

MUNICIPALITY OF ANCHORAGE

ANCHORAGE ASSEMBLY

Minutes for Special Meeting of May 7, 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: Fairclough, Von Gemmingen, Taylor, Van Etten, Traini, Tesche, Shamberg, Tremaine, Clementson.
Absent: Sullivan, Kendall.

3. PLEDGE OF ALLEGIANCE:

The pledge was led by Mr. Tremaine.

4. ITEM OF BUSINESS:

A. Mayor's Vetoes
First Quarter Budget Revisions (AR 2002-101(S) As Amended)

2. AMIPA

Mr. Van Etten moved, to override the Mayor's veto on Alaska Moving Image Preservation
Seconded by Ms. Clementson Association in the amount of \$30,000, Item 2.

Mayor Wuerch replied it was time to help support the startup of other needy organizations as had been done for AMIPA in the past and not perpetuate the funding.

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

3. UAA ADULT LEARNING CENTER

Mayor Wuerch stated that the UAA Adult Learning Center is a State program and should be funded by the State. In response to Chairman Traini, Ms. Taylor stated she did not intend to override the veto.

4. CAMPBELL AIRSTRIP LRSA

Mayor Wuerch stated that the Campbell Airstrip LRSA had spent money and paid retroactively without asking ahead of time and there were changes to be made in the LRSA in the future.

Ms. Taylor moved, to override the Mayor's veto of the Campbell Airstrip LRSA in the
Seconded by Mr. Tesche, amount of \$32,260, Item 4.

BOB GROENEWEG, representing the LRSA, stated the monies paid had come from the LRSA savings account to keep the road passable. The future costs of maintaining the road are unknown and the LRSA would like to have the money back.

In response to Ms. Clementson and Mr. Tesche, Mr. Groeneweg replied the LRSA had not submitted a request for money during last year's budget cycle and delayed their request into the City. They did, however, have a breakdown of monies spent in the past on the road maintenance.

Mayor Wuerch clarified ownership of the road between the Muni as well as all other members of the LRSA. Each member should be paying their pro rated share, rather than the Muni paying 100% of the cost overruns.

Ms. Taylor commended the LRSA for going forward and maintaining the road for the benefit of others and not just themselves.

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

7. ANCHORAGE POLICE DEPARTMENT JUDGMENT

Mr. Tremaine moved, to override the Mayor's veto of \$628,000 for the payment of a
 Seconded by Tesche, judgment entered against the Municipality in Superior Court, Item 7.

Mayor Wuerch responded that the judgment was being appealed and would, in all probability, not be heard until late in 2002, thus allowing time to budget funds in the 2003 budget if needed. The Mayor urged the Assembly not to exceed the tax cap.

In response to Chairman Traini, Mr. William Greene, Municipal Attorney, reviewed the status of the case with the Assemblymembers.

In response to Mr. Tremaine, Mr. Greene stated that the number of settlements made between trial and resolution of an appeal are very few. Mayor Wuerch also responded that if the appeal failed, the Administration would come before the Assembly for funding.

In response to Mr. Tesche, Ms. Cheryl Frasca, Director of the Office of Management and Budget, responded that no monies were budgeted in any other account to cover potential judgments or settlements. There is a Fund Balance set aside for potential expenditures later in the fiscal year; however, those funds are not discussed outside of Executive Session.

In response to Mr. Tesche, Mr. Greene advised the percentage rate for success of this appeal to the Supreme Court was around 70% or higher. Mr. Tesche further stated his belief that the funds should be secured and set aside while the Municipality was financially secure.

Mayor Wuerch stated that the status of the current appeal and reserve funding should be discussed only in Executive Session. Mayor Wuerch assured the Assemblymembers if the Municipality were to lose on appeal, the Administration would return to the Assembly for the required funding in the next fiscal year.

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

8. AUDIT CONTRACT EXPENSES

Ms. Von Gemmingen moved, to override the Mayor's veto on Increase in Audit Contract Expenses
 Seconded by Ms. Taylor, in the area of payroll in the amount of \$25,000, Item 8.

In response to Ms. Von Gemmingen, Mayor Wuerch agreed there were some difficulties with payroll conversion and suggested that additional time be spent on training.

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

9. INTERNAL AUDIT CONTRACT COSTS

Ms. Von Gemmingen moved, to override the Mayor's veto on Contract costs to assist Internal
 Seconded by Mr. Tremaine, Auditing in executing the 2002 Audit Plan in the amount of \$50,000
 Item 9.

Ms. Von Gemmingen spoke in favor of an override due to the fact that the auditors were falling behind and needed outside contract help to complete the required auditing.

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

10. FINANCE TO HIRE TEMPORARY APPRAISAL STAFF

Ms. Von Gemmingen moved, to override the Mayor's veto on Funds to hire temporary appraisal
 Seconded by Mr. Tremaine, staff in the amount of \$154,000 and reduction in vacancy factor in
 The amount of \$214,000 for a total direct cost of \$368,000, Item 10.

Ms. Von Gemmingen warned the Assembly that the Finance Department was 28,000 appraisals behind in their assessments with no opportunity to become current. Reductions in their staff, and vacancies in the department have added to the problem. She urged the Assembly to override the Mayor's veto.

Mr. Tesche advised the Assembly that the Administration is preparing and will propose a fee increase that will be levied against persons involved in private real estate transactions. He noted Ms. Von Gemmingen was correct in her comments and the Municipality was facing a major error in how we handle real property assessments.

Mr. Van Etten urged support for Ms. Von Gemmingen's motion.

Ms. Fairclough agreed with the underlying problem. However, she also agreed with the Mayor to let the Finance Department finish a project they have started in completing a modification in the way they do business. Ms. Fairclough moved to divide the question.

Ms. Fairclough moved, to divide the question between the \$154,000 and the \$214,000.
Seconded by Mr. Tesche,

Ms. Fairclough urged a yes vote on dividing the question.

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

Ms. Fairclough moved, to override the \$214,000.
Seconded by Mr. Tesche,

Ms. Fairclough urged a yes vote on the override to allow funding to reduce the vacancy staff.

Ms. Shamberg felt it was fair and would help to have everyone's property be appraised in a timely fashion.

Mr. Tesche urged a yes vote.

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

Ms. Von Gemmingen moved, to override the \$154,000 for temporary appraisal staff.
Seconded by Ms. Taylor,

Ms. Von Gemmingen urged a yes vote.

Mayor Wuerch acknowledged Ms. Fairclough analysis and Mr. Tesche's idea to sit down together to think through this mechanism together. He also addressed Ms. Von Gemmingen's concerns and need to resolve the problems.

Mr. Van Etten noted the temporary positions that would be funded are low-level appraisal positions that would determine valuation and do inspection. Mr. Van Etten urged a yes vote.

Chairman Traini also urged a yes vote.

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

In response to Ms. Clementson's question, Mayor Wuerch noted that within the fine language of Section 4 of AR 2002-101(S), there was some restrictive language that would inhibit our ability to maximize the benefit to the Fire Department from other sources. Mayor Wuerch advised that the Administration would be developing a plan for fire hydrant maintenance and water fee cost.

Mr. Tesche noted that if the Mayor does bring new plans to the Assembly for consideration, Section 4 might not be totally necessary.

Mr. Tesche moved, to override the Mayor's veto on AR 2002-127
Seconded by Mr. Tremaine,

Mr. Tesche spoke on the issue of finding the most qualified librarian for the library.

In response to Mr. Tesche, Mr. William Greene, Municipal Attorney, advised that Section 2 uses the word "shall". Mr. Tesche proposed to change the word from "shall" to "may". Mr. Greene responded that the Administration wished to find the best and most qualified individual for the position. Mr. Tesche withdrew his motion with the concurrence of the second. No vote was taken.

Ms. Fairclough addressed the difficulties and opportunities facing the Municipality and thanked all present for their support and desire to do the best for Anchorage.

Moved by Ms. Fairclough, to reconsider Item 2, grant to AMIPA
Seconded by Ms. Clementson,

Ms. Fairclough urged a no vote.

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

Moved by Ms. Von Gemmingen, to reconsider Items 8, 9 and 10.
Seconded by Mr. Tesche,

Ms. Von Gemmingen urged a no vote.

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

Mayor Wuerch agreed with Ms. Fairclough's comments that we all shared a common goal to make Anchorage an even greater City. Mayor Wuerch thanked all the Assemblymembers for their deliberate considerations with the budget.

Ms. Fairclough encouraged residents to help clean up Anchorage.

5. ADJOURNMENT:

Moved by Mr. Van Etten, to adjourn the meeting.
Seconded by Mr. Tesche,
And it passed without
Objection,

The meeting adjourned at 6:25 p.m.

Chairman

ATTEST:

Municipal Clerk

Date Minutes Approved, _____, 2002

EGJ:cmw