

MUNICIPALITY OF ANCHORAGE

ANCHORAGE ASSEMBLY

Minutes for Regular Meeting of January 8, 2002

1. CALL TO ORDER:

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

2. ROLL CALL:

Present: Dan Sullivan, Fay Von Gemmingen, Melinda Taylor, Doug Van Etten, Dick Traini, Anna Fairclough, Dan Kendall, Allan Tesche, Janice Shamberg, Dick Tremaine.

Absent: Cheryl Clementson (*present via telephonic equipment for part of the meeting, excused for the balance*).

3. PLEDGE OF ALLEGIANCE:

The pledge was led by Mr. Sullivan.

4. MINUTES OF PREVIOUS MEETING:

A. Regular Meeting – July 24, 2001

Ms. Fairclough moved, to approve the minutes of the regular meeting
seconded by Mr. Kendall, of July 24, 2001.

Ms. Shamberg corrected page 44, line 5, “yet” should read “yes.”

Question was called on the motion to approve the minutes as amended and it passed without objection.

5. MAYOR'S REPORT:

Mayor Wuerch reported to the Assembly that the close out of the permit season for last year was near an all time high. They were the highest since 1984, topping half a billion dollars in construction valuation for new permits. The year 2001 just closed and they were at almost \$600,000,000. Economic activity was high. This was the biggest jump in residential construction for a long time with a 69 percent increase in residential units. In about a month and a half they would be starting the Books on Buses Program as part of the nationwide Student Reading Program. This would be another way to make bus ridership more enjoyable.

6. ASSEMBLY CHAIR'S REPORT: None.

7. COMMITTEE REPORTS: None.

8. ADDENDUM TO AGENDA

Mr. Tremaine moved, to amend the agenda to include the addendum items.
seconded by Mr. Van Etten,

Chairman Traini read the addendum items.

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

9. CONSENT AGENDA

Mr. Tremaine moved, to approve all items on the consent agenda as amended.
seconded by Mr. Van Etten,

A. RESOLUTIONS FOR ACTION - PROCLAMATIONS AND RECOGNITIONS

1. Resolution No. AR 2002-14, a resolution of the Anchorage Municipal Assembly **recognizing and honoring Detective Gregg H. Baker for his 23 years of service** with the Anchorage Police Department, Assembly members Clementson, Fairclough, Kendall, Shamberg, Sullivan, Taylor, Tesche, Traini, Tremaine, Van Etten, and Von Gemmingen.
 - a. Resolution No. AR 2002-14(S), a resolution of the Anchorage Municipal Assembly recognizing and honoring Detective Gregg H. Baker for his 23 years of service with the Anchorage Police Department, Assembly members 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 10.A.

2. Resolution No. AR 2002-15, a resolution of the Anchorage Municipal Assembly **recognizing and honoring Firefighter Daniel J. Hobert for his 20 years of service** with the Anchorage Fire Department, Assembly members Clementson, Fairclough, Kendall, Shamberg, Sullivan, Taylor, Tesche, Traini, Tremaine, Van Etten, and Von Gemmingen.

Ms. Shamberg requested this item be considered on the Regular Agenda. See item 10.A.

3. Resolution No. AR 2002-18, a resolution of the Anchorage Municipal Assembly **recognizing and honoring Detective Donald E. Krohn for nearly 18 years of service** with the Anchorage Police Department, Assembly members Clementson, Fairclough, Kendall, Shamberg, Sullivan, Taylor, Tesche, Traini, Tremaine, Van Etten, and Von Gemmingen. **(addendum)**

B. RESOLUTIONS FOR ACTION - OTHER

1. Resolution No. AR 2002-1, a resolution authorizing the Municipality of Anchorage, Public Transportation Department, to enter into a Transfer of Responsibilities Agreement (TORA) in the amount of \$92,150 with the State of Alaska, Department of Transportation and Public Facilities, and appropriating these funds to the State Categorical Grants Fund (231) for **summer landscaping and winter ice and snow removal at selected bus stops** within the Anchorage area through an Enhancement Youth Work Program, Public Transportation.
 - a. Assembly Memorandum No. AM 2-2002.
2. Resolution No. AR 2002-9, a resolution of the Municipality of Anchorage appropriating \$3,500 as a supplemental grant to the Federal Categorical Grants Fund (241), Department of Health and Human Services, from the U.S. Department of Health and Human Services to fund **Family Planning Services**.
 - a. Assembly Memorandum No. AM 18-2002.
3. Resolution No. AR 2002-10, a resolution of the Municipality of Anchorage approving and adopting the **Agreement for Automatic Aid in Fire Protection** with the Matanuska-Susitna Borough, Legal Department.
 - a. Assembly Memorandum No. AM 19-2002.

Mr. Tremaine requested this item be considered on the Regular Agenda. See item 10.B.

4. Resolution No. AR 2002-12, a resolution of the Municipality of Anchorage appropriating the sum of \$20,000 from the State of Alaska, Alcoholic Beverage Control Board to the State Categorical Grants Fund (231), Anchorage Police Department, for an **Alcohol Sales to Minor Enforcement Program**.
 - a. Assembly Memorandum No. AM 27-2002.
5. Resolution No. AR 2002-16, a resolution of the Anchorage Municipal Assembly revising the 2002 General Government Operating Budget by appropriating the sum of \$30,000 from Area wide General Fund (101) Balance to the Office of the Mayor to be used as a **grant to the Alaska Moving Image Preservation Association**, Assembly member Tremaine.
 - a. Assembly Memorandum No. AM 30-2002.

Mr. Kieling requested this item be considered on the Regular Agenda. See item 10.B.

6. Resolution No. AR 2002-17, a resolution of the Anchorage Municipal Assembly revising the 2002 General Government Operating Budget by appropriating the sum of \$64,730 to the Department of the Assembly for a **vacant Utility Budget Analyst position** currently funded in the approved Utilities' Operating Budgets, Assembly member Tremaine. **(TO BE SUBMITTED)**
 - a. Assembly Memorandum No. AM 31-2002.

Mr. Tremaine requested this item be considered on the Regular Agenda. See item 10.B.

C. BID AWARDS

1. Assembly Memorandum No. AM 1-2002, recommendation of award to Cal Worthington Ford, Tony Chevrolet, and Alaska Sales and Service for furnishing miscellaneous **4x4 vehicles** to the Municipality of Anchorage, Anchorage Water and Wastewater Utility (ITB 21-B099) (\$269,868), Purchasing.
2. Assembly Memorandum No. AM 23-2002, recommendation of award to Pacific Utility Equipment Company for furnishing **maintenance utility trucks** to the Municipality of Anchorage, Anchorage Water and Wastewater Utility (ITB 21-B101) (\$199,622), Purchasing.
3. Assembly Memorandum No. AM 36-2002, recommendation of award to Altec Industries, Inc. and Cal Worthington Ford for furnishing **a 37' and a 29' aerial manlift on a 4x4 chassis** to the Municipality of Anchorage, Facility and Fleet Maintenance Department (ITB 21-B094) (\$149,004), Purchasing.

D. NEW BUSINESS

1. Assembly Memorandum No. AM 32-2002, **School Budget Advisory Commission appointments** (Roger Hull, Kay Linton, Richard Cattnach), Mayor's Office.

Mr. Tremaine requested this item be considered on the Regular Agenda. See item 10.D.

2. Assembly Memorandum No. AM 33-2002, **Parks and Recreation Commission appointments** (Steve Beardsley, James Balamaci, Deborah Bauer, Dick Lobdell), Mayor's Office.
3. Assembly Memorandum No. AM 34-2002, **Police and Fire Retiree Medical Funding Program Board of Trustees appointments** (Dwyane Jones, Gary Powell), Mayor's Office.
4. Assembly Memorandum No. AM 14-2002, **Alyeska Prince Sitzmark Bar & Grill (#3447)** – Restaurant Designation Permit for a Beverage Dispensary – Tourism Duplicate Liquor License (Girdwood Board of Supervisors), Clerk's Office.
5. Assembly Memorandum No. AM 15-2002, **Jewel Lake Mongolian BBQ** (License #4166) – Application for a New Restaurant/Eating Place Liquor License and Restaurant Designation Permit (Sand Lake & Bayshore/Klatt Community Councils), Clerk's Office.

6. Assembly Memorandum No. AM 16-2002, O'Malley on the Green (License #2884) – Transfer of Ownership, Transfer of Location and Name Change for a Package Store Liquor License (Abbott Loop Community Council), Clerk's Office.

Mr. Tremaine requested this item be considered on the Regular Agenda. See item 10.D.

7. Assembly Memorandum No. AM 17-2002, Anchorage Golf Course/O'Malley on the Green (License #4172) – New Golf Course Liquor License (Abbott Loop & Huffman/O'Malley Community Councils), Clerk's Office.

Mr. Tremaine requested this item be considered on the Regular Agenda. See item 10.D.

8. Assembly Memorandum No. AM 35-2002, Mike's Liquor & Grocery (License #162) – Transfer of Ownership for a Package Store Liquor License (Eagle River Community Council), Clerk's Office.
9. Assembly Memorandum No. AM 24-2002, contract amendment No. 1 to Alaska Communications Systems, Inc. (ACS) Utility Relocation Costs, 15th Avenue Safety Improvements, Project No. 98-10 (\$84,134.90), Project Management & Engineering.
10. Assembly Memorandum No. AM 25-2002, change order No. 5 to contract with Quality Asphalt Paving, Inc. 15th Avenue Safety Improvements, Ingra Street to Sitka Street, Project No. 98-10 (\$268,420.94), Project Management & Engineering.

Mr. Tesche requested this item be considered on the Regular Agenda. See item 10.D.

11. Assembly Memorandum No. AM 26-2002, change order No. 2 to contract with Swalling Construction Company, Inc., Columbarium Retaining Wall, Anchorage Memorial Park Cemetery, Project No. 99-09 (\$467,069), Project Management & Engineering.
12. Assembly Memorandum No. AM 37-2002, proprietary purchase with North Star Systems for furnishing sound equipment for the Alaska Center for the Performing Arts to the Municipality of Anchorage, Cultural and Recreation Services (\$72,000), Purchasing.
13. Assembly Memorandum No. AM 38-2002, proprietary purchase with Secorp, Inc. for furnishing self-contained breathing apparatuses for the Municipality of Anchorage, Anchorage Fire Department (\$39,986), Purchasing.
14. Assembly Memorandum No. AM 39-2002, recommendation of award to the Law Offices of Gorton & Logue, APC for providing indigent defense counsel for the Municipality of Anchorage, Department of Health and Human Services (\$927,000) (RFP 21-P064), Purchasing.
15. Assembly Memorandum No. AM 40-2002, recommendation of award to various vendors for long distance, cellular and local telephone services for the Municipality of Anchorage, Information Technology Department (RFP 21-P0101) (\$900,000), Purchasing.
16. Assembly Memorandum No. AM 41-2002, change order No. 1 to vendor contract 2MLP123 with Siemens Westinghouse Power Corporation to provide technical services with labor, shop repairs and replacement parts to the Municipality of Anchorage, Municipal Light & Power (\$250,000), Purchasing.
17. Assembly Memorandum No. AM 42-2002, recommendation of award to multiple vendors to provide combustion turbine hot gas path component refurbishment services to the Municipality of Anchorage, Municipal Light & Power (RFP 21-P062) (\$1,500,000), Purchasing.
18. Assembly Memorandum No. AM 43-2002, recommendation of award to Lounsbury & Associates, Inc. for providing architectural/engineering services for seven roadway, drainage, water quality, and structural project Project E – Turpin Road Upgrade Project – Glenn Highway to DeBarr Road for the Municipality of Anchorage, Office of Planning, Development, and Public Works and Project Management & Engineering (RFP 21-P021) (\$526,624), Purchasing.
19. Assembly Memorandum No. AM 44-2002, recommendation of award to The Boutet Company for project management services for the Municipality of Anchorage, Office of Planning, Development, and Public Works and Project Management & Engineering (RFP 21-P060) (\$1,500,000), Purchasing.
20. Assembly Memorandum No. AM 45-2002, proprietary purchase to KPMG, LLP for assistance with implementing GASB 33 for the year ended December 31, 2001 (\$35,000), Purchasing.
21. Assembly Memorandum No. AM 46-2002, change order No. 1 to purchase order 210921 with DOWL Engineers, LLC for providing Phases 5 through 8 replat and survey work in the Girdwood Industrial Park for the Municipality of Anchorage, Heritage Land Bank (\$22,062).
22. Assembly Memorandum No. AM 47-2002, 2002 support services for Federation of Community Councils (\$108,000), Municipal Clerk. (addendum)
- a. Information Memorandum No. AIM 4-2002.

E. INFORMATION AND REPORTS

1. Information Memorandum No. AIM 1-2002, Department of Health and Human Services Environmental Services Division Community Noise Report, November 2001.
4. Information Memorandum No. AIM 2-2002, report on detached residential condominium development in Anchorage, Development Services Department.

Mr. Van Etten requested this item be considered on the Regular Agenda. See item 10.E.

3. Information Memorandum No. AIM 6-2002, Quarterly Bar Report – 2nd and 3rd Quarters, 2001, Anchorage Police Department. (addendum)

F. ORDINANCES AND RESOLUTIONS FOR INTRODUCTION

1. Ordinance No. AO 2002-1, an ordinance authorizing the third renewal option of the Preferential Usage Agreement which provides for **CSX Lines LLC's preferential berthing privileges** and use of 920 feet of the Port of Anchorage's pier, the exclusive use of Port Transit Area "B" Lot, totaling approximately 278,784 square feet, the exclusive use of Terminal #2 Stevedore Building, totaling approximately 1,600 square feet, and the exclusive use of Port Transit Warehouse Crane Maintenance Space, totaling approximately 1,524 square feet, Port of Anchorage. P.H. 1-29-02.
a. Assembly Memorandum No. AM 8-2002.
2. Ordinance No. AO 2002-2, an ordinance authorizing the first renewal option of the Preferential Usage Agreement which provides for **Totem Ocean Trailer Express, Inc.'s preferential berthing privileges** and use of 848 feet of the Port of Anchorage's pier and the exclusive use of Port Transit Area "C" Lot, totaling approximately 291,832 square feet, Port of Anchorage. P.H. 1-29-02.
a. Assembly Memorandum No. AM 9-2002.
3. Ordinance No. AO 2002-3, an ordinance amending the zoning map and providing for the rezoning of approximately 8,910 square feet from R-5 (Rural Residential District) to I-1 SL (Light Industrial District) with Special Limitations for **Moorehand Subdivision, Tract 3A, Lot 4B**; generally located between East 88th Avenue and Abbott Road on the east side of Golovin Street (Abbott Loop Community Council) (Planning and Zoning Commission Case 2001-087), Planning Department. P.H. 2-26-02.
a. Assembly Memorandum No. AM 10-2002.
4. Ordinance No. AO 2002-4, an ordinance amending Anchorage Municipal Code Sections 3.30.152, 3.30.153, 3.30.154 and 3.30.156 regarding **leave accumulation and usage rules**, and discontinuing the Tier III Employee's Leave Buyback Program, Employee Relations. P.H. 1-29-02.
a. Assembly Memorandum No. AM 21-2002.
5. Ordinance No. AO 2002-5, an ordinance submitting to the qualified voters residing in the **Birch Tree/Elmore Limited Road Service Area** at the Regular Municipal Election April 2, 2002, a ballot proposition approving the continuation of said limited road service area for an additional period of three years. Anchorage Municipal Code Sections 27.20.200 and 27.30.290. Assembly members Tremaine and Shamberg. P.H. 1-29-02.
a. Assembly Memorandum No. AM 22-2002.
6. Ordinance No. AO 2002-6, an ordinance submitting to the qualified voters residing in the **South Goldenview Area Limited Road Service Area** at the Regular Municipal Election April 2, 2002, a ballot proposition approving the continuation of said limited road service area for an additional period of three years. Anchorage Municipal Code Sections 27.20.190 and 27.30.280. Assembly members Tremaine and Shamberg. P.H. 1-29-02.
a. Assembly Memorandum No. AM 22-2002.
7. Ordinance No. AO 2002-7, an ordinance amending the PC (Planned Community District) Zone for Tract 1 and a portion of Tract 7, Powder Ridge Subdivision (Plat 98-80) to **modify the Master Development Plan and design standards for Development Area "O" adopted by AO 94-235(S-1) (As Amended) (As Corrected 5/4/95) and for Development Area "P" As Amended by AO 2000-143(S-2)**, generally located southwest of the North Eagle River Interchange of the New Glenn Highway in Eagle River, within portions of Sections 35 and 36, T15N, R2W, S.M., Alaska (Birchwood Community Council) (Planning and Zoning Commission Case 2001-103), Planning Department. P.H. 2-26-02.
a. Assembly Memorandum No. AM 28-2002.
8. Resolution No. AR 2002-2, a resolution authorizing the Municipality of Anchorage, Public Transportation Department, to enter into a Transfer of Responsibilities Agreement (TORA) in the amount of \$147,250 with the State of Alaska, Department of Transportation and Public Facilities, for financing the implementation of a **Public Transportation Marketing Program** and appropriating these funds to the State of Categorical Grants Fund (231), Public Transportation Department. P.H. 1-15-02.
a. Assembly Memorandum No. AM 3-2002.
9. Resolution No. AR 2002-3, a resolution authorizing the Municipality of Anchorage, Public Transportation Department to enter into a Transfer of Responsibilities Agreement (TORA) in the amount of \$318,500 with the Department of Transportation and Public Facilities, State of Alaska, for the **Municipal Share-A-Ride Program** and appropriating these funds to the State Categorical Grants Fund (231), Public Transportation Department. P.H. 1-15-02.
a. Assembly Memorandum No. AM 4-2002.
10. Resolution No. AR 2002-4, a resolution of the Municipality of Anchorage appropriating \$976,326 to the State Categorical Grants Fund (231) from the Alaska Department of Labor and Workforce Development for the **PY 2001 Workforce Investment Act Title 1B Adult Program** within the Planning Department. P.H. 1-15-02.
a. Assembly Memorandum No. AM 5-2002.
11. Resolution No. AR 2002-5, a resolution of the Municipality of Anchorage appropriating \$1,891,882 to the State Categorical Grants Fund (231) from the Alaska Department of Labor and Workforce Development for the **PY 2001 Workforce Investment Act Title 1B Dislocated Worker Program** within the Planning Department. P.H. 1-15-02.
a. Assembly Memorandum No. AM 6-2002.
12. Resolution No. AR 2002-6, a resolution of the Municipality of Anchorage appropriating \$9,400,000 from the MOA Trust Reserve Fund Balance (731), as a **contribution to the Area wide General Fund** (101), Finance Department. P.H. 1-15-02.
a. Assembly Memorandum No. AM 7-2002.
13. Resolution No. AR 2002-11, a resolution appropriating \$299,313 of Year 2001 Special Assessment and Interest Collections and \$97,641 of Fund Balance within the Special Assessment Bond Redemption Fund (0899) for **Special Assessment Bond Debt Service**, Finance. P.H. 1-15-02.
a. Assembly Memorandum No. AM 20-2002.

14. Resolution No. AR 2002-13, a resolution of the Anchorage Assembly adopting recommendations to be forwarded to the Anchorage Metropolitan Area Transportation Study (AMATS) Policy Committee regarding an **amendment to FFY 2001-2003 Transportation Improvement Program (TIP)**, Traffic Department. P.H. 1-15-02.
 - a. Assembly Memorandum No. AM 28-2002.

Mayor Wuerch introduced AO 2002-10. The public hearing was scheduled for January 29, 2002. The ordinance amends Anchorage Municipal Code Section 6.50.060 to define the MOA trust fund (730) as an endowment and implements a controlled spending policy for future annual dividends.

Mayor Wuersch introduced AO 2002-11. The public hearing was scheduled for January 29, 2002. The ordinance submits to the qualified voters of the Municipality of Anchorage at the next regular election a ballot proposition to amend Charter Section 13.11 to define MOA trust fund (730) as an endowment and implements a controlled spending policy for future annual dividends.

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

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

NAYS: None.

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

10. REGULAR AGENDA

A. RESOLUTIONS FOR ACTION - PROCLAMATIONS AND RECOGNITIONS:

1. Resolution No. AR 2002-14, a resolution of the Anchorage Municipal Assembly **recognizing and honoring Detective Gregg H. Baker for his 23 years of service** with the Anchorage Police Department, Assembly members Clementson, Fairclough, Kendall, Shamberg, Sullivan, Taylor, Tesche, Traini, Tremaine, Van Etten, and Von Gemmingen.
 - b. Resolution No. AR 2002-14(S), a resolution of the Anchorage Municipal Assembly recognizing and honoring Detective Gregg H. Baker for his 23 years of service with the Anchorage Police Department, Assembly members Clementson, Fairclough, Kendall, Shamberg, Sullivan, Taylor, Tesche, Traini, Tremaine, Van Etten, and Von Gemmingen. **(addendum)**

Mr. Tremaine moved, to approve AR 2002-14(S),
seconded by Mr. Tesche,
and it passed without
objection,

Mr. Tremaine read the resolution.

Detective Gregg H. Baker thanked the Municipality of Anchorage for the opportunity to work for the municipality for the last 23 years. He felt they should look into the reason why their people assets did not stay 25 to 30 years.

2. Resolution No. AR 2002-15, a resolution of the Anchorage Municipal Assembly **recognizing and honoring Firefighter Daniel J. Hobert for his 20 years of service** with the Anchorage Fire Department, Assembly members Clementson, Fairclough, Kendall, Shamberg, Sullivan, Taylor, Tesche, Traini, Tremaine, Van Etten, and Von Gemmingen.

Ms. Shamberg moved, seconded by Ms. Von Gemmingen, and it passed without objection.

Ms. Shamberg read the resolution.

Firefighter Daniel J. Hobert said the Fire Department had seen some lean times over the last 20 years, but it was nice to see that the current Assembly and Mayor supported the Fire Department.

Mr. Tesche said he had tried to convince Mr. Hobert to stay on with the Fire Department, but he had declined. He thanked Mr. Hobert for his service to the citizens of Anchorage.

Municipal Manager Harry Kieling introduced Kay Linton and thanked her for her service. He noted that Steve Beardsley had been reappointed to the Park and Recreation Commission.

B. RESOLUTIONS FOR ACTION - OTHER:

1. Resolution No. AR 2002-10, a resolution of the Municipality of Anchorage approving and adopting the **Agreement for Automatic Aid in Fire Protection** with the Matanuska-Susitna Borough, Legal Department.
 - b. Assembly Memorandum No. AM 19-2002.

Mr. Tremaine moved, to approve AR 2002-10.
seconded by Ms. Taylor,

Mr. Tremaine moved, seconded by Ms. Von Gemmingen, and it passed without objection.

In response to Mr. Van Etten, Municipal Attorney Bill Greene said the Assembly would be involved in any future changes to the agreement. It was routine for the manager to be designated as the authorized agent, but changes were subject to Assembly approval.

Question was called on the motion to approve AR 2002-10 as amended and it passed without objection.

2. Resolution No. AR 2002-16, a resolution of the Anchorage Municipal Assembly revising the 2002 General Government Operating Budget by appropriating the sum of \$30,000 from Area wide General Fund (101) Balance to the Office of the Mayor to be used as a **grant to the Alaska Moving Image Preservation Association**, Assembly member Tremaine.
- b. Assembly Memorandum No. AM 30-2002.

Ms. Shamberg moved, to approve AR 2002-16.
seconded by Mr. Tremaine,

Mayor Wuerch pointed out that the Assembly had not approved the grant in the annual budget. He felt it would be a dangerous recourse to start adding individual non-profit groups back into the budget. The Assembly received a letter summarizing the potential sale of a building to the Alaska Moving Imaging Preservation Association for a nominal amount. He asked the Assembly not to approve the resolution or at the very least to postpone it. The Alaska Moving Image Preservation Association does marvelous work. They received a \$500,000 federal grant. He felt it was appropriate for the Assembly not to continue the grant. He encouraged the Assembly to vote no on the resolution.

Mr. Tremaine said he was the author and encouraged support of the resolution. He had voted to sustain the Mayor's veto based on the concept of selling the property to them for a nominal fee. The Assembly received a letter from the Alaska Moving Image Association saying that would not be feasible. A number of his constituents were strongly in favor of this non-profit organization. He intended to vote in favor of the resolution and to continue to push it forward until it passed.

Mr. Tesche said the Anchorage School Board had recently decided to add a new course for high school students in Alaska History, which was an important and positive step. As part of that effort, he felt that the preservation of the community's and the state's history was very important to help the School District maintain access to films and other materials that would be of use to the high school students. He felt the relatively small grant of \$30,000 was well worth it and he intended to support the resolution.

Question was called on the motion to approve AR 2002-16 and it passed:

AYES: Von Gemmingen, Taylor, Van Etten, Traini, Tesche, Shamberg, Tremaine.

NAYS: Sullivan, Fairclough, Kendall.

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

3. Resolution No. AR 2002-17, a resolution of the Anchorage Municipal Assembly revising the 2002 General Government Operating Budget by appropriating the sum of \$64,730 to the Department of the Assembly for a **vacant Utility Budget Analyst position** currently funded in the approved Utilities' Operating Budgets, Assembly member Tremaine.
(TO BE SUBMITTED)
 - b. Assembly Memorandum No. AM 31-2002.

Mr. Tremaine moved, to postpone AR 2002-17 indefinitely,
seconded by Ms. Shamberg,
and it passed without
objection.

C. BID AWARDS: None.

D. NEW BUSINESS:

1. Assembly Memorandum No. AM 32-2002, School Budget Advisory Commission appointments (Roger Hull, Kay Linton, Richard Cattanaach), Mayor's Office.

Mr. Tremaine moved, to postpone AM 32-2002 until the Assembly dealt
seconded by Ms. Fairclough, with item 11.A, AM 999-2001.

Ms. Fairclough moved,
seconded by Mr. Tremaine,
and it passed without
objection,

to change the order of the day to address item
11.A, AM 999-2001, and postpone indefinitely.

Mr. Tremaine moved, seconded by Ms. Fairclough, and it passed without objection.

Ms. Von Gemmingen noted that the Assembly had done a partial approval on item 11.A, AM 999-2001.

In response to Ms. Von Gemmingen, Chairman Traini said the partial approval of AM 999-2001 still stood.

2. Assembly Memorandum No. AM 16-2002, O'Malley on the Green (License #2884) – Transfer of Ownership, Transfer of Location and Name Change for a Package Store Liquor License (Abbott Loop Community Council). Clerk's Office.

Mr. Tremaine moved, to postpone AM 16-2002 indefinitely.
seconded by Mr. Van Etten,
and it passed without
objection,

3. Assembly Memorandum No. AM 17-2002, Anchorage Golf Course/O’Malley on the Green (License #4172) – New Golf Course Liquor License (Abbott Loop & Huffman/O’Malley Community Councils), Clerk’s Office.

In response to Mr. Tremaine, Ms. Fairclough said the license was over and above what they were required to have and it could be for sale. She felt the item should be postponed until they could discuss the issue with Dorsey and Whitney.

Mr. Tremaine moved, to postpone AM 17-2002 until January 15, 2002.
seconded by Ms. Fairclough,

Mayor Wuerch said the conditional use hearing for the permit was scheduled for February 12, 2002, which was after the deadline for protest. He recommended suspending issuance of the conditional use permit until after the conditional use application be heard.

Mayor Wuerch moved, to amend AM 17-2002, line 39, to read “conditional”
seconded by Ms. Von Gemmingen, instead of “condition use permit.”
and it passed without
objection,

Question was called on the motion to postpone AM 17-2002 as amended to January 15, 2002 and it passed without objection.

4. Assembly Memorandum No. AM 25-2002, change order No. 5 to contract with Quality Asphalt Paving, Inc. 15th Avenue Safety Improvements, Ingra Street to Sitka Street, Project No. 98-10 (\$268,420.94), Project Management & Engineering.

Mr. Tesche moved, to approve AM 25-2002.
seconded by Ms. Shamberg,

In response to Mr. Tesche, Mr. Holton said he was not aware of any paving on private property except where required in conjunction with the road improvements, which could have been the construction transition from the street to the driveway to facilitate access. He was not aware of any asphaltting done on private property, but he would check on that and respond directly to Mr. Tesche. He did not know if there had been any asphaltting that replaced a curb and a landscaped area on the southwest corner of the site, but he would check on that as well. All of the work pursuant to change order #5 had been completed. This was a quantity reconciliation change order for unexpected quantities of work during construction, which was caused by unexpected conditions and some under estimating in the specifications and bid documents. He preferred not to comment on whether the placement of the pump islands on the south side had any bearing on the Municipality’s position in the condemnation action in the stipulation between the parties with respect to the relocation of that south island, because it may be in litigation.

In response to Mr. Tesche, Mr. Holton said they would have no objection to postponing AM 25-2002 and would welcome a meeting between Mr. Tesche and Mr. Holton’s project manager.

Mr. Tesche moved, to postpone AM 25-2002 until January 25, 2002.
seconded by Ms. Shamberg,
and it passed without
objection,

E. INFORMATION AND REPORTS:

1. Information Memorandum No. AIM 2-2002, report on **detached residential condominium development** in Anchorage, Development Services Department.

Mr. Van Etten moved, to accept AIM 2-2002.
seconded by Ms. Shamberg,

Mr. Van Etten thanked the department for pulling this information, which would be very helpful in the work that Ms. Fairclough and the Task Force were doing as far as future condominium regulations.

Question was called on the motion to accept AIM 2-2002 and it passed without objection.

F. ORDINANCES AND RESOLUTIONS FOR INTRODUCTION: None.

Ms. Fairclough moved, to change the order of the day to address item
seconded by Mr. Tesche, 14.G, AR 2001-366 at 7:00 p.m.
and it passed without
objection.

Ms. Von Gemmingen commented on item E.1, AIM 47-2002, Community Noise Report. She felt it was very complete and she appreciated all the work that was done by the Health Department and Dr. Morgan on this issue.

Mr. Tesche thanked the Health Department for its work on the Community Noise Report. Of all of the complaints that they received from the north Anchorage district, noise complaints seemed to be the most prevalent. He referenced page 3, lines 28 through 37 of the report. He urged the Health Department to take a hard look at the particular problems that were noted and to come up with a program to address those issues.

Mr. Sullivan pointed out that they passed the Noise Ordinance regarding car noise, which was sponsored by Ms. Abney. He felt it would be interesting to hear whether there had been any citations issued under the ordinance and whether the program was having any affect.

11. OLD BUSINESS AND UNFINISHED ACTION ON PUBLIC HEARING ITEMS

- A. Assembly Memorandum No. AM 999-2001, **School Budget Advisory Commission appointments** (Roger Hull, Kay Linton, William McCormack), Mayor’s Office.
(PAUL SCHILLING APPOINTMENT WAS APPROVED 12-18-01; REMAINING APPOINTMENTS WERE DIVIDED OUT & CARRIED OVER FROM 12-18-01)

This item addressed earlier in the meeting. See item 10.D.

- B. Resolution No. AR 2001-332(S), a resolution of the Municipality of Anchorage accepting \$2,490,882 from the State of Alaska for the **Bank of America settlement** and depositing \$2,352,882 to the MOA Trust Fund Reserve Fund (731) and \$138,000 to the Areawide General Fund (101), Office of Management and Budget.
 - 1. Assembly Memorandum No. AM 987-2001.
(CARRIED OVER FROM 12-11-01)

Ms. Von Gemmingen moved, to postpone AR 2001-332(S) indefinitely.
seconded by Mr. Tesche,
and it passed without
objection,

- C. Resolution No. AR 2001-295, a resolution of the Anchorage Municipal Assembly empanelling a special citizens task force to **review the administration and enforcement of municipal building, fire, and life safety codes**, Assembly member Tesche.
 - 1. Resolution No. AR 2001-295(S), a resolution of the Anchorage Municipal Assembly empanelling a special citizens task force to review the administration and enforcement of municipal building, fire, and life safety codes, Mayor Wuerch & Assembly Member Tesche.
(**addendum**)
 - 2. Assembly Memorandum No. AM 61-2002.
(POSTPONED FROM 9-25-01 AND 10-16-01)

Chairman Traini gave the history of AR 2001-295 and noted no motion was on the floor.

Mr. Tesche moved, to approve AR 2001-295(S).
seconded by Ms. Fairclough,

Mr. Tesche referenced AM 61-2002 and indicated that over the last several days they had met to review the administration’s draft of this legislation. They agreed to recommend approval of the substitute version, which would create a 16 member citizens task force to proceed with a review of the administration’s enforcement of the Municipality’s building, fire and life safety codes with a view towards improving customer service and efficiency in that unit of government. There was probably no unit of government, other than the Police Department, that had more direct contract with private citizens than the Building Safety Division. In light of the recent audit and the administration’s desire to improve customer service in that department, he felt the resolution and the panel that it would create would be very helpful.

Office of Planning, Development and Public Works Director Craig Campbell said they concurred with Mr. Tesche and they appreciated the Assembly giving them the time to bring forward a proposal that covered all the issues. He felt this would be a good effort for the Assembly and the administration to work together on to provide guidance through a task force to insure that customer services and development services would be even better by the end of 2002.

Question was called on the motion to approve AR 2001-295(S) and it passed:

AYES: Sullivan, Von Gemmingen, Taylor, Van Etten, Traini, Fairclough, Kendall, Tesche, Shamberg, Tremaine.
NAYS: None.
(Clerk’s Note: Ms. Clementson was excused from the meeting).

The meeting recessed at 5:12 p.m. and reconvened at 5:48 p.m.

12. APPEARANCE REQUESTS (SHALL BEGIN NO EARLIER THAN 6:00 P.M. AND NO LATER THAN 7:00 P.M.)

- A. **Mike Gordon & John G. Pattee** representing the Downtown Community Council, concerning operation of two nightclubs Downtown using caterer’s permits.

MR. PATTEE said there had been numerous complaints from neighbors of rowdy behavior and garbage. He requested striking the word garbage, which had been inadvertently put in there from the Club Celsius location. He had not had any complaints of garage concerning this location. The state law said caterer’s permits were for conventions, picnics, and social gatherings, sporting events or similar affairs held off the licensed premise. They were designated for a specific occasion and a limited period of time. A beverage dispensary license holder uses the caterer’s permit as an off premise use to cater picnics, parties or sporting events within the state. He could take his Avenue Bar liquor license, get a caterer’s permit and hold an event anywhere as long as the Police Department signed the permit. Once that happened it was almost always signed by the State Alcoholic Beverage Control (ABC) Board. They had to abide by all the state and local laws that governed regular liquor licenses, such as checking identifications. The two clubs had been operating using caterer’s permits in locations downtown. For over two years, Club Celsius had been operating every weekend using a caterer’s permit in the same location for the same purpose of event, which was Latin dance. The Club Celsius location had been in operation in the same location every weekend since July 6th. He and several other organizations viewed that as an abuse of the system. Although the law was somewhat vague, he did not feel there was any question

what the intent of the law was. Two years in the same location did not seem to be a limited period of time. By doing the same event every weekend, catering to the same clientele, having the same employees and naming the club, they were operating as a club. He felt they should stop giving them the caterer's permit. It was unfair to the license holders that have to go through the permit process, the licensing process, community council scrutiny, Assembly scrutiny and conditional use permitting. They had opened a nightclub without going through the process. The simple solution would be to ask the Anchorage Police Department to stop signing the permits right away. A formula could be developed for the Anchorage Police Department to prevent this type of abuse in the future.

In response to Mr. Tesche, Mr. Pattee said this circumstance was unique to Anchorage. The State Alcoholic Beverage Control (ABC) Board felt this was a land use issue and they did not see it as a statewide issue. Since it had only happened in Anchorage, they would prefer that we take care of this problem at the local level. The State Alcoholic Beverage Control (ABC) Board was on the fence whether or not this was a violation.

In response to Mr. Tesche, Bob Klein said he was chairman of the State Alcoholic Beverage Control (ABC) Board. They did not feel that there had been a violation of Title 4. Catering permits not only suggest, but also require, that there be municipal involvement before they were issued. They felt a state regulation would be too broad of an approach and the problem should be addressed at the local level. They were looking for a solution at the statewide level, but their solution would have to be as applicable in Naknek as it was in Anchorage.

In response to Mr. Tesche, Mr. Pattee said the state law for caterer's permits was not very precise and could be interpreted differently. He had a problem considering two years a limited period of time. He felt if someone was using a caterer's permit to operate a nightclub where its primary function was to serve alcoholic beverages then they would need a liquor license. These two clubs' primary function was to serve alcoholic beverages. The primary function for a legitimate caterer's function would be a picnic, a sporting event or a wedding.

In response to Mr. Kendall, Municipal Attorney Bill Greene said there were no provisions in their conditional use code provisions for alcoholic beverages that takes into consideration caterer's permits. They were aware of the problem and they were trying to craft an ordinance that would take care of the loophole while preserving the ability to have caterer's permits for functions.

Municipal Manager Harry Kieling pointed out that as soon as they became aware of this in the first week of December, the Anchorage Police Department took immediate action and were looking into the issue. In the mean time, the Chief took the action of having himself or one of the two deputy chiefs personally approving any future requests. He felt that would provide a top-level look at these requests. The two clubs in question have not submitted requests since early December. There was an effort to develop these procedures and to look at the loopholes.

Mr. Sullivan said they were not looking at doing anything punitive in terms of dance clubs. They felt dancing was a great activity, but they needed to insure that everyone was playing on the same field when it came to the distribution of alcohol for profit.

In response to Ms. Taylor, Hector Ortiz said he represented the owner of the club and the owner of the liquor license. They were trying to have a good time dancing and pay the rent. Liquor licenses were either very expensive or nonexistent. He would have to come up with \$108,000 to buy a liquor license, because the city does not issue new licenses. Most of the liquor license owners have multiple licenses that they either have put away or use. They would like to have a liquor license and were working towards that. They have always conferred with the authorities in town to insure they were not doing anything wrong. They were told that what they were doing was legal. They have their permit signed by the Police Department on a weekly basis. He was confident that they were not violating or abusing any laws. He understood that this could get out of hand, however they were not aware that this action was coming down on them. They have made future commitments and would be severely impacted. He would attend the Assembly work session to discuss the issue.

Chairman Traini ruled that a work session would be scheduled to address the issue.

13. CONTINUED PUBLIC HEARINGS (SHALL BEGIN NO EARLIER THAN 6:00 P.M. AND NO LATER THAN 7:00 P.M.)

- A. Ordinance No. AO 2001-180, an ordinance amending Anchorage Municipal Code Subsection 6.20.020.A. by **repealing the requirement of dual majority vote for issuance of general obligation bonds in services areas**, Assembly member Traini and Tremaine.
(CARRIED OVER FROM 12-11-01; CONTINUED FROM 12-18-01)

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 AO 2001-180.
seconded by Mr. Tremaine,

In response to Mr. Kendall, Chairman Traini said there would be one areawide vote, because these were capital projects.

In response to Chairman Traini, Municipal Attorney Bill Greene said under this ordinance the Assembly could theoretically impose its will on a service area.

Mr. Sullivan said he assumed they were going to explore the possibility that Girdwood could build a community hall upon the vote of the Girdwood residents without the entire Municipality's vote. That would run into legal questions, because of the full faith and credit of the Municipality. He was concerned that they could obligate an area to a project that they did not want. The dual vote system had its flaws, but it provided a check and balance system. He could not support the ordinance, because the check and balance was very important for the smaller communities to feel like they were participating in what bonds were being issued on their behalf.

In response to Mr. Tesche, Mr. Greene said he felt this comported with the charter. This would eliminate the confusion they had seen by having two different votes on the same issue. There were varying opinions as to whether that was

confusing to the detriment of the area wide or the service area. It was confusing as a ballot proposition and was very difficult for the clerk's office.

In response to Mr. Tesche, Chairman Traini said this would make it easier for Girdwood, because they could be put into the same bond package. The Assembly would not impose their will upon some place like Girdwood. Girdwood had voted for a community center, but Anchorage as a whole voted it down. The ordinance would prevent that from happening.

Mr. Tesche said currently capital projects within a service area required a separate area wide vote and a separate vote within the service area. Typically these come from the service area so that would not be a problem. When these projects are separated from the rest of the ballot they tend to fail. This would allow the Assembly to put capitol projects into a single ballot proposition so they would have a higher chance of success. He understood the concern raised that this could be used in an oppressive fashion, which he took seriously. Several years ago that was exactly what happened on the Hillside. He trusted the Assembly and the public process enough to be sure that this would not be used by a majority of the Assembly and the voters to simply make the residents of Girdwood or Eagle River pay for a capital project that they did not want. He felt the benefit of the ordinance would outweigh the theoretical concern. He would be voting in favor of the ordinance.

Ms. Fairclough takes the chair.

In response to Mr. Tremaine, Ms. Giard said with the change one Parks and Recreation bond could have a project in Chugiak/Eagle River, Girdwood and Anchorage and there could be one citywide vote for the package.

Mr. Tremaine said parts of the area he represented had suffered greatly in the past because of misunderstanding on the part of the Anchorage bowl or the non-service area. He felt this would be a great benefit to the service areas in south Anchorage as well as the other service areas. He would vote in favor of the resolution.

In response to Mr. Kendall, Ms. Giard said in the present code they could not combine bonds in the same fashion as what Mr. Tremaine had described. Currently the service areas that were benefited by the bond proposition, as well as the area wide service area, voted on it and they needed an affirmative vote by both. The ordinance would not affect the bond rating one way or the other.

Mr. Kendall originally thought this was a vote within the service area, which he could support. Putting projects together and voting areawide could increase the chances of passage, but it also left the door open for a lot of things that the smaller service areas did not want or need. It had always been the vote of the service area that kept them vital, informed and a good part of their community. He had many concerns about going to an areawide vote.

Ms. Fairclough questioned if a caveat could be added that a project had to pass inside of the service area before it could be imposed. The service area would be the smaller area. It would not require dual voting, because the ballots were already cast by district. If the impacted service district voted no and everyone else voted yes, the vote would be no, because the tally would be by district when it was brought into the polls.

In response to Ms. Fairclough, Mr. Greene said prior to the Accuvote system they had to set it up as if there were two ballots; one for areawide, which everyone voted on, and one for service area, which only the service area voted on. Due to split precincts and other issues, he was not sure that the clerk's office could tally it accurately.

Mr. Moyer said Ms. Fairclough's suggestion was a good suggestion, but it would take them back to having two ballots to accurately count the votes, because there were split precincts within service areas.

Mr. Sullivan said they have found that what theoretically could happen, does happen. The majority could indeed impose their will on the minority. A prime example would be that a golf course could be imposed upon the people of Girdwood simply by a majority vote of the Anchorage residents.

Mr. Tesche said they would have to have a vote of the areawide community due to the full faith and credit of the Municipality that was behind bond propositions. Without that, the bonds would not be able to be sold. We require the weigh-in of the entire community. The real question was whether we wanted a system that required us to separate out these ballot propositions originating from some of the smaller service areas. Generally these types of bond propositions fail because they are taken out from the rest of the herd. If we want to continue that type of process then we can vote against the ordinance. He felt it was better to focus on the benefit to these particular areas and the possibility of getting some of the bond propositions passed. The passage of the ordinance would allow us to aggregate bond propositions. The Assembly members knew that if they put together a bond proposition that had within it a component that was not popular in a particular segment of town that would endanger the entire package. That did not make sense and it seemed rather unlikely to happen.

Mr. Traini said he viewed Anchorage as one town and we needed to treat it as such. He felt they needed a citywide approach. He acknowledged that it may not be perfect, but it was better than the current system. He felt they needed to get to the point where they treated everyone across Anchorage the same. He urged approval.

Mr. Tremaine requested to have his name added as a co-sponsor. One of the reasons why the tyranny of the majority in instilling its oppressive will through capital projects might not work was because we had dual member districts. That gives any one group at least two votes. He noted that the Hillside police issue was not a capitol project, but a scheme by the Municipality to raise more money. It succeeded because the cost of police on the Hillside was much less than the revenues raised by the tax. The true move there was to raise money for the Police Department in excess of the additional costs and it has been successful. That seemed fairly offensive, even though the Supreme Court backed it. State law has changed so that would not happen again. People may not be brought into a service area against their will. He had some concern about the future abuse of this, but he felt the benefits outweighed the danger and the risk. He would vote in favor of the ordinance.

Mr. Kendall questioned if they were doing this to make it easier for the Accuvote system to be implemented in Anchorage or so Girdwood could have a recreation center. If they were doing it for Accuvote, maybe there was a better way to do it.

In response to Mr. Kendall, Mr. Moyer said they had to program the cards that went into the machine with a shadow vote so they could get both votes. The benefit for this was in programming the 114 precincts. The shadow vote was built into the system and was ready for the April election. They would need to program the cards by March. One ballot proposition would require one card for every precinct versus having a shadow vote, which was just another programming to insure they got both the dual votes.

Mr. Kendall said he was not convinced that this was the right way to go and he would not be voting in favor of the ordinance.

In response to Mr. Kendall, Mr. Traini said this was to benefit service areas and had nothing to do with the Accuvote system.

Ms. Von Gemmingen said the Hillside police issue was not to get more money, but a public safety issue.

In response to Ms. Von Gemmingen, Mayor Wuerch said when they went to sell their bonds, they would still be considered backed by the full faith and credit of the Municipality if this were to pass.

Ms. Von Gemmingen said she was still undecided on this issue and would vote no. It sounded good in the beginning, but she had some concerns about it.

Mr. Sullivan said it would be nice to have a history of the bond propositions that had failed and passed that had the dual requirements before the vote.

Mr. Sullivan moved, to postpone AO 2001-180 until January 29, 2002.

Chairman Fairclough pointed out that the last day for introduction of any bond ballot proposition ordinance was on January 29, 2002. Within the body of that ordinance it speaks to the dual majority requirement or the lack thereof. All of the bond proposition ordinances needed to be acted upon no later than February 12, 2002.

Mr. Sullivan moved, to amend his motion to postpone AO 2001-180 until
seconded by Ms. Von Gemmingen, January 15, 2002.

Mr. Tesche urged the Assembly not to postpone AO 2001-180. He was not convinced that the information requested was going to change anyone’s mind on the issue.

Question was called on the motion to postpone AO 2001-180 until January 15, 2002 and it failed:

AYES: Sullivan, Von Gemmingen, Fairclough, Kendall.
NAYS: Taylor, Van Etten, Traini, Tesche, Shamberg, Tremaine.
(Clerk’s Note: Ms. Clementson was excused from the meeting).

Chairman Traini takes the chair and ruled they would take this issue up again after addressing item 14.G, AR 2001-366, which they agreed to take up at 7:00 p.m.

Resolution No. AR 2001-366, a resolution **selecting a site in Muldoon for a middle school, a community/recreation center, and a branch library**, to consist of approximately 32 acres, generally described as Tract A, The Alaskan Village Addition No. 1; and that portion of the adjacent Alaskan Village Subdivision that lies within the area that extends approximately 170 feet east of the eastern boundary of Tract A, Alaskan Village Addition No. 1, which includes Block 1, Lots 32 through 38, 39 through 42 (portions), 43 through 45; and Block 2, Lots 20 through 27, and 28 and 29 (portions), and a portion of the remaining unplatted area of The Alaskan Village Subdivision. The site is generally located southwest of the Muldoon Road/DeBarr Road intersection, Assembly member Clementson.

1. Assembly Memorandum No. AM 13-2002.
2. Resolution No. AR 2001-366(S), a resolution selecting a site in Muldoon for a middle school, a community/recreation center, and a branch library, to consist of approximately 32 acres, generally described as Tract A, The Alaskan Village Addition No. 1; and that portion of the adjacent Alaskan Village Subdivision that lies within the area that extends approximately 170 feet east of the eastern boundary of Tract A, Alaskan Village Addition No. 1, which includes Block 1, Lots 32 through 38, 39 through 42 (portions), 43 through 45; and Block 2, Lots 20 through 27, and 28 and 29 (portions), and a portion of the remaining unplatted area of The Alaskan Village Subdivision; and generally located southwest of the Muldoon Road/DeBarr Road intersection, Assembly member Clementson. **(LAID ON THE TABLE)**

Ms. Clementson joined the meeting via telephone.

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 approve AR 2001-366(S).
seconded by Ms. Taylor,

Mr. Tom Nelson said the substitute resolution had an additional “whereas” on page 2 that acknowledged that there was an effort to develop a town center master plan within the area that includes the proposed recommended site for the Muldoon Middle School, Recreation Center and Library. There is reference in the site selection study report that acknowledges the effort to develop a town center master plan in that area and to include a school multi-purpose public

facility as part of that development. The other change to the resolution was on page 3, which is a new section being added to the “now therefore”. The wording makes allowances for adjustments to the actual boundaries of the selected site to accommodate and be consistent with a Muldoon town center master plan that would be adopted by the Assembly after going through the public review and adoption process. The concern with the original resolution was that the language was very specific about the boundaries of the site, which could potentially cause a problem with a town center and master plan design. The intent of the substitute was to include language that provides for flexibility in the site area boundaries to make it part of the town center master plan.

Ms. Fairclough said she sat on the site selection committee that reviewed all the sites. Site A was eliminated because Chester Creek ran through the parcel and it was topographically challenged. Site A’s dimensions were not conducive for security purposes. Site C and D were eliminated because they were inside the military fly zone. Sites C and D were eliminated because of their proximity to the Glenn Highway and being away from the heart of the Muldoon community. Sites E-1 and E-2 were eliminated. Site E-2 had some topography and environmental issues. Site E-1 was an L shape and it looked like security and access to the site would be difficult. Site B was being recommended to the Assembly for acceptance.

Mr. Nelson said one of the key factors with sites E-1 and E-2 was the fact that the owner was not a willing seller. The sites were not technically available and they would be very problematic to acquire.

Ms. Clementson said the east Anchorage community has long supported the Alaska Village site as the preferred site for the location of the middle school. She and Ms. Robinson had been working on this since 1993 and felt a sense of accomplishment in seeing a site selected for the middle school.

Ms. Taylor thanked the members of the site selection committee for their hard work. This has been a long time coming. She has been a resident of east Anchorage for 25 years. The community has been solidly behind this project for a long time. She asked the Assembly to vote yes on the ordinance.

Ms. Fairclough commended Ms. Clementson for her work and leadership in this issue. She urged a yes vote on the S version of the ordinance.

Ms. Clementson recognized the work of Kathy Hammond of the Planning Department. This has been a very difficult selection. They have come close to selecting a site two other times, but there were problems or conditions had changed. She felt Kathy Hammond was the best among professionals.

Question was called on the motion to approve AO 2001-180(S) and it passed:

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

Ms. Clementson left for the remainder of the meeting.

Chairman Traini returned to item 13.A. AO 2001-180.

Mr. Kendall said he thought the dual vote was put in as a safeguard for the service areas. It was not meant to be punitive to the service areas, but a safeguard so that the larger bodies would not be voting things in where they were not really wanted or needed. He would not be supporting the ordinance.

Question was called on the motion to approve AO 2001-180 and it passed:

AYES: Taylor, Van Etten, Traini, Tesche, Shamberg, Tremaine.
NAYS: Sullivan, Von Gemmingen, Fairclough, Kendall.
(Clerks Note: Ms. Clementson was excused from the meeting)

- B. Ordinance No. AO 2001-181, an ordinance amending Anchorage Municipal Code Subsection 28.40.010.D. and repealing Anchorage Municipal Code Section 28.40.040 to **clarify and simplify ballot language and content** to facilitate the use of new electronic voting machines, Assembly member Traini.
1. Ordinance No. AO 2001-181(S), an ordinance amending Anchorage Municipal Code Subsection 28.40.010.D. and repealing Anchorage Municipal Code Section 28.40.040 to clarify and simplify ballot language and content to facilitate the use of new electronic voting machines, Assembly member Traini. **(LAID ON THE TABLE)**
 2. Assembly Memorandum No. AM 74-2002.
(CARRIED OVER FROM 12-11-01; CONTINUED FROM 12-18-01)

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 approve AO 2001-181(S).
seconded by Ms. Taylor,

In response to Mr. Tremaine, Mr. Greene said AO 2001-181(S), line 37, would be corrected to read bond council.

Question was called on the motion to approve AO 2001-181(S) and it passed:

AYES: Sullivan, Von Gemmingen, Taylor, Van Etten, Traini, Tesche, Shamberg, Tremaine.
NAYS: None.
(Clerks Note: Ms. Clementson was excused from the meeting)

Note: Ms. Fairclough and Mr. Kendall did not vote.

- C. Resolution No. AR 2001-324, a resolution of the Anchorage Assembly endorsing the **Downtown Framework Final Report**, Dated June 22-27, 2000, Planning Department.
1. Assembly Memorandum No. AM 914-2001.
(CARRIED OVER FROM 12-18-01)

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 approve AR 2001-324.
seconded by Ms. Shamberg,

Mr. Tesche said the Downtown Development Framework Plan was put into place in June of 2000 as a result of an innovative and successful process of community planning that took place in the downtown area. They brought in consultants through the Municipality to help them identify stakeholders in downtown businesses, developers, private residents, citizens, government agencies, non-profits and everyone who had a position in the downtown to work carefully to identify strategies and goals for the downtown area. As a first step in revitalizing downtown and attracting new businesses, as well as new residents to downtown, the Framework Plan was a model.

Rod Flager said the 2020 Comprehensive Plan looked at a variety of options to guide growth and development for the next 20 years. One of the key recommendations in the 2020 Plan was to support a strong downtown district, reinforcing its economic prominence, exploring ways to increase city center living and other opportunities. In June of 2000 during a five day period, more than 150 downtown stakeholders participated in the framework process including property owners, businesses, residents and civic leaders from Eagle River to Girdwood. Led by a technical team, a group of urban professionals, real estate economists, downtown management and finance expertise developed the framework plan based on input from citizen participants, the steering committee, past plans, reports and other data sources. The final report addresses principal strategies and implementation. The principals are that downtown is foremost an attraction place and gathering place for the locals. Downtown should be an all-season activity center, livable and the heart of the city's identity, its economic government and cultural center. Strategies included capitalizing on the opportunities with respect to the marketplace, creating and strengthening connections between downtown activity centers and adjoining neighborhoods, creating and strengthening public/private partnerships, promoting diversity of uses and compactness and maximizing on the use of existing infrastructure. Some of the implementation has already taken place a year and a half ago and would include the public/private partnership relating to financing, marketing and revising regulations. They have been working on a 501(C) 3 non-profit community development corporation known as Downtown Anchorage Civic Ventures, which is up and running. They are maintaining and expanding the Clean and Safe Program in the downtown area through the downtown improvement district. One of the key factors in the summit was to retain the city's core government in the downtown area. With a collective effort on behalf of the administration, the Assembly and a local developer concluded a purchase and a lease back to the city hall, to establish good neighbor agreements, to allow businesses, residents and the government to have a cohesive environment in an urban atmosphere. There are good neighbor agreements in place with cooperation with the city manager and local businesses in the downtown area. On behalf of the Anchorage Downtown Partnership, he encouraged the Assembly to endorse AR 2001-324 as recommended by the Municipality, the Planning and Zoning Commission and the Downtown Partnership in the Downtown Development Framework and its final report.

Question was called on the motion to approve AR 2001-324 and it passed:

AYES: Fairclough, Sullivan, Von Gemmingen, Taylor, Van Etten, Traini, Tesche, Shamberg, Tremaine.

NAYS: None.

(Clerks Note: Ms. Clementson was excused from the meeting)

Note: Mr. Kendall did not vote.

- D. 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.
1. Assembly Memorandum No. AM 628-2001.
(CONTINUED FROM 9-11-01 AND 10-23-01)

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 continue the public hearing until March 12, 2002.
seconded by Mr. Taylor,

Ms. Fairclough said she spoke with Wendy from Eklutna and they were still trying to resolve a right of way issue as far as access to the parcel. They indicated to the community council that they would be back before them to present the proposal. Wendy asked her to postpone AO 2001-136 until March 12, 2002 and the community council concurred with that date.

Question was called on the motion to continue the public hearing until March 12, 2002 and it passed without objection:

- E. Ordinance No. AO 2001-161, an ordinance of the Anchorage Municipal Assembly repealing AMC 21.55.040(D)(1)(C) relating to submittals required for **legalization of nonconforming dimensional yard setback encroachments** (Planning and Zoning Commission Case 2001-175), Assembly members Shamberg, Tesche, and Clementson.
1. Assembly Memorandum No. AM 931-2001.
 2. Information Memorandum No. AIM 113-2001.
(CARRIED OVER FROM 12-18-01)

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

Ms. Shamberg moved, to approve AO 2001-161.
seconded by Ms. Von Gemmingen,

Ms. Shamberg said AO 2001-161 came back before the Assembly, because there had been an error in the first one and that has been corrected. She encouraged a yes vote.

Question was called on the motion to approve AO 2001-161 and it passed:

AYES: Sullivan, Von Gemmingen, Taylor, Van Etten, Traini, Shamberg, Tremaine.

NAYS: None.

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

(Clerk's Note: Ms. Fairclough, Mr. Kendall and Mr. Tesche were out of the room at the time of the vote.)

- F. Ordinance No. AO 2001-182, an ordinance amending the zoning map and providing for the rezoning of approximately 9.54 acres from B-3 SL (General Business District with Special Limitations) to B-3 SL (General Business District with Special Limitations) for a portion of **Section 24, T13N, R3W, S.M., AK**, generally located south of DeBarr Road and on the east side of Muldoon Road, for the purpose of allowing tire repair, wheel alignment and brake service as permitted uses (Northeast Community Council) (Planning and Zoning Commission Case 2001-027), Planning Department.
1. Assembly Memorandum No. AM 899-2001.
- (CARRIED OVER FROM 12-18-01)

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

Ms. Taylor moved, to continue the public hearing until January 29, 2002.
seconded by Mr. Van Etten,
and it passed without
objection,

- G. Ordinance No. AO 2001-187, an ordinance of the Anchorage Municipal Assembly amending Anchorage Municipal Code and Code of Regulations to **limit the amount by which proposed fees, fines, and penalties are modified**, Assembly members Taylor, Shamberg, Tesche, and Van Etten.
1. Assembly Memorandum No. AM 1014-2001.
- (CARRIED OVER FROM 12-18-01)

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 approve AO 2001-187.
seconded by Mr. Van Etten,

In response to Mr. Tremaine, Municipal Attorney Bill Greene said this did not mandate increases in fees or fines, but it put a cap on the amount of increase. This uses averages, but it averages the preceding year as well as the year of the change. If you had not increased it for five years, you would be averaging two years of Consumer Price Index increases rather than the five years.

Mr. Tremaine felt the concept of adjusting fees and fines on a periodic basis for inflation was laudable. We found that it was well overdue. We adjusted our fees and fines in an omnibus package just recently and many of them had not been adjusted in 10 to 15 years. This would allow us to periodically review them and adjust them for the inflation that has occurred. We need to make sure that we are adjusting it for the inflation that has occurred since the last time they were adjusted. He believed that the Consumer Price Index for Anchorage was the appropriate figures. The Consumer Price Index for Anchorage was published annually by the U.S. Department of Labor and the State Department of Labor. He suggested working on the verbiage.

Ms. Von Gemmingen thought the adjustments would be limited to the years between four and five when they wanted to implement it and it did not take into account years one through five. She felt they should look at each one of these and not base it specifically on the limited CPIU, but look at the overall and how it pertains to Anchorage. The fees, fines and penalties package was almost too monumental for the administration and the Assembly. She felt doing it in smaller packages would make it easier.

Mr. Van Etten said he wanted to insure that the wording was clarified so they were taking into account every year that had elapsed from the time a fee or fine was adjusted to the time it was taken under consideration. He urged that along with passage of the legislation that the administration report back in the future on any additional fees and fines that may not have been covered in the Omnibus 59 pages that they may want the Assembly to consider under the new set of guidelines.

Ms. Taylor said she would entertain a friendly amendment. She felt the ordinance, in and of itself, provided some fiscal responsibility and some guidelines to increasing fees. There were some concerns during the last process that fees were increased to a specific budget item rather than some specific methodology. She felt this would provide the public with a certain level of comfort. She urged the Assembly to pass the ordinance.

In response to Mr. Kendall, Ms. Taylor said the intent of the ordinance was to address future increases in fees and fines by the Assembly.

Mr. Kendall said the Assembly went through a long deliberative process on raising fines and fees, which was long overdue. He agreed with Ms. Von Gemmingen that it should be done in blocks or sections rather than doing the whole thing at once. He felt it was appropriate for the Assembly to make the decision on increases to fines and fees. The ordinance could be changed by six votes of the Assembly and future Assemblies could change it as they determined appropriate.

Ms. Fairclough thought it was on the Assembly's legislative priority to go forward to state statute to get some latitude in some of the fees that were charged, specifically those that were killing individuals in Anchorage such as running red lights. They felt the current state limitation was hindering them from being more stringent on those who were violating the law and possibly endangering lives. She could support the ordinance if someone explain to her on how that could be handled. She agreed with Ms. Taylor that they did not want to leave any impression that they were trying to burden taxpayers with fines and fees to support municipal government. They were taking a hard look at specific items such as running red lights and saying if they imposed larger fees it would make a greater impact on the violators and prevent loss of life in the future.

In response to Ms. Shamberg, Chairman Traini said lines 50 and 51 indicated that a criminal offense would be exempt and mayhem caused by a traffic incident would be considered a criminal offense.

In response to Ms. Fairclough, Municipal Attorney Bill Greene said running a red light was a traffic violation. He would have to check the code to see if it was a non-bailable offense.

Mr. Tesche said Ms. Shamberg was a sponsor of the legislation. She has given the Assembly a very clear sponsor's statement that whether it was a bail-scheduled offense or a non-bail scheduled offense that the use of the term "criminal" in line 50 would exempt that type of traffic offense from the ordinance.

In response to Ms. Fairclough, Mr. Greene said the word "offense" incorporated all violations of the traffic code and the criminal code, Titles 8 and 9, and some individual criminal provisions scattered throughout the code. Anything that the Criminal Division would prosecute would come under that and they prosecuted anyone who ran a red light.

Ms. Taylor concurred with Mr. Greene. The intent of the ordinance was to add some consistency. The Assembly would change over the years, but it was important to have consistency in the process.

Mr. Tesche said this was only an ordinance and a future Assembly could change it. The argument was why bother, just wait for an Assembly to change this and then the Assembly could do what they wanted in the future. The argument omits the fact that we would have to go through a public process. We would have to announce to the public that we were proposing to do away with a policy previously set by the Assembly in 2002 in order to do away with the standard that the ordinance sets for future increases in fees and penalties. The policy governs future increases and justifies that change in policy after a public hearing to the public. He felt the ordinance made sense and it sent a clear message to the community that while we went through a painful budget process in 2001 and approved the biggest set of fees, fines and forfeitures in the history of the municipality, the next time we were forced to look at this for purposes of balancing the budget, we would do so with a standard in place based on reasonable cost changes. He would support the ordinance.

Mr. Tremaine proposed a change to lines 43 through 46 on page 1. He proposed eliminating the first paragraph under 3.99.020 in the ordinance under section 1 and replace it with a paragraph that said, "Municipal fees, fines and penalties shall not be increased." This should streamline government. Another recommended change was to page 2 and was the same change being made to the regulations. Following Mr. Greene's recommendation, he suggested eliminating section 2 and renumbering section 3 as section 2. By changing the ordinance, they would change the regulation.

Mr. Tremaine moved, to amend AO 2001-187 to eliminate section 2.
seconded by Ms. Taylor,

Mr. Greene said the Law Department had recommended deleting section 2, because it added a new section to the regulations that was identical to the code section. We frequently see that somewhere down the road the code or the regulation changes without recognizing that it was duplicated in one of the other codes. They were trying to leave only the essential things in the regulations so the consumer could review the requirements in one place. Since this was a new section in the regulations, they suggested that section 2 be deleted from the ordinance. It was a mechanical provision and had nothing to do with the substantive result.

Chairman Traini ruled that the document was amended with the concurrence of the sponsor and on advice of legal counsel.

Mr. Greene clarified that the fees and fines identified in this ordinance did not, and were not intended to, apply to real property taxes, utility payments or assessment districts.

Ms. Taylor concurred with Mr. Greene and said that was her legislative intent that the fees and fines identified in this ordinance did not apply to real property taxes, utility payments or assessment districts.

Question was called on the motion to approve AO 2001-187 as amended and it passed:

AYES: Fairclough, Sullivan, Von Gemmingen, Taylor, Van Etten, Traini, Tesche, Shamberg, Tremaine.

NAYS: Kendall.

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

Ms. Taylor moved, for immediate reconsideration of AO 2001-187.
seconded by Mr. Tremaine,

Ms. Taylor urged a no vote.

Question was called on the motion for immediate reconsideration of AO 2001-187 and it failed:

AYES: Sullivan, Von Gemmingen, Fairclough, Kendall.

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

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

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

- H. Ordinance No. AO 2001-101, an ordinance of the Anchorage Assembly amending Anchorage Municipal Code Chapter 21.20 establishing a procedure and standards for creation, elimination, and alteration of zoning **overlay districts** and amending Anchorage Municipal Code Section 21.35.020 establishing a definition of overlay district, Assembly member Tesche.

1. Assembly Memorandum No. AM 439-2001.
2. Ordinance No. AO 2001-101(S), an ordinance of the Anchorage Assembly amending Anchorage Municipal Code Chapter 21.20 establishing a procedure and standards for creation, elimination, and alteration of zoning overlay districts and amending Anchorage Municipal Code Section 21.35.020 establishing a definition of overlay district, Assembly member Tesche.
3. Information Memorandum No. AIM 109-2001, Planning and Zoning Commission recommendation for an ordinance amending Anchorage Municipal Code Chapter 21.30 allowing for procedures in creating zoning overlay districts, and adding a new definition to Anchorage Municipal Code Section 21.35.020, establishing a definition for the overlay district, Planning Department.

(CONTINUED FROM 8-28-01, 9-25-01, 10-23-01, AND 12-18-01)

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,
seconded by Ms. Fairclough,
and it passed without
objection.

to continue the public hearing on AO 2001-101 to
February 26, 2002.

14. NEW PUBLIC HEARINGS (SHALL BEGIN NO EARLIER THAN 6:00 P.M. AND END NO LATER THAN 10:30 P.M.)

- A. Ordinance No. AO 2001-189, an ordinance of the Anchorage Municipal Assembly continuing or reestablishing the **Anchorage Port Commission, Anchorage Veterans Affairs Commission, Anchorage Water & Wastewater Utilities Commission, Arts Advisory Commission, Bidding Review Board, Board of Ethics, Budget Advisory Commission, Election Commission, Emergency Medical Service Board, Employee Relations Board, Geotechnical Advisory Commission, Historical & Fine Arts Commission, Library Advisory Board, Municipal Light & Power Commission, Parks & Recreation Commission, Human Resources Advisory Board, Platting Board, Public Facilities Advisory Commission, Public Transit Advisory Board, School Budget Advisory Commission, Senior Citizens Advisory Commission, Sister Cities Commissions, Transportation Commission and Zoning Board of Examiners and Appeals** pursuant to Anchorage Municipal Code and **extending the time of expiration for the Solid Waste Commission and Municipal Women's Commission**, Legal Department.

1. Assembly Memorandum No. AM 1004-2001.
2. Information Memorandum No. AIM 3-2002.

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,
seconded by Mr. Tesche,

to approve AO 2001-189.

Mr. Tremaine noted that AIM 3-2002 was a report from a number of the committees justifying their existence for the record. Each and every one of the commissions and boards serves a useful purpose. He would be voting in favor of all.

Ms. Von Gemmingen said she was concerned about some of the things that were in the Medical Advisory Board report. Dr. Levy's concern was recruitment and retention of paramedics. Paramedics work in the same firehouses as their firefighter brethren, but work far harder spending much more time in the field and less time in the station. Their work is generally much more stressful than that performed by the firefighters. Although things have improved, the firehouse culture is still somewhat degrading to the medics. Paramedics in general offset these negatives by their enthusiasm for being a paramedic. The report also talks about improved availability of Anchorage Fire Department EMS data. A new database was hastily inserted that met the needs of the firemen, but which completely disrupted the ability to track EMS data. Neither the approval of the MAB nor of the medical director was sought. A large number of overtime hours have been spent trying to rectify all of the problems with this system, which range from lost and corrupted data to poor user interface to a complete lack of understanding by those who purchased the system on how to get information out of it. Eleven months later and with the hiring of additional staff, we may be getting to a point where data from last January can be viewed. The database would need to be supplemented by a new system at the earliest opportunity. The MAB set as a goal that a municipal agency, such as Anchorage Fire Department, has more direct oversight on such system critical components as EMS data management. She felt the Assembly should read the report, because it had good information and some definite concerns of the medical director.

Mr. Sullivan thanked everyone who participated on the boards and commissions. Wilda Marston was with the Anchorage Historical and Fine Arts Commission and she has provided many years of service to that group. He thanked everyone for their service.

In response to Ms. Fairclough, Mr. Tesche said they would address Ms. Von Gemmingen's concerns at the next Public Safety meeting.

Mr. Van Etten suggested that the Assembly should meet with the principal boards and commissions on a regular basis of at least once a year.

Question was called on the motion to approve AO 2001-189 and it passed:

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

NAYS: None.

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

Chairman Traini ruled that items 14.B, AR 2001-365, and 14.C, AR 2001-369, would be combined.

- B. Resolution No. AR 2001-365, a resolution of the Municipality of Anchorage accepting \$2,490,882 from the State of Alaska for the **Bank of America settlement** and depositing said amount in various funds, Office of Management and Budget.
 - 1. Assembly Memorandum No. AM 1019-2001.
- C. Resolution No. AR 2001-369, a resolution of the Municipality of Anchorage accepting \$2,490,882 from the State of Alaska for the **Bank of America settlement** and depositing the proceeds into the MOA Trust and other funds, Legal Department. **(TO BE SUBMITTED)**

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

Mr. Sullivan moved, to indefinitely postpone 14.C, AR 2001-369.
seconded by Ms. Fairclough,
and it passed without
objection,

Mr. Sullivan moved, to approve AO 2001-365.
seconded by Mr. Fairclough,

Mr. Kendall moved, to amend AO 2001-365, line 14, to strike the word
seconded by Mr. Tremaine, "reserve" and change the fund number to 730.

Mr. Kendall said his intent was not to make any adjustment with the approved budget. Those items were covered under other sections of the ordinance. His intent was to deposit the remainder of the dollars into the Municipal trust fund. It would go into the trust fund and start earning interest. It would be a long-term investment by the Municipality. If they left it in the reserve fund, they would spend it next year. He felt it was very important to look at this long-term and not short-term. In the short-term they were spending money they did not have as illustrated by the proceeds from the rest of the dollars. They spent a lot of one-time monies. It was important that they preserve the trust fund and let it grow. If the money was not put in the trust fund, he was afraid that they would spend the money on operating dollars and they would not have revenue to replace it.

Mr. Tremaine pointed out that for the past three years they had been spending the money on operating costs. He felt it was a good idea to consider saving the money rather than spending it.

In response to Mr. Tremaine, Ms. Giard said during the bond rating they looked at both the reserve and the fund. They roll in both the reserve and the fund itself in terms of expressing the balance in the trust. In presentation purposes, they combine the two and they do not distinguish between them.

Mr. Tremaine said in the fall it was pointed out to them by bond counsel and the bond advisors that while they had over \$100,000,000 in savings, that did not count towards their bond rating. They also faced the dilemma of the School District having a \$10,000,000 plus savings account that they could not use towards the bond rating.

In response to Mr. Tremaine, Mr. Greene said the fund balances that the bond rating agencies presently looked at were unreserved fund balances. The trust reserve was not an unreserved fund balance in the same sense as all other funds. When the Assembly appropriates those funds out of the trust reserve to a fund for use in the operating budget or other uses, then it becomes part of the fund balances. Once that occurs then, and only then, can you determine whether it's unreserved fund balance or reserve fund balance. The amount that was in the trust fund reserve was probably not counted until it was appropriated out to one of the operating or other holding funds, because it was a restricted fund until it was appropriated out. They generally do not count restricted funds. Restricted funds simply meant it was a trust reserve.

Mr. Tremaine said he did not remember being informed how they made it through the year at the end of 2001 in terms of sufficient fund balance to keep their high bond rating.

In response to Mr. Tremaine, Mr. Greene said the books for 2001 were not closed and there was not a final figure. He did not recall whether the Assembly was informed of whether they had sufficient balance fund to keep their high bond rating.

In response to Mr. Tremaine, Ms. Giard said the final budget for 2002 would be available by January 25, 2002.

Mr. Tremaine said if the books for 2001 were not closed yet and they were not sure how they stood with their bond rating, it would be imprudent to put money in a lock box, because they could not use that money to maintain the bond rating. It had been pointed out by the administration that the AA rating they had was very high for a municipality and they did not want to jeopardize that. He was concerned that by locking this money away in either of the funds would jeopardize that.

Ms. Fairclough said she had a letter dated December 3, 2001 that they received at the municipal clerk's office on December 5, 2001 from the Anchorage School District requesting a portion of the settlement. Carol Comeau requested

a portion of the settlement and said the original payments for the principal and interest on these district bonds were made from School District funds.

In response to Ms. Fairclough, Mayor Wuerch said they disagreed with the letter. He had promised Ms. Fairclough that they would send a letter to the School District, but they had not done that yet.

Ms. Fairclough said she was acknowledging for the record that they were in receipt of the Anchorage School District's letter so the public knew that the School District was requesting a portion of the settlement. She was not endorsing the request. The School District had a \$10,000,000 capitol reserve for projects that they needed.

In response to Ms. Fairclough, Mayor Wuerch assured Ms. Fairclough that they would respond to the letter from the School District.

Ms. Von Gemmingen said putting the money in fund 730 was a worthy goal. We struggled to find enough money to adequately fund the budget with very few frills. The 2003 budget would be even more difficult. She urged a no vote.

In response to Mr. Tesche, Mayor Wuerch said he supported putting the money in the trust. It would benefit the citizens who paid that money, because they would see the earnings go directly towards future services. We have seen a slight recovery in the market place. That being the case, it might not be as important to put the money into the reserve as it might have been a while back. If we put the money in the trust, it would be protected for the benefit of the citizens. We are very confident we can protect our bond rating by managing the reserves. The financial analyst said one-time solutions or one-time deposits were not viewed as being a particularly right answer. What was more important was a deliberate and measured management scheme that protects that reserve regardless of one-time wins. He felt the Bank of America settlement should be set aside and not considered as an issue of protecting the bond rating. He felt the Bank of America settlement should be placed into the trust reserve to accrue for the benefit of the taxpayers.

Mr. Tesche said he would be supporting the amendment based on the Mayor's response.

In response to Ms. Fairclough, Mayor Wuerch said the amendment would affect the two ordinances that were introduced by title only earlier this evening regarding the endowment approach to the current trust fund. The issue of creating the endowment management model that pays out an amount substantially lower than the several draws that they had made in the last three years was going to yield a bigger answer if they made this deposit. If you add an extra \$1,500,000 into the \$140,000,000 trust, you have made a very small incremental increase, but the net result is the dividend goes up and will stay up in perpetuity. The increased dividend accrues directly to the benefit of the taxpayers. By moving this into the trust and changing our management of the MOA trust to the endowment model, the taxpayers would be benefited.

Mr. Tremaine said they have seen the two proposed ordinances by title only. His understanding was that both the trust and the trust reserve would go into the endowment.

In response to Mr. Tremaine, Mayor Wuerch referenced the presentation that had been made by the treasurer on the fact that their trust reserve would be tapped to pay the dividend for the next year or two. They believe the trust reserve was adequate and there would be a positive balance in the trust reserve, which would roll into the trust. It did not make a huge difference whether the money was put into the trust or the trust reserve. The issue was more of the public's perception and faith in what the Assembly does with their money. By putting the money in a trust it was very clear that the money should go to the benefit of the citizens. If the money were put in the trust reserve, it would only take six votes to take the money out, which would leave some uncertainty. If the money were put in the trust, it would be very clear that the money would go toward the benefit of the taxpayers.

In response to Mr. Van Etten, Mayor Wuerch said the question was whether the one-time settlement with the Bank of America was viewed as a positive when evaluating the Municipality's ability to manage its reserves when it came to bond rating. The advice of the financial analyst was that one-time mechanisms were not viewed in a very positive light, because you have to use unique circumstances to protect your bond rating. They would rather see a measured management tool of our fund balance that includes recognition of the fund balance at the School District that says overall the economic health of the Greater Municipality of Anchorage, which includes the School District, was managed well every year regardless of one-time settlements. He felt that was the model they should present to the financing community. They were expecting a workable solution with the full participation and support of the School District in the very near future.

Mr. Van Etten said he would be voting against the amendment.

Mr. Greene said what he was advising the Assembly was not intended to indicate or imply that the fund balances were either short or adequate at the end of the year. He did not have the knowledge to make that statement. He was saying that the precise number would not be known until the books were closed. He did not want the Assembly to infer that he was implying that there was some danger.

Chairman Traini said he would support the amendment. He felt it was the right decision for the money. He wanted the money to be put beyond the reach of the Assembly or the Mayor. He felt the money needed to be put in a place where only the public could reach it.

Question was called on the motion to amend AR 2001-365 and it failed:

AYES: Sullivan, Taylor, Traini, Fairclough, Kendall, Tesche, Shamberg.

NAYS: Von Gemmingen, Van Etten, Tremaine.

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

Mr. Tremaine said he was concerned with their bond rating if they moved the money at this time. They have not been briefed on how they stand with the School District other than the fact that the negotiations were not complete. He agreed with the Mayor that they did not want to jeopardize the bond rating. He did not have enough information to know how the outcome of the vote would jeopardize the bond rating or their opportunity to adjust it.

Mr. Tremaine moved, to postpone AR 2001-365 until March 12, 2002.
seconded by Mayor Wuerch,

Question was called on the motion to postpone AR 2001-365 as amended until March 12, 2002 and it failed:

AYES: Von Gemmingen, Van Etten, Shamberg, Tremaine.
NAYS: Sullivan, Taylor, Traini, Fairclough, Kendall, Tesche.
(Clerk's Note: Ms. Clementson was excused from the meeting)

Question was called on the motion to approve AR 2001-365 as amended and it passed:

AYES: Sullivan, Taylor, Traini, Fairclough, Kendall, Tesche, Shamberg, Tremaine.
NAYS: Von Gemmingen, Van Etten.
(Clerk's Note: Ms. Clementson was excused from the meeting)

Mayor Wuerch moved, for immediate reconsideration of AR 2001-365
seconded by Mr. Kendall, as amended.

Mayor Wuerch recommended a no vote.

Question was called on the motion for immediate reconsideration of AR 2001-365 as amended and it passed:

AYES: Fairclough, Sullivan, Von Gemmingen, Taylor, Van Etten, Traini, Kendall, Tesche, Shamberg, Tremaine.
NAYS: None.
(Clerk's Note: Ms. Clementson was excused from the meeting)

- D. Ordinance No. AO 2001-165, an ordinance of the Municipality of Anchorage **approving and adopting the 2002 Plan Year Anchorage Police and Fire Retirement System Operating Budget**, Police and Fire Retirement System.
1. Assembly Memorandum No. AM 795-2001.

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

Mr. Sullivan moved, to approve AO 2001-165.
seconded by Ms. Fairclough,

Question was called on the motion to approve AO 2001-165 and it passed:

AYES: Fairclough, Sullivan, Von Gemmingen, Taylor, Van Etten, Traini, Kendall, Tesche, Shamberg, Tremaine.
NAYS: None.
(Clerk's Note: Ms. Clementson was excused from the meeting)

- E. Ordinance No. AO 2001-188, an ordinance amending Anchorage Municipal Code Section 3.30.147, regarding **accrual and use of personal holiday**, Employee Relations.
1. Assembly Memorandum No. AM 1003-2001.

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 postpone AO 2001-188 indefinitely.
seconded by Ms. Von Gemmingen,
and it passed without
objection.

- F. Resolution No. AR 2001-341, a resolution of the Municipality of Anchorage, Alaska, accepting and appropriating a State of Alaska Drinking Water Fund loan offer increase in the amount of \$2,535,050 for financing a portion of the costs of **Service Reservoir No. 6 project**, Water and Wastewater Utility.
1. Assembly Memorandum No. AM 945-2001.

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 approve AR 2001-341.
seconded by Mr. Tesche,

Question was called on the motion to approve AR 2001-341 and it passed:

AYES: Fairclough, Von Gemmingen, Van Etten, Traini, Kendall, Tesche, Shamberg, Tremaine.
NAYS: None.
(Clerk's Note: Ms. Clementson was excused from the meeting)
(Clerk's Note: Mr. Sullivan and Ms. Taylor did not vote).

- G. Resolution No. AR 2001-366, a resolution **selecting a site in Muldoon for a middle school, a community/recreation center, and a branch library**, to consist of approximately 32 acres, generally described as Tract A, The Alaskan Village Addition No. 1; and that portion of the adjacent Alaskan Village Subdivision that lies within the area that extends approximately 170 feet east of the eastern boundary of Tract A, Alaskan Village Addition No. 1, which includes Block 1, Lots 32 through 38, 39

- through 42 (portions), 43 through 45; and Block 2, Lots 20 through 27, and 28 and 29 (portions), and a portion of the remaining unplatted area of The Alaskan Village Subdivision. The site is generally located southwest of the Muldoon Road/DeBarr Road intersection, Assembly member Clementson.
- 1. Assembly Memorandum No. AM 13-2002.
 - 3. Resolution No. AR 2001-366(S), a resolution selecting a site in Muldoon for a middle school, a community/recreation center, and a branch library, to consist of approximately 32 acres, generally described as Tract A, The Alaskan Village Addition No. 1; and that portion of the adjacent Alaskan Village Subdivision that lies within the area that extends approximately 170 feet east of the eastern boundary of Tract A, Alaskan Village Addition No. 1, which includes Block 1, Lots 32 through 38, 39 through 42 (portions), 43 through 45; and Block 2, Lots 20 through 27, and 28 and 29 (portions), and a portion of the remaining unplatted area of The Alaskan Village Subdivision; and generally located southwest of the Muldoon Road/DeBarr Road intersection, Assembly member Clementson. **(LAID ON THE TABLE)**

This item addressed earlier in the meeting. See item 13.

15. BOARD OF ADJUSTMENT/ASSEMBLY APPEALS:

Ms. Von Gemmingen requested an update on the appeals.

16. SPECIAL ORDERS:

- A. Ordinance No. AO 2002-10, an ordinance amending Anchorage Municipal Code Section 6.50.060 to **define the MOA Trust Fund** (730) as an endowment and implement a controlled spending policy for future annual dividends, Finance. **(LAID ON THE TABLE) (TO BE SUBMITTED)**
- B. Ordinance No. AO 2002-11, an ordinance submitting to the qualified voters of the Municipality of Anchorage at the next regular election a **ballot proposition to amend Charter Section 13.11 to define the MOA Trust Fund** (730) as an endowment and implement a controlled spending policy for future annual dividends, Finance. **(LAID ON THE TABLE) (TO BE SUBMITTED)**

17. UNFINISHED AGENDA: None.

18. AUDIENCE PARTICIPATION: None.

19. ASSEMBLY COMMENTS: None.

20. EXECUTIVE SESSIONS: None.

21. ADJOURNMENT:

Mr. Kendall moved,
seconded by Ms. Fairclough,
and it passed without
objection.

to adjourn the meeting.

The meeting adjourned at 8:38 p.m.

Dick Traini, Chairman

ATTEST:

Municipal Clerk

Date Minutes Approved: 2002

GM:cmw