

MUNICIPALITY OF ANCHORAGE
ASSEMBLY MEETING

Mayor's Conference Room, City Hall
632 West 6th Avenue

Minutes for Special Meeting of October 28, 2003

1. CALL TO ORDER

The meeting was convened at 5 p.m. by Assembly Chair Dick Traini in the Mayor's Conference Room, City Hall, 632 West 6th Avenue, in Anchorage, Alaska.

2. ROLL CALL

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

Absent: None.

3. PLEDGE OF ALLEGIANCE Mr. Kendall led the pledge.

4. NEW PUBLIC HEARINGS

Mayor Begich discussed the budget and handed out the detail of one-time money and where one-time money would be used for one-time expenses. The Administration would not prepare a 'B Budget,' but would show the cuts suggested by department managers, but rejected by the Mayor. The Administration explained that calculating the complex budget was a manual process. They may propose a one-time request to automate the process in the future. The Administration's proposed cuts would include the costs to mothball existing services and other impacts. The Mayor requested Assemblymembers let the Administration know where they needed more information.

Ms. Fairclough requested an alternate plan if the upcoming election failed, prioritized by the Administration. The Mayor said he would provide budget items in a 'cafeteria menu,' for review. It was explained that the Administration had built in a \$2.6 million wage freeze, which the Mayor thought they would achieve. If they did not, the Administration's budget plan would have to change. The Administration felt that every department should be reviewed. The Administration explained that a 17% cut in transit would mean a 45% reduction in service. The Mayor said that services were prioritized with the proposed budget cuts. Ms. Fairclough stated that she was looking for return on investment of budget dollars.

Mr. Whittle asked the Mayor if the downturn in the investment market would justify using one-time money to make retirement funds whole. The Mayor indicated that these were investment shortfalls and had been actuarially adjusted for 15 years. In future budget years the Municipality would have to contribute to the retirement funds. PERS was a one-time adjustment this year, which would add to the base. The Mayor said the fire hydrants issue would have to be fixed with or without the vote, because it was an unfair use of funds.

Mayor Begich stated that re-engineering efforts would save \$1.8 million with a one-time investment of \$1 million. Strategic procurement improvements were anticipated to cost \$600,000 with savings of \$3.7 million in gross savings. Backing out the one-time investment costs would leave a balance of \$4.6 million. The Administration was not recommending using this money for operational expenditures. The savings would be a reoccurring benefit every year.

Mr. Sullivan asked about the State's plan for taking away matching funds on road projects which had been approximately \$3 million. The Mayor said he was negotiating with the Governor, who indicated (*Associated Contractors Magazine*) that he wanted to work this problem out for this Municipal budget. These costs would be reflected in the capital budget. The Mayor stated that the Administration's position was that the State needed to be responsible for these matching funds. If the State failed to come up with these funds for the road grant, matching costs could be covered through additional bonding, by leveraging expenditures already being made or by use of right-of-way.

Mr. Tesche proposed combining the first Public Hearings for AR 2003-289, a resolution approving the 2004-2009 Municipal Utilities Capital Improvement Program; AO 2003-138, an ordinance adopting and appropriating funds for the 2004 Municipal Utilities Operating and Capital Budgets; AR 2003-290, a

2 resolution adopting the 2004-2009 General Government Capital Improvement Program; AO 2003-140,
3 an ordinance adopting the 2004 General Government Capital Improvement Budget, and; AO 2003-139,
4 an ordinance adopting and appropriating funds for the 2004 General Government Operating Budget.

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6 Mr. Tesche moved, to combine the first Public Hearings for AR
7 Ms. Fairclough seconded, 2003-289, AO 2003-138, AR 2003-290, AO
8 and this motion passed, 2003-140 and AO 2003-139.
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10 AYES: Tesche, Whittle, Taylor, Von Gemmingen, Traini, Fairclough, Shamberg, Van Etten,
11 Kendall, Tremaine and Sullivan.
12 NAYES: None.
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14 Chair Traini opened Public Hearing on these items.
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16 ELAINE JANIAK testified that this was the first time in many years that the Transit System had received a
17 fair budget from the Mayor's Office. She showed a chart of the Transit System that showed the funded
18 hours peaked in 1981, and that the Transit System had been continually cut year after year. She stated
19 that since 1981 the city's population had increased by 30% and that funded hours of the Transit System
20 had been decreased by 30%. She explained that fare box and grants fund 36% of the proposed budget,
21 reflecting the \$582,000 increase in fares collected in 2002. She explained that fares were last increased
22 in 2001. She stated that the Chamber of Commerce and major retailers supported an increased Transit
23 System to get employees to work. Ms. Janiak urged no cuts be made to the Transit System budget.
24

25 DIANE SOLEE requested reconsideration be made to the proposed cuts to Library services. She
26 explained these services were important to young children and those for whom English was not their first
27 language. Ms. Solee proposed cutting 10 positions instead of the Administration's proposed 20, with the
28 difference made up by raising funds from the Friends of the Library.
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30 ROXANNA STROM requested money to be put back into the budget to move trailers. She also
31 requested Municipal land to move trailers onto. She explained that the rate to move trailers was \$5000 to
32 \$8000, compared with the current, MOA allotted \$2500. She said this was the wrong time to ask for
33 funds, but that funding which had been previously available needed to be reinstated. Mayor Begich
34 stated he and the Administration were looking at options, trying to leverage opportunities. The Mayor
35 clarified that mobile/manufactured housing was not disfavored by the MOA. Ms. Strom stated she would
36 like to see separate mobile home parks for those over 55 and those with children.
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38 LYNN KAREL, Secretary of the Alaska Independent Blind Association, thanked the Mayor for his
39 commitment to the Public Transit System. She hoped that fares would not be increased, particularly for
40 those with disabilities.
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42 PHILLIP PETRIE, a taxpayer, thought there were areas that could be cut, such as Parks (Northern Lights
43 book has Parks discounts). He distrusted the Administration, and thought that one-time money would be
44 used to pay for things the public wouldn't know about. He felt there was little time before the election to
45 let public know. He felt in the 'Information Age,' with the use of the Internet making libraries less
46 necessary. He said there were 106 libraries in the city. He felt that the Assembly needed to focus on
47 duplication of services. He recommended looking at cutting non-public safety issues and augmenting
48 services with volunteer efforts. Mr. Petrie stated that he had joined the tax protest group.
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50 MITCH BROWN agreed with not using one-time money, and felt it was unfair to taxpayers to raise taxes.
51 Assemblymembers were elected to do their job. Mr. Brown stated he had seen many buses with one
52 passenger, and the Municipality should look at using vans. He said he did not ride buses. Mr. Brown
53 stated libraries should be cut and that people could use school libraries and the Internet. He felt that
54 people without cars could get rides from friends.
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56 JERRY McCUTCHEON read fund balances and questioned why they existed. He thought they should be
57 spent. He felt the Municipality should get rid of the street sweepers and use the high-powered water
58 trucks the city used 40 years ago. Mr. McCutcheon felt the city could produce a cottage industry like
59 Montana, to make box trucks for snow removal.
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61 MIKE SEAWRIGHT, Vice President and former President of City View Little League, testified against the
62 333% increase in user fees for youth sports fields, an increase from \$1.50 to \$5.00 per field per day. He
63 explained that Little League needed many fields; City View's season budget would be increased by
64 \$2000. He felt that the fields with higher maintenance costs should have higher fees. Mr. Sewright felt
65 that the Little League could volunteer to help with the maintenance of these sports fields.
66

67 JACK BOWEN, from Abbott-O-Rabbit Little League, testified against the rate increase for youth sports
68 fields. He stated that Little League had a national policy that no child could be excluded because they
69 could not pay. He explained that Little League contributed more than any other organization to the Parks
70 and Rec. budget, through 'adopt-a-field' and fees. Fees would be about \$3000 per year for AOR. He
71 said that through partnering they contributed \$15,000 per year with materials and labor. Mr. Bowen said
72 their uniforms cost over \$11,000 each year. He said the city should give the property to the Little League
73 to build and maintain. He said that Little League was paying more than its fair share and that the MOA

2 should make comparisons with other baseball league groups such as the Pilots, the Bucs and the
3 American Legion.

4
5 MARIA ALICE KAWAGLI, nicknamed “Sister,” originally from Bethel, had lived in Anchorage frequently
6 since 1975. She testified that in the winter the sidewalks needed to be cleared or people would be forced
7 to walk in the streets, which was unsafe. She felt that the sidewalks in Mountain View and Spenard
8 neighborhoods were particularly unsafe and needed better maintenance to stay cleared. Mr. Van Etten
9 asked the Administration if there was a city law that required the property owners to clear the sidewalks
10 adjacent to their property. MOA attorney, Mr. Boness agreed to investigate.

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12 With no further public testimony, Chair Traini closed the first Public Hearing.

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14 **5. ADJOURNMENT** Chair Traini adjourned the meeting at 6:50 p.m.

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21 ATTEST:

DICK TRAINI, Assembly Chair

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26 _____
BARBARA GRUENSTEIN, Municipal Clerk

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28 Date Minutes Approved: _____, 2004
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