Municipality of Anchorage authorizing the **purchase of Crossroads Business Park, Tracts 5A and 5B**, Anchorage for ~~\$1.5 million~~, Assemblymembers Sullivan and Von Gemmingen. *public hearing 7-24-01.*

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

10. Resolution No. AR 2001-199, a resolution of the Municipality of Anchorage appropriating the sum of \$110,000 as a grant from the U.S. Environmental Protection Agency and \$323,000 as a cash match from the 2001 Department of Health and Human Services Operating Budget to the Federal Categorical Grants Fund 9241) for the **operation of the Anchorage Air Pollution Control Agency** in the Department of Health and Human Services. *public hearing 7-24-01.*
a. Assembly Memorandum No. AM 616-2001.
11. Resolution No. AR 2001-200, a resolution of the Municipality of Anchorage appropriating \$190,000 from the Areawide General Fund (101) Balance to the Department of Health and Human Services' 2001 Operating Budget to increase funding of **Public Inebriate Community Service Patrol and Transfer Station services and related activities**, Health and Human Services. *public hearing 7-24-01.*
a. Assembly Memorandum No. AM 617-2001,

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

12. Resolution No. AR 2001-201, a resolution of the Municipality of Anchorage authorizing the acceptance of a Federal Transit Administration Section 5307 grant and appropriating \$1,988,800 from the Federal Transit Administration to the Public Transportation Capital Improvement Fund (485) for the purchase of capital items and \$172,000 from the Federal Transit Administration along with \$43,000 for local matching funds from the Public Transportation Department's 2001 Operating Budget as a contribution to the Federal Categorical Grants Fund (241) for the **Americans with Disabilities Act (ADA) paratransit assistance**, Public Transportation Department. *public hearing 7-24-01.*
a. Assembly Memorandum No. AM 618-2001.
13. Resolution No. AR 2001-202, a resolution of the Anchorage Assembly appropriating \$274,000 as a loan from the Areawide General Cash Pool (101) to the Self Insurance Fund (602) to pay **property insurance premiums for the period January - June 2002**, Finance. *public hearing 7-24-01.*
a. Assembly Memorandum No. AM 619-2001.
14. Resolution No. AR 2001-203, a revision of the 2001 General Government Operating Budget appropriating \$100,000 from Anticipated Unearned Revenue to the Development Services Department to fund Change Order No. 3 to professional services contract for **plan review services**, PO 202240, to Degenkolb Engineers, Development Services Department. *public hearing 7-24-01.*
a. Assembly Memorandum No. AM 620-2001.
15. Resolution No. AR 2001-204, a resolution of the Municipality of Anchorage accepting and appropriating **State of Alaska Legislative grants per Senate Bill 29**, Office of Management and Budget. *public hearing 7-24-01.*
a. Assembly Memorandum No. AM 621-2001.
16. Resolution No. AR 2001-205, a resolution of the Anchorage Municipal Assembly appropriating the sum of \$250,000 from **seized and forfeited monies awarded from criminal narcotics cases** by the U.S. Drug Enforcement Agency, to the Police Investigation Fund (257) for use by the Anchorage Police Department. *public hearing 7-24-01.*
a. Assembly Memorandum No. AM 634-2001.
17. Resolution No. AR 2001-207, a revision to the 2001 General Government Operating Budget appropriating ~~\$220,000~~ \$100,000 from the Building Safety Fund (181) Balance for **building inspectors and vehicles**, Development Services Department. *public hearing 7-24-01. (addendum)*
a. Assembly Memorandum No. AM 636-2001.

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

18. Ordinance No. AO 2001-139, an ordinance of the Municipality of Anchorage amending Anchorage Municipal Code Chapter 9.28 to **require liability insurance or other security to operate a motor vehicle** within the Municipality, to establish minimum insurance levels and exemptions, to establish penalties or the failure to have insurance, including impound and forfeiture of a vehicle used in the offense, and to amend other code sections related thereto, Assemblymember Traini. *public hearing 7-24-01. (addendum)*
a. Assembly Memorandum No. AM 637-2001.
19. Resolution No. AR 2001-211, a resolution adopting the 2001 Action Plan of the Municipality of Anchorage, which constitutes the application to the U.S. Department of Housing and Urban Development for the **Community Development Block Grant, the HOME Investment Partnership Grant and the Emergency Shelter Grant**, Planning Department. *public hearing 7-24-01. (addendum)*
20. Ordinance No. AO 2001-140, an ordinance of the Anchorage Municipal Assembly **amending Anchorage Municipal Ordinance AO 2000-91(S)**, as Amended and Approved on June 20, 2000, by changing the time period to complete the 'Ordinance Review' required in Section 3 of the Ordinance, Assemblymember Tesche. *public hearing 7-24-01. (addendum)*
21. Ordinance No. AO 2001-47(S), an ordinance of the Anchorage Municipal Assembly amending Anchorage Municipal Code Subsection 21.45.235.C. regarding the **maximum heights of churches** (Planning and Zoning Commission Case 2001-042), Assemblymember Taylor. *public hearing 8-14-01. (addendum)*

C. RESOLUTIONS FOR ACTION:

1. Resolution No. AR 2001-206, a resolution of the Anchorage Municipal Assembly **recognizing and honoring John L. Alexander for his 23 years of public service** within Anchorage, Assemblymembers Taylor, Assemblymembers Taylor, Clementson, Fairclough, Kendall, Shamberg, Sullivan, Tesche, Traini, Tremaine, Van Etten, and Von Gemmingen

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

2. Resolution No. AR 2001-83, a resolution of the Anchorage Municipal Assembly approving the **revised (schematic) design for the Chugiak High School Renewal, Phase 2 - Gymnasium & Cafeteria Renovation**, Anchorage School District. **(NOT SUBMITTED)**
 - a. Assembly Memorandum No. AM 262-2001.

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

3. Resolution No. AR 2001-190, a resolution of the Anchorage Municipal Assembly appropriating the sum of \$10,000 from the Anchorage Roads and Drainage Service Area Fund (141) Balance to the Traffic Department to provide funding for **contract services to install and remove speed humps**, Assemblymember Taylor.
 - a. Assembly Memorandum No. AM 592-2001.

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

4. Resolution No. AR 2001-191, a resolution of the Anchorage Municipal Assembly appropriating the sum of \$22,000 from Areawide General Fund (101) Balance to the Internal Audit Department to provide **funding to hire an Auditor**, Assemblymember Von Gemmingen.
 - a. Assembly Memorandum No. AM 593-2001.

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

5. Resolution No. AR 2001-192, a resolution of the Anchorage Municipal Assembly appropriating \$48,930 from Areawide General Fund (101) Balance to the Department of Assembly to provide funding for a **contract amendment to the Independent Financial Audit**, Assemblymember Von Gemmingen.
 - a. Assembly Memorandum No. AM 594-2001.
6. Resolution No. AR 2001-193, a resolution of the Municipality of Anchorage appropriating \$7,500 from a National Park Service grant to the Federal Categorical Grants Fund (241) for Girdwood Valley Service Area for **Iditarod National Historic Trail reconstruction**, Cultural and Recreational Services.
 - a. Assembly Memorandum No. AM 595-2001.
7. Resolution No. AR 2001-194, a revision to the 2001 General Government Operating Budget appropriating \$50,000 from Anticipated Unearned Program Revenues to the Purchasing Department for payment of **fees and expenses associated with disposal of surplus/excess municipal property**, Purchasing.
 - a. Assembly Memorandum No. AM 596-2001.
8. Resolution No. AR 2001-195, a resolution of the Municipality of Anchorage appropriating \$10,000 of Fund Balance from the Talus West Limited Road Service Area Fund (142) to the Street Maintenance Department 2001 General Operating Budget for **summer maintenance projects**, Office of Planning, Development, and Public Works.
 - a. Assembly Memorandum No. AM 597-2001.
9. Resolution No. AR 2001-196, a resolution of the Municipality of Anchorage appropriating \$25,000 of Fund Balance from the Campbell Airstrip/Section 6 Limited Road Service Area Fund (112) to the Street Maintenance Department 2001 General Operating Budget for **summer maintenance projects**, Office of Planning, Development, and Public Works.
 - a. Assembly Memorandum No. AM 598-2001.
10. Resolution No. AR 2001-197, a resolution of the Municipality of Anchorage appropriating \$30,000 of Fund Balance from the Mountain Park Estates Limited Road Service Area Fund (117) to the Street Maintenance Department 2001 General Operating Budget for **summer maintenance projects**, Office of Planning, Development, and Public Works.
 - a. Assembly Memorandum No. AM 599-2001.
11. Resolution No. AR 2001-198, a resolution to amend the collective bargaining agreement between the Anchorage Police Department Employees Association and the Municipality of Anchorage regarding **step placement upon promotion to Police Sergeant**, Employee Relations.
 - a. Assembly Memorandum No. AM 600-2001.
12. Resolution No. AR 2001-208, a resolution of the Anchorage Municipal Assembly granting a temporary conditional use permit for a restaurant/eating place liquor license at 1241 Muldoon Road for the **Ding How Mongolian Bar-B-Que**, Assembly Chair Traini. **(addendum)**
13. Resolution No. AR 2001-209, a resolution of the Anchorage Municipal Assembly **recognizing and honoring Don Becker for his 30 years of dedicated service** to the Municipality of Anchorage, Assemblymembers Clementson, Fairclough, Kendall, Shamberg, Sullivan, Taylor, Tesche, Traini, Tremaine, Van Etten, and Von Gemmingen. **(addendum)**

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

14. Resolution No. AR 2001-210, a resolution of the Anchorage Municipal Assembly and the Mayor supporting the concept of the **Muldoon Town Center Plan** as proposed by Venture Development Group, LLC, Assemblymembers Clementson, Taylor, Traini, Tesche, Von Gemmingen. **(addendum)**
15. Resolution No. AR 2001-212, a resolution of the Anchorage Municipal Assembly **implementing the Comprehensive Plan through transportation improvements**, Assemblymembers Fairclough, Shamberg, Tremaine, and Tesche. **(LAID ON THE TABLE)**

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

D. NEW BUSINESS:

1. Assembly Memorandum No. AM 581-2001, Urban Design Commission appointment (James Dougherty), Mayor's Office.

(Clerk's Note: Action on this item was postponed until July 24, 2001 to permit a 10-day public comment period pursuant to AMC 21.10.010.B.)

2. Assembly Memorandum No. AM 582-2001, Health and Human Services Commission appointment (Teresa Nelson), Mayor's Office.
3. Assembly Memorandum No. AM 583-2001, Chugiak-Eagle River Parks and Recreation Board of Supervisors reappointments (Kate Koch, Dominica VanKoten), Mayor's Office.
4. Assembly Memorandum No. AM 584-2001, Upper Grover Limited Road Service Area Board of Supervisors appointments (Jeff Havrita, Mark Moderow), Mayor's Office.
5. Assembly Memorandum No. AM 585-2001, re-appointment to the Executive Staff (Timothy G. Middleton - Administrative Hearing Officer), Mayor's Office.
6. Assembly Memorandum No. AM 630-2001, Budget Advisory Commission appointment (Allen Bingham), Mayor's Office.
7. Assembly Memorandum No. AM 631-2001, Parks and Recreation Commission appointment (Thomas Dillon), Mayor's Office.
8. Assembly Memorandum No. AM 632-2001, Police and Fire Retirement Board of Trustees reappointment (Dick Dworsky), Mayor's Office.
9. Assembly Memorandum No. AM 633-2001, Rockhill Limited Road Service Area appointment (Howard Trickey), Mayor's Office.
10. Assembly Memorandum No. AM 601-2001, annual option renewals and change orders - legal services contracts (NTE \$645,000), Legal Department.

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

11. Assembly Memorandum No. AM 591-2001, change order No. 7 to purchase order 82188 with the Burns International Security Service for security guard services for the Municipality of Anchorage, Municipal Light and Power (\$48,000), Purchasing.

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

12. Assembly Memorandum No. AM 602-2001, proprietary purchase of computer software products and services from Itron, Inc. for the Municipality of Anchorage, Municipal Light and Power (ML&P) (\$64,400), Purchasing.
13. Assembly Memorandum No. AM 603-2001, change order No. 1 to various purchase orders with various firms for providing industry specific/customized training programs for 2001 for the Municipality of Anchorage, Planning Department (\$299,947.03), Purchasing.
14. Assembly Memorandum No. AM 604-2001, proprietary award to HRC, Inc. for administering the Local Workforce Investment Board for the Matanuska-Susitna (Mat-Su) Area for the Municipality of Anchorage, Planning Department (\$403,579), Purchasing.
15. Assembly Memorandum No. AM 605-2001, recommendation of award to Alaska High Tech Business Council/Information Technology Careers Consortium (AHTBC/ITCC) for the purpose of screening incumbent workers and proposal from high tech industries for training assistance as described in the H1-B Skills Shortage grant to the Municipality of Anchorage from the Secretary of Labor, United States Department of Labor, Employment and Training Administration (Federal Grant # AH-108657-000-60) (\$145,595), Planning Department.
16. Assembly Memorandum No. AM 606-2001, change order No. 1 to exercise the first option period for vendor contract 20PFM400 with GMG General, Inc. to provide parking lot and sidewalk maintenance on an "as needed" basis for the Municipality of Anchorage, Property and Facility Management Department (\$75,000), Purchasing.
17. Assembly Memorandum No. AM 607-2001, change order No. 5 to purchase order 82949 with Harry Linskens to provide technical assistance for the Municipality of Anchorage, Public Transportation (\$6,750), Purchasing.
18. Assembly Memorandum No. AM 608-2001, cooperative purchase of computer hardware, software and service from Compaq Computer Corporation, CompuCom Systems, Inc. and Government Computer Sales, Inc. (GCSI) for the Municipality of Anchorage, Purchasing Department (\$1,256,250), Purchasing.
19. Assembly Memorandum No. AM 609-2001, change order No. 2 to purchase order No. 200655 with Alaska Pollution Control, Inc. for annual road maintenance services to the Mountain Park Estates Limited Road Service Area for the Municipality of Anchorage, Street Maintenance Department (\$22,000), Office of Planning, Development, and Public Works.
20. Assembly Memorandum No. AM 610-2001, proprietary award to Anchorage Neighborhood Housing Services for administering Housing Acquisition Rehabilitation program for the Municipality of Anchorage, Office of Planning Development, and Public Works (\$446,597), Purchasing.
21. Assembly Memorandum No. AM 611-2001, recommendation of award to HDR Alaska, Inc. for providing professional engineering services to complete a 2001 Water Master Plan Update for the Municipality of Anchorage, Water and Wastewater Utility (RFP 21-P011) (\$339,946), Purchasing.

22. Assembly Memorandum No. AM 612-2001, recommendation of award to various carriers providing **various insurance coverage** to the Municipality of Anchorage, Finance Department (\$786,362).
23. Assembly Memorandum No. AM 613-2001, grant to Anchorage Soil and Water Conservation District for Homeowner Assistance in **mitigation wildfire risk** (\$250,000), Anchorage Fire Department.
24. Assembly Memorandum No. AM 614-2001, **Anchorage Loop Water Transmission Main (WTM) - Phase IV & V - Predesign Study** - Agreement to provide professional engineering services with CH2M Hill, Inc., Amendment No. 5 for \$740,351, Water and Wastewater Utility.
25. Assembly Memorandum No. AM 615-2001, contract amendment No. 2 to professional services contract with KPMG LLP for the **2000 Independent Financial Statement Audit** (\$48,930), Assemblymember Von Gemmingen.
26. Assembly Memorandum No. AM 635-2001, **appointments to Board of Equalization** (Chris Anderson, Shari Boyd, James J. Brooks, Carolyn Greiner, Jolynne Howard, Gil Kruschwitz), Municipal Clerk.

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

E. INFORMATION AND REPORTS:

1. Information Memorandum No. AIM 66-2001, **East Ship Creek Avenue Drainage Improvements** - Notice of pending contract amendment to Seacoast Construction Co. Inc., Project No. 99-23, Office of Planning, Development, and Public Works.
2. Information Memorandum No. AIM 67-2001, Anchorage Water and Wastewater Utility construction contract change orders for **Anchorage Loop WTM Phase VI (Frontier); Anchorage Loop WTM Phase V (CUI), Anchorage Loop WTM Phase V (AMI), Service Reservoir 6 (AMI), Orca Street Water Upgrade (Alaska Road Boring)**, Water and Wastewater Utility.
3. Information Memorandum No. AIM 68-2001, **contracts awarded between \$30,000 and \$100,000 through formal competitive processes** for the month of May 2001, Purchasing.
4. Information Memorandum No. AIM 69-2001, **Sole Source Procurement Report** for the month of May 2001, Purchasing.

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

5. Appeal S-10677, Glenn View Estates, has been set for hearing before the Board of Adjustment on July 24, 2001, Clerk's Office.
6. Information Memorandum No. AIM 70-2001, **available fund balances**, Office of Management and Budget. **(addendum)**

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

AYES: Fairclough, Von Gemmingen, Taylor, Traini, Kendall, Tesche, Shamberg, Tremaine, Clementson.

NAYS: None.

8. REGULAR AGENDA:

A. BID AWARDS: None.

B. ORDINANCES AND RESOLUTIONS FOR INTRODUCTION:

1. Ordinance No. AO 2001-138, an ordinance of the Municipality of Anchorage authorizing the **purchase of Crossroads Business Park, Tracts 5A and 5B**, Anchorage ~~for \$1.5 million~~, Assemblymembers Sullivan and Von Gemmingen. *public hearing 7-24-01.*

Ms. Von Gemmingen, Ms. Fairclough and Ms. Taylor joined in introducing AO 2001-138. The public hearing was scheduled for July 24, 2001.

Ms. Von Gemmingen moved, to delete “for \$1.5 million” from AO 2001-138 and
seconded by Ms. Fairclough, add her name as a co-sponsor.
and it passed without objection.

2. Resolution No. AR 2001-200, a resolution of the Municipality of Anchorage appropriating \$190,000 from the Areawide General Fund (101) Balance to the Department of Health and Human Services' 2001 Operating Budget to increase funding of **Public Inebriate Community Service Patrol and Transfer Station services and related activities**, Health and Human Services. *public hearing 7-24-01.*
- a. Assembly Memorandum No. AM 617-2001,

Mr. Tremaine, Ms. Clementson and Ms. Fairclough joined in introducing AR 2001-200. The public hearing was scheduled for July 24, 2001.

3. Resolution No. AR 2001-207, a revision to the 2001 General Government Operating Budget appropriating ~~\$220,000~~ \$100,000 from the Building Safety Fund (181) Balance for **building inspectors and vehicles**, Development Services Department. *public hearing 7-24-01. (addendum)*
- a. Assembly Memorandum No. AM 636-2001.

Ms. Fairclough moved, to postpone AR 2001-207 indefinitely.
seconded by Mr. Tremaine,

Office of Planning, Development and Public Works Director Craig Campbell said they would like to have the same resolution introduced by title only, but substitute \$100,000, because vehicles were not included.

Mr. Kendall, Ms. Fairclough and Mr. Tremaine joined in introducing AR 2001-207 as amended. The public hearing was scheduled for July 24, 2001.

C. RESOLUTIONS FOR ACTION:

1. Resolution No. AR 2001-206, a resolution of the Anchorage Municipal Assembly **recognizing and honoring John L. Alexander for his 23 years of public service** within Anchorage, Assemblymembers Taylor, Assemblymembers Taylor, Clementson, Fairclough, Kendall, Shamberg, Sullivan, Tesche, Traini, Tremaine, Van Etten, and Von Gemmingen

Mr. Tremaine moved, to approve AR 2001-206.
seconded by Ms. Taylor,
and it passed without objection.

Mr. Tremaine read the resolution.

Chairman Traini noted that the resolution was incorrect and should have read that Mr. John Alexander served 33 years of public service, not 23 years.

2. Resolution No. AR 2001-83, a resolution of the Anchorage Municipal Assembly approving the **revised (schematic) design for the Chugiak High School Renewal, Phase 2 - Gymnasium & Cafeteria Renovation**, Anchorage School District. (NOT SUBMITTED)
 - a. Assembly Memorandum No. AM 262-2001.

Ms. Clementson moved, to postpone AR 2001-83 indefinitely.
seconded by Mr. Tremaine,
and it passed without objection.

3. Resolution No. AR 2001-190, a resolution of the Anchorage Municipal Assembly appropriating the sum of \$10,000 from the Anchorage Roads and Drainage Service Area Fund (141) Balance to the Traffic Department to provide funding for **contract services to install and remove speed humps**, Assemblymember Taylor.
 - a. Assembly Memorandum No. AM 592-2001.

Ms. Clementson moved, to approve AR 2001-190.
seconded by Mr. Tesche,

In response to Ms. Clementson, administration said they were not prepared to answer the question of what the status was of the additional \$40,000 from the state for speed humps or whether that money could be used for placement of speed humps.

Ms. Clementson moved, to postpone AR 2001-190 until later in the meeting.
seconded by Ms. Fairclough,
and it passed without objection.

(This item was considered under number 15. Unfinished Agenda. See page 20)

4. Resolution No. AR 2001-191, a resolution of the Anchorage Municipal Assembly appropriating the sum of \$22,000 from Areawide General Fund (101) Balance to the Internal Audit Department to provide **funding to hire an Auditor**, Assemblymember Von Gemmingen.
 - a. Assembly Memorandum No. AM 593-2001.

Ms. Clementson moved, to approve AR 2001-191.
seconded by Ms. Fairclough,

Ms. Clementson pointed out they needed to decide when to use the fund balance and what priorities would be assigned.

In response to Ms. Von Gemmingen, Mayor Wuerch said they received a check three weeks ago from ACVB from the Egan Center.

Ms. Von Gemmingen pointed out that the internal auditor had a considerable workload. The budget cut two auditor positions. She felt they were being penny-wise and pound-foolish to think they could hire outside auditors instead of hiring a full-time staff member to do the audits. KPMG, the independent auditors, asked for an addition of \$49,000 to their contract for the 2000-year audit, because of additional audits of federal and state single audits. She felt their billing rates were unusually high. The low-end staff was billed at \$70 an hour and increased to \$300 for the managing partner, which was 60 percent of their standard rates. There are many things the internal audit department should be doing to help the city run better, but they are not able to use them because they are so busy.

Ms. Shamberg said an additional audit staff person could be used year round. She felt it was financially responsible to hire an employee, because it would cost the city less.

Ms. Clementson suggested instituting a policy that when the fund balance was used they knew why they were using it, what it was being used for and if it was justified. She felt some of the expenditures listed in E.6 had been wasted money. Mayor Wuerch said this was not a \$22,000 decision, but closer to \$100,000, because there would be impacts on next year's budget. They want accountability, liability and integrity of their financial records. They want to insure that they can audit for efficiency and effectiveness. More technology is being used in business practices. One way to stay current with the marketplace is to use the marketplace. We need to find the appropriate mix between full-time in-house auditors and specialist that would bring the marketplace into our practice. This year the software has been upgraded and the core competency group have been established. We will continue to have special needs for heavy-duty firms, but by defining our scope we can decrease those costs. We would like to have the latitude to use a mix of in-house auditors and contractors. We have the budget in place to do this, but we need to keep an eye on the fund balance. He felt they would be better prepared if they made the decision when they were putting together the budget for 2002.

Ms. Clementson requested information on executive leave, but there was no system in the Municipality to find out what kind of leave or municipal travel people have done. The internal auditor's office is working on a solution. People Soft is not necessarily making things easier, because things are not centralized and easily accessible.

Chairman Traini asked Mayor Wuerch to have the administration provide Ms. Clementson the information she had requested.

Mayor Wuerch said leave was on the earnings statement when paychecks were issued and they could tap into the payroll system for that information. The City Manager could answer the question on municipal travel.

In response to Ms. Von Gemmingen, Chief Fiscal Officer Kate Giard said the finance department believes that the municipality benefits from a strong internal audit department, which assists in audits as well as providing a significant degree of assurance that processes and procedures meet the highest standards. The finance department strongly supports an internal audit department. They do not have an opinion on whether that should be done through contract or through a position. They believe that using external staff provides more current and up-to-date skill levels, but there are cost differentials. The finance department supports any additional money going to the internal audit department, whether through contract or a position.

In response to Mr. Tremaine, Cheryl Frasca said whether spruce bark beetle fire mitigation money could be reimbursable from the federal funds would depend on the conditions of the federal appropriations. Initially they requested reimbursement for the \$550,000 that they had requested and the Assembly had approved.

Question was called on the motion to approve AR 2001-191 and it passed:

AYES: Von Gemmingen, Taylor, Traini, Kendall, Tesche, Shamberg, Tremaine, Clementson.

NAYS: Fairclough.

5. Resolution No. AR 2001-209, a resolution of the Anchorage Municipal Assembly **recognizing and honoring Don Becker for his 30 years of dedicated service** to the Municipality of Anchorage, Assemblymembers Clementson, Fairclough, Kendall, Shamberg, Sullivan, Taylor, Tesche, Traini, Tremaine, Van Etten, and Von Gemmingen. **(addendum)**

Mr. Tremaine moved, to approve AR 2001-209.
seconded by Mr. Tesche,
and it passed without objection.

Mr. Tremaine read the resolution.

Mayor Wuerch introduced the following people who were appointed: James Dougherty, Urban Design Commission; Teresa Nelson, Health and Human Services Commission; Kate Koch and Dominica VanKoten, Chugiak-Eagle River Parks and Recreation Board of Supervisors; Jeff Havrita and Mark Moderow, Upper Grover Limited Road Service Area Board of Supervisors; Timothy Middleton, re-appointment to the Executive Staff; Allen Bingham, Budget Advisory Commission; Thomas Dillon, Parks and Recreation Commission; Dick Dworsky, Police and Fire Retirement Board of Trustees; and Howard Trickey, Rockhill Limited Road Service Area.

6. Resolution No. AR 2001-212, a resolution of the Anchorage Municipal Assembly **implementing the Comprehensive Plan through transportation improvements**, Assemblymembers Fairclough, Shamberg, Tremaine, and Tesche. **(LAID ON THE TABLE)**

Ms. Clementson moved, to approve AR 2001-212.
seconded by Mr. Tesche,

Mr. Tesche explained the resolution. The 2020 Comprehensive Plan has a strong emphasis on public transportation, pedestrian safety and the reduction of auto dependency. The AMATS process continues to evaluate new roads and various alternatives for transportation in Anchorage. The purpose of the resolution is to recommend and encourage the Department of Transportation to offer information regarding neighborhoods, preservation of open spaces, improvement of air and water quality, increase transit service, improve pedestrian safety, reduce auto dependency and improve mobility and access through the AMATS process in the various studies that result in road projects. The resolution encourages the department to use consultant teams to incorporate the specific transportation and related land use goals of the 2020 Comprehensive Plan as they look at various transportation issues. The resolution urges that at least one major investment alternatives for the New Seward Highway, through a major assessment study, be looked at primarily on transit and land use strategies to improve mobility.

Ms. Von Gemmingen said they wanted to look at land uses alongside the corridor. The scope of work does not include any land use alternatives and transit alternatives are ruled out. She felt that should be addressed.

Mayor Wuerch said Anchorage has not succeeded in building new roads and one of the major impediments has been AMATS. After years of lobbying Congress, we finally got the requirement for a major investment study removed from the federal law. The state Department of Transportation and AMATS did not feel that was the right thing to do and kept major investment studies as a prerequisite to moving forward with projects. This is now a self-imposed requirement. We should look to the future and figure out what we can do better. We continue to impose process requirements and that means it takes 7 to 10 years to build new roads. He felt the People Mover system was a viable alternative to transportation issues. He felt the light rail system was a waste of time and would not work in the New Seward corridor.

Lance Wilber of Community Planning and Development felt there was some misinformation regarding the Seward Highway major investment study. The land use components of Anchorage 2020 will be analyzed and implemented as part of the major investment study. Work has been done to look at the alternative that will be developed. Transit will be reviewed. They will not consider light rail as a reasonable or viable alternative on the Seward Highway, but they will consider transit. They will consider pedestrian issues, roads and the implements of land use as part of the major investment study.

In response to Mr. Tremaine, Lance Wilber said the Federal Highway Administration has deleted the requirement of a major investment study as a separate document. The requirement of doing a major investment study was incorporated into the NEPA process in 1998. In two years this nation will be looking at reauthorization of the Federal Highway Bill and the major investment study requirements will be looked at again. The NEPA process looks at all the reasonable alternatives. They did a complete analysis of light rail and commuter rail for the Glenn Highway and we are trying to learn from that. The Technical Committee has made the recommendation not to consider light rail. The Policy Committee will make a final decision on the work program on July 19, 2001.

In response to Mr. Tesche, Lance Wilber said the AMATS group was required to incorporate transportation and related land use goals of the 2020 Comprehensive Plan in the two investment studies of Glenn Highway and New Seward Highway projects, which will be done for all transportation decisions. There is nothing in the 2020 Comprehensive Plan that would stop road building in Anchorage.

Question was called on the motion to approve AR 2001-212 and it failed:

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

NAYS: Von Gemmingen, Traini, Kendall, Clementson.

D. NEW BUSINESS:

1. Assembly Memorandum No. AM 601-2001, annual option renewals and change orders - **legal services contracts** (NTE \$645,000), Legal Department.

Mr. Tesche moved, to approve AM 601-2001.
seconded by Ms. Fairclough,

In response to Mr. Tesche, Municipal Attorney Bill Greene said on July 2, 2001 they rolled out their new case management and tracking system and it is now operational. They are working on preparing a global report to the Assembly. They are continuing to reduce legal costs wherever possible and doing more in-house. He felt there would be a slight increase in August through October, because when they were preparing their budgets they had four vacancies in the Legal Department. He felt the trend would continue downward on the use of outside counsel. They refer matters to outside counsel that require particular expertise, such as acquiring an owner requested limit for clean air reporting at the port due to escapement of petroleum vapors when loading cargo ships and constructions claims that require a great deal of documentation and detail work. Mr. Greene said they would provide a report showing the pending cases and what has happened on those cases. The information should be received in an Executive Session or as confidential information. The efforts to keep down legal costs are ongoing. They try to never exceed rates of \$175 an hour.

Mr. Tesche moved, to postpone AM 601-2001 until August 14, 2001 pending an
seconded by Ms. Taylor, Executive Session.
and it passed without objection.

(Clerk's Note: This item was reconsidered and approved later in the meeting. See page 19.)

2. Assembly Memorandum No. AM 591-2001, change order No. 7 to purchase order 82188 with the Burns International Security Service for **security guard services** for the Municipality of Anchorage, Municipal Light and Power (\$48,000), Purchasing.

Ms. Clementson pointed out that the year should be 1998 instead of 1988.

Ms. Clementson moved, to approve AM 591-2001 as amended.
seconded by Ms. Taylor,
and it passed without objection.

3. Assembly Memorandum No. AM 635-2001, **appointments to Board of Equalization** (Chris Anderson, Shari Boyd, James J. Brooks, Carolyn Greiner, Jolynne Howard, Gil Kruschwitz),
Municipal Clerk .

Mr. Tesche moved, to bifurcate Mr. James J. Brooks' appointment to address
seconded by Ms. Fairclough, it separately.

Question was called on the motion to bifurcate Mr. James J. Brooks’ appointment and it passed:

AYES: Fairclough, Taylor, Traini, Tesche, Shamberg, Tremaine.

NAYS: Von Gemmingen, Kendall, Clementson.

Mr. Tesche moved, to approve all other appointments on AM 635-2001, except for
seconded by Mr. Tremaine, Mr. James J. Brooks.
and it passed without objection.

Mr. Tesche moved, to postpone Mr. James J. Brooks’ appointment indefinitely.
seconded by Mr. Tremaine,

Mr. Tesche said the Assembly had discretion on appointments of members that sit on behalf of the Assembly on the Board of Equalization. Mr. Tesche would be more comfortable if the Assembly solicited applications from other applicants. He recommended a vote in favor of postponing Mr. Brooks’ appointment.

Ms. Von Gemmingen opposed the motion. Mr. James J. Brooks has a good reputation. He is strong in commercial real estate and has the credentials to sit on the Board of Equalization.

Question was called on the motion to postpone the appointment of Mr. James J. Brooks indefinitely and it passed:

AYES: Fairclough, Taylor, Traini, Tesche, Shamberg, Tremaine.

NAYS: Von Gemmingen, Kendall, Clementson.

(Clerk’s Note: The postponement of Mr. Brooks’ appointment was reconsidered later in the meeting. See page 18.)

E. INFORMATION AND REPORTS:

1. Information Memorandum No. AIM 69-2001, **Sole Source Procurement Report** for the month of May 2001, Purchasing.

Mr. Tremaine moved, to accept AIM 69-2001.
seconded by Ms. Fairclough,

Mr. Tesche said a request was made for additional information regarding the procurement of certain professional services for production of the video to the Fire Department. The information was just delivered to the Chair and the Assembly has not had a chance to look at that information.

Mr. Tesche moved, to postpone AIM 69-2001 to July 24, 2001.
seconded by Mr. Tremaine,
and it passed with two objections
by Ms. Fairclough and Mr. Kendall.

Ms. Taylor said the Assembly passed an ordinance requiring publications to indicate the cost of publishing. She questioned the cost of publishing the “State of the City” publication and asked if it exceeded the \$1,500 limit.

In response to Ms. Taylor, Purchasing Officer Bart Mauldin said he did not know what the costs were for publishing the “State of the City” publication, but he would provide that to Ms. Taylor in a memo. He was not aware of the ordinance requiring the cost of a publication to be printed.

In response to Ms. Taylor, Cheryl Frasca said she would follow up on when the money appropriated to the Weed and Seed Initiative Program would be distributed.

The meeting recessed at 6:25 p.m. and reconvened at 6:50 p.m.

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

- A. Ordinance No. AO 2001-108, an ordinance repealing Anchorage Ordinance 2000-161, which repealed tobacco tax exemptions, and amending Anchorage Municipal Code Chapter 12.40 to **establish an exemption from taxation for cigarettes and other tobacco products brought into or acquired within the Municipality and transported outside the Municipality for resale.**
1. Assembly Memorandum No. AM 535-2001.
2. Information Memorandum No. AIM 64-2001.
3. Assembly Memorandum No. AM 641-2001. **(LAID ON THE TABLE)**
(AMENDED AND APPROVED 6-19-01; RECONSIDERED AND POSTPONED FROM 6-19-01)

Chairman Traini gave the history of the ordinance and noted a motion to adopt as amended was on the floor.

Vice Chair Fairclough takes the Chair.

Mr. Traini referenced AO 2001-108 and reviewed some letters sent by retailers. Carrs/Safeway said they were forced to layoff five full-time jobs in Anchorage. Costco said they were forced to transfer five full-time jobs from Anchorage to Wasilla. Janis Distributing said they transferred three full-time jobs from Anchorage to Wasilla. The front sheet shows 15 businesses that are currently doing business, but will not be doing business in Anchorage in the future. The original concept was designed to bring revenue into the city. Businesses have left the City of Anchorage. The ordinance does not fulfill its initial purpose and he felt it needed to be repealed. He asked that the motion to adopt AO 01-108 be approved.

In response to Mr. Kendall, Mr. Traini said this would be as amended with the October 1, 2001 implementation date.

In response to Mr. Tesche, Mr. Traini said the general sense was that businesses would be going to Wasilla in order to avoid paying the higher taxes. The revenue the Municipality currently receives from the 15 businesses that were planning to leave Anchorage was expected to decrease.

Mr. Tremaine said they had budgeted last year's sales tax revenue from tobacco products in the first quarter budget revision. They budgeted \$500,000 for the expected increase in sales for consumption of tobacco products within the Municipality. They anticipated an additional \$550,000 from the sale of tobacco products sold outside the Municipality. The projection for tobacco tax products was increased by \$1,050,000. The preliminary estimates were that we would make \$500,000 in excess revenues, including tobacco products that were being sold inside the city for consumption outside. The budget will be about \$500,000 short independent of our action. Because many of the major players took their business outside of Anchorage in January, we are probably close to no additional revenue from the tobacco products. Regardless of the action taken, the tax revenue for the Municipality will not be increased. If the action is going to be revenue neutral then we need to decide if we are going to treat people equally or not.

Ms. Clementson said she and the Mayor voted against the Smoke Free Workplace Ordinance last year. The ordinance was based on health issues. The gentleman from Alaska Commercial Company said in one quarter they were down \$2.1 million dollars in sales to the bush communities for cigarettes. She was not comfortable saying Anchorage would be shipping cigarettes to the bush just so there were a couple of extra jobs in Anchorage. The Native Health Board has taken a stand against this, because cigarette smoking is one of those things that is tied to price. When the tobacco taxes were increased at the state level, after a couple of years our take of money collected for tobacco taxes started to go down. There is a direct correlation between price and consumption of cigarettes. The health issue is important. We told the taxpayers of Anchorage that we supported smoke free workplaces, but now the taxpayers are going to be subsidizing smoking in the bush to the tune of \$550,000 a year. We will be asking the taxpayers of Anchorage to make up the shortfall in the budget whether through the fund balance or cutting services. She did not feel that changing their budgeting process during the budget year was a stable thing to do. She questioned the concept of having the Anchorage taxpayers make up the difference in the budget just so Anchorage could ship millions of dollars of cigarettes to the bush.

Mr. Traini said the question was not whether they were treating people equally, but if they had the right to tax people outside of Anchorage. He did not believe they had that right. The businesses voted with their pockets and left Anchorage. His concern was the 17 jobs that would return to Anchorage. This has nothing to do with selling cigarettes in the bush, because they will get cigarettes from someplace else. Our budget was built on a faulty projection of \$500,000 that has not materialized and will not materialize. We are not responsible for how the people out in the bush get their cigarettes. The issue is strictly economics and bringing jobs back to Anchorage.

Mr. Tremaine said there were no facts to support the concept that jobs would be brought back to Anchorage. Carrs/Safeway moved their tobacco operations to Seattle, but that was for business reasons. The letter provided by Carrs said they lost five jobs, but it does not indicate that those jobs would be reinstated. Costco Wholesale said they were forced to transfer jobs from Anchorage to Wasilla, but the current business model may support those jobs remaining in Wasilla. Mr. Tremaine was not convinced that the jobs would return to Anchorage and if they did he questioned at what price.

Mr. Traini said no one knew what the cost of getting those jobs back to Anchorage would be. People testified during the public testimony that they would bring the jobs back to Anchorage.

Question was called on the motion to adopt AO 2001-108 as amended and it passed:

AYES: Fairclough, Von Gemmingen, Taylor, Traini, Kendall, Tesche, Shamberg.

NAYS: Tremaine, Clementson.

- B. Resolution No. AR 2001-189, a resolution appropriating \$50,000 from Areawide General Fund Balance 0101 to the Department of Law to fund **legal research, investigation, representation and action to defend and advance Assembly and Mayoral recommendations for the State's decennial reapportionment plan**, Legal Department.
(CARRIED OVER FROM 6-19-01)

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

In response to Ms. Von Gemmingen, Mayor Wuerch said he had no second thoughts about what needed to be done to protect the interests of Anchorage residents, which is to support any voter that wants to appeal the redistricting plan. It may not be necessary to spend the \$50,000, but he wanted to insure that they had the option, should that be necessary. He felt everything they had done was consistent with the action of the Assembly as a body, the memorandum, his testimony before the Redistricting Board at their public hearing in Anchorage and the testimony of Ms. Fison, the Director of planning. He felt they should be able to support those voters that wish to take up this issue.

Mr. Tesche pointed out that the amount in the resolution was \$50,000. After reviewing the expenses associated with a similar litigation that was brought after the 1990 census, the dollar amount stated in the resolution appears inadequate. The attorney at the Matanuska-Susitna Borough indicated that the overall cost of the litigation brought by the consortium of public and private plaintiffs in 1990 exceeded \$1,000,000. He assumed that if Anchorage was a funding partner in the litigation that the smaller entities would look to Anchorage to pay the lion's share of the \$1,000,000. He would like to see the \$1,000,000 label put on this resolution before action was taken so they understood what they were getting into. There are serious concerns about whether \$1,000,000 is available in the fund balance for this litigation. This is a partisan issue in the sense of political parties. The Municipality of Anchorage is setup as a non-partisan entity by charter. He felt it raised a serious question as to whether the elected leadership of the community should fund a lawsuit that is a partisan contest between various political parties over the overall makeup and composition of the state legislature. That is the kind of issue

best left to political parties operating on a statewide level. The Assembly's issues are non-partisan, such as sewers, roads, schools and comprehensive plans. Mr. Tesche said he would be voting against the resolution.

Mr. Kendall congratulated Mr. Tesche on his newly found fiscal conservativeness. The 1990 case was \$1,000,000, but that was the total cost for all parties involved. He felt it was important that Anchorage was fairly represented as the Assembly voted on the plan with recommendations to the Redistricting Board. He felt their recommendations were valid and should be honored. He felt it was important for the Assembly to show support for the Mayor in this matter and come up with a better redistricting plan.

Mayor Wuerch said that under no circumstances did he see the Municipality litigating this case. There needs to be citizen voters who step forward to bring the action. There will have to be some funding mechanism for them, but not out of the public treasure. The \$50,000 that he asked for was primarily to do the research and be able to represent our interests accurately, thoroughly and with the necessary investigative effort and legal research to insure clear and proper representation.

Mayor Wuerch continued by saying that we are not proceeding to be the principal litigants, but to provide information to the citizen voters who want to appeal this. Partisanship implies that we are trying to protect the status quo. The criteria that we set forth for Anchorage are not the status quo today. Currently House Districts span both sides of the New Seward Highway. We saw a huge disconnect in social economic uniformity by the New Seward Highway. Plan B and the criteria that we supported is Anchorage's plan. It is not the status quo. It is what we think is right for this city, because it is based on neighborhoods, recognizing the integrity of the boundary of our Municipality. It speaks to the long-standing relationships with the Mat-Su and this whole new issue of being linked with Prince William Sound and Valdez, with which we took exception.

Mayor Wuerch continued we are not advancing this issue to advance a partisan case to protect the status quo. We are waging this case because we are unhappy with the plan that the state selected, which is partisan and divides our city in very dramatic ways. He felt they had an obligation to their citizens to stand up and make the case very clearly. They are proposing to have the ability to respond and represent, factually and accurately, the case that they presented to the Board through their five criteria, testimony and map sheets. Plan B is not the current districting that we use in Anchorage. It is a new set of district boundaries. He felt partisan was the wrong label to attach to the Municipality's position. The Municipality's position is based on compactness, contiguousness and social economic commonality, which is right out of the State Constitution.

In response to Mr. Tremaine, Mayor Wuerch said they authorized a contract up to \$25,000 to deal with this issue, but to date they have spent less than half. Mr. Bailey was released and his work was terminated the day after the report was made public.

Mr. Tremaine agreed that the Municipality must take a non-partisan approach. There has been reference made to an Anchorage Plan B. He reminded the Assembly that they voted unanimously that no plans or maps would be submitted on behalf of the Municipality unless the Assembly approved them, but the Assembly has never approved the map. Any plan that is being represented as the Anchorage Plan is in direct confrontation with the Assembly. He agreed with the concepts behind Plan B, but it is not the Municipal Plan. It is the Mayor's Plan and to represent it as anything other than that is a disservice. The Assembly needs to understand their goals before entering into litigation. The goal is not to go back to status quo. We asked for something different than the status quo, because it did not represent the interest of the people of Anchorage. The base of what we have asked for is representation of 16.6 House members.

In response to Mr. Tremaine, unidentified person said they did not know if the Mat-Su Borough had discussed filing litigation on the Redistricting Plan, but Valdez had.

Mr. Tremaine said the Assembly had suggested that they move north rather than anywhere else. The overriding concern was that we would have 16.6 representatives, which meant we would take 4,000 people out of the Mat-Su Borough. When we asked them where we were going to take the 4,000 people from, the reaction was stunned silence. The Mat-Su Borough's contention was that they had enough people for four representatives and they did not want to give up any people. If we are going to push to take people out of the Mat-Su Borough, we will be in conflict with the Mat-Su Assembly, which is a body that we are trying to work closely with on a large number of fronts. Mr. Tremaine was not prepared to vote in favor of this resolution until they determined their desired outcome.

Ms. Clementson said it was too late for partisan politics. If the whole issue was too partisan then we should not have voted to take a position on the resolution to begin with. The issue is the Assembly passed a resolution saying they did not want any maps going forward until the Assembly looked at them. When those things do not happen, we have an obligation to step forward and say we do not like this. She felt it was time to do a little bit of homework and find out exactly what the implications are, what the options are and what kinds of things are available to us as tools. We cannot be the litigants, but we do need to understand what our options are. She pointed out that they have started holding meetings with the Mat-Su Borough. They have not had meetings with Valdez, because it is an eight-hour trip in one direction. She felt that whether it was partisan or not partisan had nothing to do with the issue, because they were voting on a specific map. They are talking about basic principle that the Assembly has already approved.

Mr. Tesche said the real question was whether the differences between the map adopted by the state and the principles that the Assembly set out in its resolution was so important that they warranted litigation. He has heard a lot of partisan rhetoric from all sides on this issue. He suspected there were no more than about 200 people in Anchorage that really have any knowledge of what is going on in this issue, let alone care about what the Assembly does. Until we figure out what those differences are and until we can articulate the value and the merit of proceeding with litigation to defend those principles, he felt they were doing a disservice to the community. We would be litigating over something that most of the residents do not know about and probably do not care about. It is a state issue and not a local issue.

Ms. Fairclough said she was elected by a population of 30,000 to make those kinds of recommendations. While the people cannot be informed every day, they expect her to ride that wave a little higher. She supported the Mayor's appropriation in support of Chugiak/Eagle River, as well as the 260,000 people in Anchorage that are being done a disservice by the current

philosophy that has been established. The Mat-Su was not taking exception to losing part of their population, but only restating that they wanted their entire four seats. She did not perceive that the Mat-Su Borough was opposed to being included with the Eagle River/Chugiak area. She was asked for a resolution of support to engage in litigation with the Mat-Su Borough from their Assemblymembers. The Mat-Su Borough expected to be connected with Chugiak/Eagle River.

Mayor Wuerch felt he left a misperception that the outcome was the adoption of Plan B. The outcome is to prove that the state selected plan does not comply with the criteria that the Municipality put forth. Our outcome is to prove that the state plan is non-responsive to the citizens and leadership of Anchorage. We want 16.6 seats and we want to go north instead of south. Those are fundamentals. Our outcome is to support the plaintiffs who will say that the state plan is not consistent with the position of the Assembly and the testimony offered in their hearing. We are not advancing Plan B as all or nothing. We will show some neighborhood comparisons how the state's plan boundaries violate the neighborhood integrity. They mix dissimilar social economic neighborhoods. The history, relationship and the commonality of the Mat-Su Borough far surpasses the proposal to go into Prince William Sound. Our outcome is to prove that the state plan is defective and non-responsive. Plan B is used as an illustrated example and we are not advancing that as a solution. The state's plan is not the best plan for Anchorage.

Ms. Clementson referenced an article from the *Alaska Star* that covered the meeting that the Anchorage Assembly had with the Mat-Su Assembly. It discusses both of our common interests in boosting the economies of Anchorage and the Mat-Su Borough. Anchorage needs land and the Mat-Su Borough has land and that is why the officials in both communities are realizing the need for joint economic development and joint regional planning in areas such as transportation. She read a quote from the article from Assemblymember Dick Traini, "Our futures are linked together and we need to get aggressive on this." We have a lot in common with the Mat-Su Borough economically. Our future is their future and we don't want them to become competitors against us and we want to work together. That point alone is very important. She pointed out this was not litigation, but background money and no one was talking about \$1,000,000.

Question was called on the motion to approve AR 2001-189 and it failed:

AYES: Fairclough, Von Gemmingen, Kendall, Clementson.

NAYS: Taylor, Traini, Tesche, Shamberg, Tremaine.

10. APPEARANCE REQUESTS: None.

11. CONTINUED PUBLIC HEARINGS: None.

12. NEW PUBLIC HEARINGS:

- A. Ordinance No. AO 2001-126, an ordinance of the Anchorage Municipal Assembly amending Anchorage Municipal Code Subsection 2.30.030 I. relating to the **Order of Business at regular Assembly meetings**, Assembly Chair Traini.
1. Assembly Memorandum No. AM 578-2001.

Chairman Traini 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 adopt AO 2001-126.
seconded by Ms. Fairclough,
and it passed without objection.

- B. Resolution No. AR 2001-177, a resolution authorizing the Municipality of Anchorage Traffic Department to enter into a Transfer of Responsibility Agreement (TORA) in the amount of \$144,000 with the State of Alaska, Department of Transportation and Public Facilities for financing the **2001 Anchorage Household Travel Survey** and appropriating these funds to the State Categorical Grants Fund (231), Traffic Department.
1. Assembly Memorandum No. AM 528-2001.

Chairman Traini 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 2001-177.
seconded by Ms. Fairclough,

Question was called on the motion to approve AR 2001-177 and it passed:

AYES: Fairclough, Von Gemmingen, Taylor, Traini, Tesche, Shamberg, Tremaine, Clementson.

NAYS: None.

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

- C. Resolution No. AR 2001-185, a resolution of the Municipality of Anchorage appropriating \$122,080 from Areawide General Fund (101) to the Department of Health and Human Services to provide an increase in the municipal operating funds for the **Human Services Matching Grant Program**, Health and Human Services.
1. Assembly Memorandum No. AM 556-2001.

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

SHERRY McWHORTER said she was the director of social services for the Salvation Army statewide. She thanked the Assembly for the support they have provided in the past, especially for McKinnell house which was funded last year and has been helpful to the homeless of Anchorage. She noted that McKinnell was not included in the resolution. The understanding of the staff was that they had received full funding for McKinnell through AFHC. They were fortunate to get a grant from AFHC, but it only offsets part of the old costs and it enables them to add some better services to help people get out of the cycle of homelessness. The RFP was designed to that and that is what they have been awarded funding to do. McKinnell still has a deficit. They have received an additional appropriation for the Older Alaskans Program. She asked the Assembly to consider keeping the bottom line the same amount, but substituting McKinnell for the Older Alaskans Funding.

In response to Ms. Clementson, Ms. McWhorter said the Salvation Army was requesting the substitution of the McKinnell House for the Older Alaskans Program in the resolution.

JAN MILLEENHALL said she was the executive director of the American Red Cross in Southcentral Alaska. This grant deals with basic human needs in their community. The organizations that are represented in the resolution are all organizations that address basic human needs. They are there when people are at their most critical juncture in their lives. They feed them, clothe them and give them some hope and a path back to recovery. These agencies are run with volunteers and minimal administrative overhead. Supporting this funding request sends two really important messages to the community, which is that as community leaders you share concern and support for the basic human needs of our community. Also as community leaders you seek to maximize the municipality's financial resources by supporting non-profit volunteer organizations in meeting these basic human needs everyday. As a person who manages a non-profit organization, a volunteer and a taxpayer, those are two very important messages. She thanked the Assembly for their support.

MARY IDERAN said she was the executive director of the Alaska Woman's Resource Center. The Alaska Woman's Resource Center is a 26-year-old agency that has worked with the Municipality of Anchorage providing treatment services to women and children. She supported an increase in the municipal operating funds for the Human Services and Matching Grant Program. This money supports a counselor position for our New Dawn Program. New Dawn provides a structured residential environment for ten women and five children. It is designed to help women in recovery from substance abuse and create positive lifestyles. The clients are required to work, attend school or parent full-time during their stay. Along with substance abuse treatment, the client also works on parent education, which is an integral part of New Dawn. Clients may reside at New Dawn for up to one year. The lose of money for a counselor position would mean a loss for the clients needing the guidance, encouragement, support and education as they progress through their treatment.

SUSANNA MORGAN said she was the executive director of the Food Bank of Alaska. The Food Bank of Alaska's mission is to eliminate hunger in Alaska by obtaining and distributing food to non-profit agencies serving hungry people throughout Alaska. They distributed 3,000,000 pounds of food last year, 1.5 of that stayed in Anchorage and 70 agencies distributed food from the Food Bank of Alaska to approximately 30,000 individuals, providing over 1,000,000 meals. The level of support in this resolution is \$30,000 for the Food Bank of Alaska, which comes down to \$1 per person, per year of city support or less than .03 cents a meal. They think this is a sound investment on the Assembly's part. They are grateful for the Assembly's past support and they hope the Assembly will support them in the future.

In response to Ms. Clementson, Ms. Morgan said food donations could be sent to the Food Bank of Alaska at 2121 Spar Avenue.

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

Ms. Fairclough moved, to approve AR 2001-185.
seconded by Mr. Tesche,

Mayor Wuerch moved, to amend line 19 to delete the words Older Alaskans
seconded by Ms. Von Gemmingen, and grant \$29,900 to the Salvation Army to be used
and it passed without objection, as their needs dictate.

Question was called on the motion to approve AR 2001-185 as amended and it passed:

AYES: Fairclough, Von Gemmingen, Taylor, Traini, Tesche, Shamberg, Tremaine, Clementson.
NAYS: None.

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

- D. Ordinance No. AO 2001-127, an ordinance of the Municipality of Anchorage, Alaska, authorizing the issuance of a **Nonrecourse Revenue Bond (United Way of Anchorage)**, of the Municipality in the aggregate principal amount of not to exceed \$900,000; authorizing the execution and delivery of a loan agreement in connection therewith; authorizing the proper officials of the Municipality to do to all things necessary or advisable to consummate the issuance, sale and delivery of such bonds; providing the form of bond and manner of sale of said bond; and providing that the bond be placed with National Bank of Alaska, Finance.
1. Assembly Memorandum No. AM 587-2001.

Chairman Traini 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 2001-127.
seconded by Ms. Taylor,

In response to Ms. Clementson, Chief Fiscal Officer Kate Giard said a policy was in place regarding conduit financing. The policy was developed after researching how other organizations deal with conduit financing. The policy supports this type of

financing for non-profit and other organizations when it would have a economic or social benefit to the Municipality. Ms. Giard confirmed this type of financing was non-recourse, which means there is no recourse to the Municipality. Generally, prior to the financing deal being completed, the applicant will have already secured a single line of financing. All the documents involved clearly state the Municipality is not affected, and the full faith and credit of the Municipality does not back the non-recourse bonds.

Question was called on the motion to adopt AO 2001-127 and it passed:

AYES: Fairclough, Von Gemmingen, Taylor, Traini, Tesche, Shamberg, Tremaine, Clementson.

NAYS: None.

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

E. Ordinance No. AO 2001-122, an ordinance of the Anchorage Municipal Assembly amending Anchorage Municipal Code Title 7, **Purchasing and Contracts and Professional Services**, pertaining to sections 7.10, General Provisions, 7.15, General Contracting Procedures, Section 7.20, Methods of Source Selection and 7.70, Contracts with Nonprofit Service Organizations, Municipal Attorney.

1. Assembly Memorandum No. AM 529-2001.

2. Ordinance No. AO 2001-122(S), an ordinance of the Anchorage Municipal Assembly amending Anchorage Municipal Code Title 7, Purchasing and Contracts and Professional Services, pertaining to sections 7.10, General Provisions, 7.15, General Contracting Procedures, Section 7.20, Methods of Source Selection and 7.70, Contracts with Nonprofit Service Organizations, Assemblymembers Traini and Tesche. **(addendum)**

3. Assembly Memorandum No. AM 639-2001.

Mr. Tesche moved, to postpone AO 2001-122 to the end of the Public Hearing.
seconded by Mr. Tremaine,
and it passed without objection.

(This item was considered later in the meeting. See page 19.)

F. Ordinance No. AO 2001-123, an ordinance amending the Anchorage Municipal Code Section 9.60.120 to include a **payment in lieu of taxes** from the Anchorage Parking Authority to the Municipality of Anchorage, Anchorage Parking Authority.

1. Assembly Memorandum No. AM 533-2001.

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

Mr. Tremaine moved, to postpone AO 2001-123 indefinitely.
seconded by Mr. Tesche,
and it passed without objection.

G. Ordinance No. AO 2001-124, an ordinance of the Anchorage Municipal Assembly amending Anchorage Municipal Code Section 3.87.050 D. to **allow payment of additional health care premiums for retirees of the Police and Fire Retiree Medical Funding Program** (Trust), Employee Relations.

1. Assembly Memorandum No. AM 568-2001.

Chairman Traini 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 2001-124.
seconded by Ms. Von Gemmingen,

Question was called on the motion to adopt AO 2001-124 and it passed:

AYES: Fairclough, Von Gemmingen, Taylor, Traini, Tesche, Shamberg, Tremaine, Clementson.

NAYS: None.

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

H. Ordinance No. AO 2001-125, an ordinance amending Anchorage Municipal Code Section 3.20.060 to **allow qualified fire investigators to also serve as special police officers in carrying out their official duties**, Fire Department.

1. Assembly Memorandum No. AM 577-2001.

Chairman Traini 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 adopt AO 2001-125.
seconded by Ms. Von Gemmingen,

In response to Ms. Clementson, Fire Chief Fullenwider said the individuals who will become fire inspectors go through the Police Academy. They expect two individuals to go through the Police Academy and become fire inspectors. They would still report to the Fire Chief, even though they will carry weapons.

In response to Mr. Tremaine, Fire Chief Fullenwider said this was done years ago, but the Police certification was through the State Troopers. The idea is to allow them to carry weapons, to make arrests, to serve warrants and to put them on equal footing with their fellow police investigators.

Police Chief Monegan answered that these investigators will carry forward the expertise in arson investigations that police officers do not normally have. It is the best of both worlds.

In response to Ms. Clementson, Fire Chief Fullenwider said Fire Marshals were commissioned through the State Troopers. They do fire investigations, carry weapons, make arrests and serve warrants.

Ms. Fairclough took a moment of personal privilege to explain to the public about the new microphones recently installed in the Assembly Chambers.

Ms. Fairclough said a constituent asked her whether traffic could have been diverted onto the outbound lane to relieve the traffic congestion that backed up until 11:00 o'clock into the Chugiak/Eagle River area. She questioned if there was a traffic response team that could mitigate that issue. The commuters are concerned that they bottle neck, because it is the only access into the Anchorage bowl where they work.

In response to Ms. Fairclough, Police Chief Monegan said they discussed diverting traffic into the outbound lane. They ended up talking with Fort Richardson and a road was opened for limited access. They debated opening the oncoming lanes, but they felt that carried its own set of problems. If people are slowing down to watch, that means they are not driving and that could create another accident. They were aware of the traffic problems and they will try to come up with contingency plans.

Question was called on the motion to adopt AO 2001-125 and it passed:

AYES: Fairclough, Von Gemmingen, Taylor, Traini, Kendall, Tesche, Shamberg, Tremaine, Clementson.

NAYS: None.

- I. Resolution No. AR 2001-171, a resolution approving the **Arlene Street Water Main Extension** and providing for assessment of benefited properties at time of service connection, Water & Wastewater Utility.
 1. Assembly Memorandum No. AM 514-2001.

Chairman Traini 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 2001-171.
seconded by Ms. Taylor,

Ms. Clementson pointed out that this was the same sort of ordinance that was approved for the Eagle River water loop transmission main. These are the same sorts of assessments they will be paying, even though it is in the developed part of town.

In response to Ms. Von Gemmingen, Anchorage Water and Wastewater General Manager Mark Premo said the people did not vote on this issue because it is a levy upon connection roll. This is a utility initiated project and is specifically being done to bolster the infrastructure in the area between Dimond and 88th on Arlene where we have two isolated areas that are not interconnected. This will bolster the looping ability. The redundancy for the system is as Ms. Fairclough discussed. When it is a utility initiated project we do the project because of the infrastructure needs and then inform the property owners and give them the opportunity to discuss it. They do not vote on it, nor do they have to pay unless they hook up and use city water. In an improvement district, the residents ask the city for water, they vote on it, and then they are assessed a value for that city water. They do not vote on this issue and they only pay if they hook up to city water.

Ms. Fairclough said there is an assessment imposed on the property and the property owner will have to pay it at the time they sell the property. Even though they do not have to connect, the municipality or the lending facilities will force the connection if the property changes ownership.

In response to Mr. Tremaine, Mr. Premo said there was no sunset clause.

Question was called on the motion to approve AR 2001-171 and it passed:

AYES: Fairclough, Von Gemmingen, Taylor, Traini, Kendall, Tesche, Shamberg, Tremaine.

NAYS: None.

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

- J. Ordinance No. AO 2001-81, an ordinance of the Anchorage Municipal Assembly amending Anchorage Municipal Code Section 21.45.070 regarding **bay windows**, Assemblymember Tesche.
 1. Assembly Memorandum No. AM 321-2001.

Chairman Traini 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 continue AO 2001-81 to July 24, 2001.
seconded by Ms. Fairclough,
and it passed without objection.

- 1 K. Ordinance No. AO 2001-116, an ordinance amending Anchorage Municipal Code of Regulations Section
2 21.20.002 to provide for a new fee for a **certificate of nonconforming encroachment**, (Planning and
3 Zoning Commission Case 2001-029) Planning Department.
4 a. Assembly Memorandum No. AM 490-2001.

5
6 Chairman Traini opened the public hearing and asked if anyone wished to speak. There was no one, and he closed the public
7 hearing.

8
9 Mr. Kendall moved, to adopt AO 2001-116.
10 seconded by Mr. Tesche,

11
12 Question was called on the motion to adopt AO 2001-116 and it passed:

13
14 AYES: Fairclough, Von Gemmingen, Taylor, Traini, Kendall, Tesche, Shamberg, Tremaine, Clementson.
15 NAYS: None.

- 16
17 L. Ordinance No. AO 2001-117, an ordinance amending Anchorage Municipal Code Sections 21.10.025,
18 21.30.110, and 21.55.040 to allow **dimensional encroachments of existing structures** constructed prior to
19 January 1, 1986, to encroach into required zoning setbacks for yards, except for those encroachments which
20 are determined to be a life/safety hazard, (Planning and Zoning Commission Case 2001-007) Planning
21 Department.
22 a. Assembly Memorandum No. AM 491-2001.

23
24 Chairman Traini opened the public hearing and asked if anyone wished to speak.

25
26 CHRISTOPHER ARMSTRONG said the amendment would legalize some structures that are built in encroachments and
27 yard setbacks that were built during the time when the Municipality did not require a final asbuilt. There should be no
28 additional impact to the community, because these structures are already there. The existing variance procedures are
29 basically designed for new construction. His property has transferred ownership five times before they discovered the
30 encroachment, which is holding up the current sale. His original asbuilt did not show the dimensional setback on one of the
31 property lines. There is no economic impact to the Municipality for fees, because you just approved a fee that was equal to
32 going to through the variance process. The variance process takes three to four months and it is limited because of time. The
33 economic impact to the city is the fact that he could not sell his house so he did not buy another one, which was his intention.

34
35 In response to Mr. Kendall, Mr. Armstrong said the sale of his property fell through, but it was pending for several months.
36 They were under the impression that this would come before the Assembly sooner. They had the dilemma where had they
37 applied for the variance procedure, which is not setup for existing structures, that would go beyond the time that they thought
38 it was going to be approved by the Assembly.

39
40 PAUL NAGLE said he has been a property owner in Anchorage for over 30 years. In 1975 he bought a building down at 101
41 Christian Drive, which was in terrible shape. Over the years he has spent thousands of dollars rehabbing it. In 1978 he put a
42 storage shed behind the building. In 1983 he built a wall made of railroad ties for his parking lot. In 1993 he had the
43 property surveyed and he found out that the storage shed was too close to the property line and he had to get a special permit
44 from the city to have it there. The railroad tie wall was about 20 feet into the public right-of-way, although no one would
45 ever use it because of the configuration of the road. He has been living with this problem since 1993. Every time he talks to
46 the city they tell him that he would have to apply for a variance. He felt this ordinance would solve a lot of problems that
47 property owners have throughout the Municipality of Anchorage and he would support it.

48
49 Chairman Traini asked if anyone else wished to speak. There was no one, and he closed the public hearing.

50
51 Mr. Kendall moved, to adopt AO 2001-117.
52 seconded by Ms. Fairclough,

53
54 Mr. Kendall said a general amnesty program like this was good. He was familiar with several home sales in Eagle River
55 where people had to get multiple variances and the sale process was extended for quite a while.

56
57 Jerry Weaver, Zoning and Platting Division Manager, said they processed this ordinance because they believe it is in the
58 community interest. The 1986 date was approximately when the municipality started requiring asbuilts along with the final
59 inspections of the properties. There are a lot of encroachments that were identified at that time. A lot of the encroachments
60 they see are pre-1986, because the survey requirement was not as detailed as it needed to be. They are proposing to allow the
61 encroachments as long as they are not life safety issues.

62
63 Mr. Tremaine said basically they were establishing a statute of limitations, which has expired for the pre-1986 properties.

64
65 In response to Mr. Tremaine, Mr. Weaver said they have determined that less than one-third of their caseload is pre-1986.
66 There are still issues that come to light that this ordinance will not address. The ordinance addresses the pre-1986 properties
67 as long as they are not life safety threatening issues. Ninety percent of the time the Zoning Board of Examiners and Appeals
68 grants the variances. The variance process is a lengthy process, but this process will allow them to get the certificate in less
69 than 30 days. They will be reviewing all the requirements in effect at the time and not just the dimensional issues. They will
70 need to be in conformity with the code to obtain the certificate.

71
72 Chairman Traini said he had a neighbor who bought property two years ago. They had a shed in their backyard that had been
73 built before they bought the property and it was one foot too close to the property line. They were forced by the city to move
74 the 12x24 foot shed for one foot.

In response to Ms. Clementson, Mr. Weaver said the date chosen was when the municipality required as-builts before issuing certificates of occupancies. Life safety issues, such as the firewall, electrical and plumbing, would still be examined. When someone goes to build a subdivision they submit a plot plan along with the building permit. When they finish their construction, they submit an as-built that shows that it conforms to the plot plan.

In response to Mr. Tesche, Mr. Weaver said the evaluation would take into consideration what is adjacent to the property and whether it still met the 10-foot fire code separation. The administrative official would take all those factors into consideration and make the decision as to whether there was a life safety issue.

In response to Mr. Tesche, Mr. Wheeler said this provision applies to other codes, including Title 23 building codes. Currently if you come in for building permits, you will receive the same kind of review in terms of whether or not the codes are met. This is a way for people who have made an honest mistake to get it cleared up more quickly than the variance process.

Chairman Traini said it was Mr. Tesche's intention to remove item 1 C, lines 12 and 13, from page 3 of four, and then to renumber D to C.

In response to Chairman Traini, Mr. Wheeler said it would be difficult to make a determination on life and health safety issues without reference to code. It would also be difficult to ignore code violations in the prosecution of duties.

In response to Chairman Traini, Municipal Attorney Bill Greene said they have not had problems with the people who make an honest mistake, but on occasion we have people who take a calculated risk to make the mistake. He did not think it would have a chilling affect on the honest person, but hopefully it would on those who are inclined to take advantage of this safe harbor.

Mr. Tesche moved,	to delete subsection C on line 12, page 3 and
seconded by Mr. Kendall,	renumber subsection D to subsection C.

In response to Ms. Clementson, Mr. Weaver said the intent of the ordinance was that the code review would be done administratively, but they will consult with the other departments to insure that there are no health or life safety issues. It was initiated for dimensional encroachments and life safety issues in consultation with the Fire Department to insure that nothing was permitted that might be a safety issue.

Sue Fison said that a decade ago people were just glad to be selling their property not checking a lot of things. Currently the funding entities that are financing properties are very strict about this and want everything to be done correctly. She felt this resolution was a fair way to deal with the encroachments quickly and expeditiously, both from the standpoint of the people who are affected, as well as from the staff.

In response to Ms. Clementson, Office of Planning, Development and Public Works Director Craig Campbell said they did not object to subsection C being deleted. Fire safety is talked about in 1-B.

Mr. Tremaine made a friendly amendment to add the word "and" to line 10.

Question was called on the amendment and it passed with three objections from Ms. Von Gemmingen, Ms. Fairclough and Ms. Clementson.

Ms. Von Gemmingen said she met with the Planning & Zoning Commission to find ways to make their lives a little easier. The Planning Commission is backed up because of minor things such as variance that takes a lot of their time. She was in support of the ordinance.

Question was called on the motion to adopt AO 2001-117 as amended and it passed:

AYES: Fairclough, Von Gemmingen, Taylor, Traini, Kendall, Tesche, Shamberg, Tremaine, Clementson.

NAYS: None.

(The Assembly then reconsidered action taken on item 8.D.3.)

Assembly Memorandum No. AM 635-2001, appointments to Board of Equalization (Chris Anderson, Shari Boyd, James J. Brooks, Carolyn Greiner, Jolynne Howard, Gil Kruschwitz), Municipal Clerk .

Ms. Fairclough moved,	to reconsider James J. Brooks' appointment on AM 635-2001,
seconded by Ms. Von Gemmingen,	which was postponed indefinitely, and postpone it to July 24.

Ms. Fairclough said the Assemblymembers who voted to bifurcate the appointment of James J. Brooks were given information that may be false. The people who called us thought that this person was someone else. She felt they could clarify that at the next meeting instead of leaving it bifurcated. She asked the body to vote yes on reconsideration and move it to July 24, 2001 so they could verify whether the information they were given was inappropriate.

Question was called on the motion to reconsider and postpone AM 635-2001 and it passed without objection.

The meeting recessed at 8:45 p.m. and reconvened at 8:55 p.m.

(The Assembly then returned to item 12.E.)

Ordinance No. AO 2001-122, an ordinance of the Anchorage Municipal Assembly amending Anchorage Municipal Code Title 7, **Purchasing and Contracts and Professional Services**, pertaining to sections 7.10, General Provisions, 7.15, General Contracting Procedures, Section 7.20, Methods of Source Selection and 7.70, Contracts with Nonprofit Service Organizations, Municipal Attorney.

1. Assembly Memorandum No. AM 529-2001.
2. Ordinance No. AO 2001-122(S), an ordinance of the Anchorage Municipal Assembly amending Anchorage Municipal Code Title 7, Purchasing and Contracts and Professional Services, pertaining to sections 7.10, General Provisions, 7.15, General Contracting Procedures, Section 7.20, Methods of Source Selection and 7.70, Contracts with Nonprofit Service Organizations, Assemblymembers Traini and Tesche. **(addendum)**
3. Assembly Memorandum No. AM 639-2001.

Chairman Traini 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 2001-122.
seconded by Ms. Von Gemmingen,

In response to Ms. Fairclough, Purchasing Officer Bart Mauldin said it was discussed a year ago that the Purchasing Department would be looking at Title 7. At one point they had discussed totally revamping Title 7 in its entirety and trying to bring it inline with the current version of the ABA Model Procurement Code, which is the American Bar Association code for state and local governments. Anchorage is the first city in the United States to adopt the ABA Model Procurement Code, which is a highly respected code used in 44 of the states. The code was adopted when it was in draft form in 1978. The city actually built a lot of the language that is in Title 7.

Mr. Mauldin continued by saying, the dollar thresholds that are currently in Title 7 have been there since 1978. In 1978 we could buy three full-size Chevy pickup trucks for \$25,000, but today we cannot buy one for that amount. The proposal is to increase formal bids from \$25,000 to \$50,000. It is very labor intensive for the Purchasing Department to take small procurements and run them through the formal process. The change order section was rewritten extensively and broken out by contract value. The non-competitive section was reviewed to give us some leeway. Both ML&P and AWWU are up and operating on procurement cards. We went forward with that program in anticipation that smaller procurements under \$2,500 would be acquired through the procurement card. That activity has been picked up under the non-competitive purchases. The current Title 7 requires competitive bidding at \$25,000, sole source at \$30,000, and our change order language is very cumbersome. The ordinance basically moves the formal bidding threshold from \$25,000 to \$50,000. The “S” version moves us back to where we are currently.

Municipal Manager Harry Kieling said is over 20 years old and needs to be updated. The procurement card system will improve purchasing department turnaround times, payment processing, more timely approval of contracts and change orders and it will make us more efficient. We made reductions in personnel. We envisioned significant improvement to customer service, but we need the tools to make it more efficient and customer friendly. Mr. Kieling said the original ordinance was the product of over a year of research. The “S” version does not give us the opportunity to study the changes. This is a key part of the overall improvement philosophy. He suggested a work session on this issue. He requested that when a vote was taken on this issue that the full Assembly be present.

Mr. Tesche felt the administration should be given additional time to respond to the “S” version of the ordinance. It largely adopts and incorporates the language that was drafted by Mr. Mauldin. Most of the changes relate to bringing the \$50,000 threshold back to a threshold of \$30,000. The other changes provide a means of assuring a greater degree of compliance with sections of the code that pertain to Assembly approval.

Mr. Tremaine moved, to postpone AO 2001-122 to July 24, 2001 and
seconded by Mr. Tesche, schedule a work session from 10:00 to 11:00.

Ms. Von Gemmingen pointed out that many issues had been postponed to July 24, including the Paradise Inn issue.

Chairman Traini pointed out that the work session would probably answer all their questions. The public hearing is already closed and they would only have to take action on the issue.

Ms. Clementson said she would be not be available for the July 24, 2001 meeting. She has two concerns with the ordinance. The ordinance states in three places that the municipality shall not be liable for payments for any supplies, services, professional services or construction provided before the applicable requirements, etcetera. Page 8 talks about remedies and it gives the Bidding Review Board the ability to impose civil penalties. She felt that needed some review, because no other board has been given the ability to impose civil fines.

Chairman Traini asked the Legal Department to review the “S” version of the ordinance and to provide a legal synopsis of its validity.

Question was called on the motion to postpone AO 2001-122 and 122(S) and it passed without objection.

(The Assembly then reconsidered action taken on item 8.D.1.)

Assembly Memorandum No. AM 601-2001, annual option renewals and change orders - **legal services contracts** (NTE \$645,000), Legal Department.

Mr. Tesche moved, to reconsider AM 601-2001.
seconded by Ms. Fairclough
and it passed without objection.

Mr. Tesche moved, to approve AM 601-2001.
seconded by Ms. Clementson,

Mr. Tremaine said he was uncomfortable with the amount of money that the Assembly is asked to approve: approximately \$645,000 for outside legal fees, \$260,000 are in excess of the fees paid to these same companies last year. This is in opposition to the statement made by the administration about reducing payments to outside legal counsel, a trend that has been ongoing. There is approximately a 30 percent increase in fees to outside counsel and he would like that to be addressed.

Municipal Attorney Bill Greene pointed out that this was not an appropriation of funds. The departments either have these funds or they do not. This is an authorization for the contract itself. If the department needing the legal services do not have the appropriation then they must come back for the appropriation. They have not increased any of the contracts beyond what they anticipate existing pending cases to require. To the extent that they have limited control over litigation, those amounts are somewhat speculative, but they have tried to be conservative. The Assembly is approving an amount for one year and no more. The total cumulative amount would be over a three-year period. The total numbers would be an aggregate amount over a culmination of two or three years. This is not an appropriation, but it allows use of these contracts for an additional year if needed. The only increases relate to cases that have already been assigned which are estimated to need some additional funds over and above the annual limit on the contract.

In response to Mr. Tremaine, Mr. Greene said there were some major pending cases that are not completed. One of the cases that is near completion resulted in a settlement in favor of the municipality for \$200,000. In some cases there is a net gain that will offset the overall increase.

Question was called on the motion to approve AM 601-2001 and it passed:

AYES: Fairclough, Von Gemmingen, Taylor, Traini, Kendall, Tesche, Shamberg, Tremaine, Clementson.
NAYS: None.

15. UNFINISHED AGENDA:

- 8.C.3. Resolution No. AR 2001-190, a resolution of the Anchorage Municipal Assembly appropriating the sum of \$10,000 from the Anchorage Roads and Drainage Service Area Fund (141) Balance to the Traffic Department to provide funding for **contract services to install and remove speed humps**, Assemblymember Taylor.
- a. Assembly Memorandum No. AM 592-2001.

Chairman Traini read the resolution and noted a motion to approve was on the floor.

In response to Ms. Clementson, Office of Planning, Development and Public Works Director Craig Campbell said some of the \$40,000 grant for the speed humps could be used for installation. They have no objection to the \$40,000 being added to the money that was already appropriated for speed humps. Their issue was on the installation costs. \$10,000 is to be added to the \$75,000, which would be additional for speed hump installation.

In response to Ms. Taylor, Mr. Campbell said the administration did not have an objection to the \$10,000.

Ms. Clementson said it would be their intent that the whole pot of money would be used for acquisition and installation of the speed humps.

In response to Mr. Tremaine, ? said he could not answer the question about whether it was normal to leave an entire strip idle, but he would provide a response at the next meeting. They are temporary strips. They are placed in the spring and removed in the fall. They are a component strip that is laid across. He did not think there was any extra that was supposed to be left around.

Question was called on the motion to approve AR 2001-190 and it passed with Mr. Traini objecting.

(The Assembly then reconsidered action taken on item 7.D.1)

- 7.D. 1 Assembly Memorandum No. AM 581-2001, **Urban Design Commission appointment** (James Dougherty), Mayor's Office.

Ms. Fairclough moved, to postpone AM 581-2001 to July 24, 2001.
seconded by Ms. Clementson,
and it passed without objection.

13. BOARD OF ADJUSTMENT/ASSEMBLY APPEALS: None.

14. SPECIAL ORDERS:

- A. An executive session was set for the regular meeting of August 14, 2001, to consider **legal matters**.
- B. Ordinance No. AO 2001-100, an ordinance of the Anchorage Municipal Assembly amending Anchorage Municipal Code Title 21 **requiring a public hearing site plan review for all new development** in Zoning Districts R-0, B-1B, B-2A, B-2B, B-2C, B-3, B-4, I-1, I-2 and I-3, Assemblymember Kendall.
(REFERRED TO THE PLANNING & ZONING COMMISSION ON 5-8-01)

Mr. Kendall moved, to withdraw AO 2001-100 and postpone indefinitely.
seconded by Ms. Fairclough,
and it passed with Mr. Tremaine objecting.

C. An Assembly worksession was scheduled for July 24, 2001, at 10:00 a.m. to consider **Purchasing and Contracts and Professional Services** (AO 2001-122/-122(S)).

15. UNFINISHED AGENDA: (See above)

16. AUDIENCE PARTICIPATION:

TERESA OBERMEYER said she wanted to wake up the Assembly. It was amazing to her how long their days were. She gave Mr. Traini the new directory of attorneys. She said she recommended to Todd communications, publishers of the attorney directory, that the next directory of attorneys include each attorney’s picture. Attorneys are officers of the court and they are public people. She related her dissatisfaction with a particular judge.

17. ASSEMBLY COMMENTS:

Ms. Fairclough said she hoped to see everyone at the Bear Paw Festival this weekend. The Slippery Salmon Derby is on Saturday. Friday is the Odor Eater Contest.

Ms. Taylor said Saturday was also the Governor’s picnic from noon to 4:00 p.m.

In response to Ms. Von Gemmingen, Chairman Traini said a work session had been set for the purchasing issue from 10:00 to 11:00 a.m., on July 24.

Ms. Von Gemmingen said they had a meeting in Seward on Thursday and Friday for the Alaska Municipal League Legislative Committee. Anyone having any changes or additions should let them know about them in the next couple of days. At 1:00 o’clock tomorrow they have an active vote demonstration on the second floor and she encouraged everyone to attend. On July 24, 2001 at 8:00 o’clock the Paradise Inn issue will be addressed.

Chairman Traini thanked the Assembly for their hard work.

18. EXECUTIVE SESSIONS: None.

19. ADJOURNMENT:

Mr. Tremaine moved, to adjourn the meeting.
seconded by Ms. Von Gemmingen.

The meeting adjourned at 9:30 p.m.

Chairman

ATTEST:

Municipal Clerk

Date Minutes Approved: December 11, 2001

VMC/gkron