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MUNICIPALITY OF ANCHORAGE

ANCHORAGE ASSEMBLY

Minutes for Regular Meeting of July 15, 2003

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

3. PLEDGE OF ALLEGIANCE:

Municipal Manager Denis LeBlanc led the pledge.

4. MINUTES OF PREVIOUS MEETING:

A. Regular Meeting - January 7, 2003

Mr. Tesche moved, to accept the meeting minutes of the regular meeting of January 7, 2003.
seconded by Ms. Von Gemmingen,
and it passed without objection,

B. Regular Meeting – January 28, 2003

Mr. Tesche moved, to accept the meeting minutes of the regular meeting of January 28, 2003.
seconded by Ms. Von Gemmingen,
and it passed without objection,

C. Regular Meeting - February 11, 2003

Mr. Tesche moved, to accept the meeting minutes of the regular meeting of February 11, 2003.
seconded by Ms. Von Gemmingen,
and it passed without objection,

D. Regular Meeting - February 25, 2003

Mr. Tesche moved, to accept the meeting minutes of the regular meeting of February 25, 2003.
seconded by Ms. Von Gemmingen,
and it passed without objection,

E. Regular Meeting - March 4, 2003

Mr. Tesche moved, to accept the meeting minutes of the regular meeting of March 4, 2003.
seconded by Ms. Von Gemmingen,
and it passed without objection,

F. Regular Meeting – March 18, 2003

Mr. Tesche moved, to accept the meeting minutes of the regular meeting of March 18, 2003.
seconded by Ms. Von Gemmingen,
and it passed without objection,

G. Regular Meeting - April 8, 2003

Mr. Tesche moved, to accept the meeting minutes of the regular meeting of April 8, 2003.
seconded by Ms. Von Gemmingen,
and it passed without objection,

H. Regular Meeting – April 15, 2003

Mr. Tesche moved, to accept the meeting minutes of the regular meeting of April 15, 2003.
seconded by Ms. Von Gemmingen,
and it passed without objection,

1 I. Regular Meeting – April 22, 2003

2
3 Mr. Tesche moved, to accept the meeting minutes of the regular
4 seconded by Ms. Von Gemmingen, meeting of April 22, 2003.
5 and it passed without objection,
6

7 J. Special Meeting – April 25, 2003

8
9 Mr. Tesche moved, to accept the meeting minutes of the special
10 seconded by Ms. Von Gemmingen, meeting of April 25, 2003.
11 and it passed without objection,
12

13 **5. MAYOR'S REPORT:**

14
15 Mayor Begich said the Stanley Cup was in Anchorage and many people had waited in line to see it. Today had been
16 declared Scotty Gomez Day by proclamation. More appointments and reorganizations would be announced tomorrow
17 morning. The July 15, 2003 deadline for the Community Development Block Grant was met today. The packet on
18 continuing care, which deals with the homeless programs, were presented to HUD. The city applied for the Brownsfield
19 grant, which was an environmental clean-up grant that had not previously been applied for. The grant would provide
20 about \$2,000,000 to clean-up hazardous materials in certain sites that were doing non-profit redevelopment. A reply on
21 the grant was anticipated in mid August.
22

23 Mr. Tesche congratulated Mayor Begich and the Administration for moving so quickly on the Brownsfield application.
24 Urban redevelopment projects around the country were funded or assisted by these types of grants. He was pleased that
25 the Municipality was moving in that direction and hoped they would continue to seek such funding in the future.
26

27 Mayor Begich thanked George Canelos and Debbie Mahoney, Anchorage Neighborhood Housing Services, for putting
28 the Brownsfield package together in record time. The Brownsfield grant could provide annual funding to meet
29 redevelopment projects throughout the city.
30

31 **6. ASSEMBLY CHAIR'S REPORT:** None.

32
33 **7. COMMITTEE REPORTS:**

34
35 Ms. Von Gemmingen said the Alaska Municipal League meeting would begin Sunday at 11:00 o'clock and she
36 encouraged everyone to attend.
37

38 **8. ADDENDUM TO AGENDA:**

39
40 Mr. Tesche moved, to amend the agenda to include the addendum items.
41 seconded by Mr. Sullivan,
42

43 Mr. Tesche moved, to amend the consent agenda to exclude Item 9B3,
44 seconded by Mr. Sullivan, AR 2003-223, from the consent agenda and place it on
45 and it passed without objection, next week's agenda.
46

47 Chairman Traini read the addendum items.

48
49 Question was called on the motion to amend the agenda and it passed without objection.
50

51 **9. CONSENT AGENDA:**

52
53 Mr. Tesche moved, to approve all items on the consent agenda as amended.
54 seconded by Mr. Sullivan,
55

56 **A. RESOLUTIONS FOR ACTION - PROCLAMATIONS AND RECOGNITIONS:**

57 1. Resolution No. AR 2003-227, a resolution of the Anchorage Municipal Assembly
58 recognizing and honoring **Randy Smith** for his long-standing commitment to the community
59 of Mountain View and the Municipality of Anchorage, Assembly Chair Traini and
60 Assemblymembers Fairclough, Kendall, Shamberg, Sullivan, Taylor, Tesche, Tremaine,
61 Van Etten, Von Gemmingen, and Whittle.
62

63 Chairman Traini noted that AR 2003-227 had been given to the Smith family while they were in Alaska for the funeral.
64

65 2. Resolution No. AR 2003-228, a resolution of the Anchorage Municipal Assembly
66 recognizing and honoring **Deputy Chief Mark T. Mew** for his 20 years of service with the
67 Anchorage Police Department, Assemblymembers Fairclough, Kendall, Shamberg, Sullivan,
68 Taylor, Tesche, Traini, Tremaine, Van Etten, Von Gemmingen, and Whittle.
69

70 Ms. Taylor requested this item be considered on the Regular Agenda. See item 10A.
71

72 **B. RESOLUTIONS FOR ACTION – OTHER:**

73 1. Resolution No. AR 2003-229, a resolution of the Anchorage Municipal Assembly appointing
74 **Patty Smith** as Secretary to the Ombudsman, Assembly Chair Traini.
75 2. Resolution No. AR 2003-222, a resolution authorizing the Municipality to grant an **electrical**
76 **easement** to Chugach Electric Association, Inc., across a portion of the Ptarmigan
77 Elementary School Site Subdivision, within the SE 1/4, NE 1/4, SW 1/4, Section 14,

Township 13 North, Range 3 West, Seward Meridian, Alaska, located near Edwards Street, Tax #006-081-01, Project Management & Engineering.

a. Assembly Memorandum No. AM 611-2003.

3. Resolution No. AR 2003-223, a resolution of the Anchorage Municipal Assembly relating to the USA Patriot Act, the Bill of Rights, the Constitution of the State of Alaska, and the **civil liberties, peace, and security** of the citizens of our country, Assembly Vice-Chair Tesche; Assemblymembers Shamberg, Taylor, Van Etten, Von Gemmingen, and Whittle.
(**addendum**)

Chairman Traini requested this item be addressed on the Regular Agenda. See item 10B.

4. Resolution No. AR 2003-230, a resolution of the Anchorage Municipal Assembly supporting acquisition of a **dual use vessel** to serve the Matanuska-Susitna Borough and the Municipality of Anchorage, Assemblymember Tesche. (**addendum**)

Mr. Tesche requested this item be addressed on the Regular Agenda. See item 10B.

C. BID AWARDS:

1. Assembly Memorandum No. AM 595-2003, recommendation of award to Annette's Trucking, Inc. for **Spenard Road – 19th Avenue to Hillcrest Drive Water Upgrade** for the Municipality of Anchorage, Anchorage Water and Wastewater Utility (ITB 23-C058) (\$287,368), Purchasing.

D. NEW BUSINESS:

1. Assembly Memorandum No. AM 590-2003, re-appointment to the **Executive Staff** (Timothy G. Middleton – Administrative Hearing Officer), Mayor's Office.

Ms. Von Gemmingen requested this item be considered on the Regular Agenda. See item 10C.

2. Assembly Memorandum No. AM 593-2003, **A-K Korral** (#859) – Transfer of Ownership for a Beverage Dispensary Liquor License (Tudor Area, Campbell Park and University Community Councils), Clerk's Office.

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

3. Assembly Memorandum No. AM 594-2003, **A-K Korral** (#2875) – Transfer of Ownership for a Beverage Dispensary (Duplicate) Liquor License (Tudor Area, Campbell Park and University Community Councils), Clerk's Office.

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

4. Assembly Memorandum No. AM 601-2003, recommendation of award to Dryden & LaRue, Inc. for professional engineering services to repair/replace the existing **Eklutna transmission line** for the Municipality of Anchorage, Municipal Light & Power (RFP 23-P018) (\$400,000), Purchasing.
5. Assembly Memorandum No. AM 602-2003, change order No. 2 to purchase order 212863 with D.B. Hartt, Inc. to provide assistance to develop a **comprehensive sign code** for the Municipality of Anchorage, Planning Department (\$4,000), Purchasing.
6. Assembly Memorandum No. AM 603-2003, proprietary purchase with Professional and Technical Engineering Services, Inc. (PTS) and Annette's Trucking for **88th Avenue Water Main Intertie** for the Municipality of Anchorage, Anchorage Water and Wastewater Utility (AWWU) (\$58,500), Purchasing.
7. Assembly Memorandum No. AM 609-2003, approval of FY 2004 **Human Services Matching Grant (HSMG) awards**, Health and Human Services.
8. Assembly Memorandum No. AM 610-2003, **Port of Anchorage Tariff Revisions** to Port of Anchorage Terminal Tariff No. 5 Equipment Rental Rates, Port of Anchorage.

E. INFORMATION AND REPORTS:

1. Appeal S-10990, **Kincaid Estates Subdivision**, has been set for hearing before the Board of Adjustment on August 19, 2003, Municipal Clerk.

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

2. Information Memorandum No. AIM 66-2003, waiver of formal procedures for **University of Alaska-Anchorage (UAA) Drive Pedestrian Improvements – Providence Drive to Northern Lights Boulevard** for Municipality of Anchorage, Project Management & Engineering Department (ITB 23-C046) (\$337,628), Purchasing.

F. ORDINANCES AND RESOLUTIONS FOR INTRODUCTION:

1. Ordinance No. AO 2003-112, an ordinance of the Anchorage Municipal Assembly amending Anchorage Municipal Code Chapter 3.85, relating to the **Police & Fire Retirement System**; providing additional definitions; clarifying the procedures for payment of retirement benefits when Plan members who retire are re-employed by the Municipality of Anchorage; providing for codification; providing an effective date, Assemblymember Tesche. P.H. 8-12-03.
 - a. Assembly Memorandum No. AM 591-2003.
2. Ordinance No. AO 2003-113, an ordinance of the Anchorage Municipal Assembly amending Anchorage Municipal Code Section 2.40, Community Councils, recognizing the **Girdwood**

Board of Supervisors as the Community Council for the Girdwood Community Association boundary area depicted on Map 10 Turnagain Arm Community Council Districts, Assemblymembers Tremaine and Shamberg. P.H. 8-12-03.

- 3. Ordinance No. AO 2003-114, an ordinance establishing a new **Fire Lake Community Council** pursuant to Anchorage Municipal Code Chapter 2.40; modifying the boundaries for Eagle River, Birchwood and Chugiak Community Councils; and amending Community Council maps in accordance therewith, Assemblymember Kendall. P.H. ~~8-12-03~~ 10-14-03. **(TO BE SUBMITTED)**

Mr. Kendall noted that this item needed to go back to the Planning and Zoning Commission. He requested that the public hearing be set for October 14, 2003.

- 4. Resolution No. AR 2003-221, a resolution confirming and levying assessments for the sewer special improvements within **Levy-Upon-Connection (LUC) Roll 03-S-3**, setting date of payment and providing for penalties and interest in the event of delinquency, Water and Wastewater Utility. P.H. 8-12-03.
 - a. Assembly Memorandum No. AM 592-2003.
- 5. Resolution No. AR 2003-224, a resolution of the Municipality of Anchorage accepting when tendered \$1,785,000 from the Federal Aviation Administration Airport Improvement Program grant, and \$59,500 from the Alaska State Department of Transportation and Public Facilities grant; and appropriating said grants and \$59,500 from Airport Unrestricted Net Assets to Merrill Field's Capital Improvement Fund for the 2003 **Merrill Field Taxiway Alpha Reconstruction and Security Improvements**, Merrill Field Airport. P.H. 7-22-03. **(addendum)**
 - a. Assembly Memorandum No. AM 621-2003.
- 6. Ordinance No. AO 2003-115, an ordinance of the Municipality of Anchorage amending AO 2003-8 regarding **keg or container registration** to change the effective date, Assembly Chair Traini. **TO BE DETERMINED. (addendum)**
 - a. Assembly Memorandum No. AM 599-2003.

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

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

NAYES: None.

10. REGULAR AGENDA:

A. RESOLUTIONS FOR ACTION - PROCLAMATIONS AND RECOGNITIONS:

- 1. Resolution No. AR 2003-228, a resolution of the Anchorage Municipal Assembly recognizing and honoring **Deputy Chief Mark T. Mew** for his 20 years of service with the Anchorage Police Department, Assemblymembers Fairclough, Kendall, Shamberg, Sullivan, Taylor, Tesche, Traini, Tremaine, Van Etten, Von Gemmingen, and Whittle.

Ms. Taylor moved, to approve AR 2003-228.
seconded by Mr. Tesche,
and it passed without objection,

Mr. Whittle read the resolution and Ms. Taylor presented. Deputy Chief Mark Mew thanked the Assembly for their continuing support of the Police Department.

Mr. Tesche said Deputy Chief Mark Mew could be proud of his accomplishment, especially the completion of the 911 project. He was pleased that Mr. Mew would be working with Carol Comeau and the School Board to insure public safety in our schools.

Mayor Begich thanked Deputy Chief Mark Mew for his service and noted that they would continue working with Mr. Mew and the School District to insure safety in the schools.

B. RESOLUTIONS FOR ACTION – OTHER:

- 1. Resolution No. AR 2003-223, a resolution of the Anchorage Municipal Assembly relating to the USA Patriot Act, the Bill of Rights, the Constitution of the State of Alaska, and the **civil liberties, peace, and security** of the citizens of our country, Assembly Vice-Chair Tesche; Assemblymembers Shamberg, Taylor, Van Etten, Von Gemmingen, and Whittle. **(addendum)**

Mr. Tesche moved, to approve AR 2003-223.
seconded by Ms. Taylor,

Mr. Tesche said the State Legislature, the Fairbanks North Star Borough, the City and Borough of Juneau, and the Cities of Kenai, North Pole, Skagway and Gustavus had adopted similar resolutions since the Assembly's work session. He felt it was time for Anchorage to weigh in on the issue. He urged caution at the federal level in enacting statutes that had the effect of curtailing civil liberties. He did not feel anyone would fault the congressional representatives for their desire to give the President every tool possible to wage war against foreign and domestic enemies since the September 11th event. However, the passage of time has given us sufficient time to look at this act and realize that perhaps Congress went too far as stated by Congressman Don Young. He urged the adoption of AR 2003-223.

Mr. Sullivan agreed that the Patriot Act needed to be reviewed, but it was currently the law of the land. He could not support a resolution that instructed local governmental agencies not to follow existing laws.

1 Mr. Sullivan moved, to amend AR 2003-223 to delete Sections 2, 3 and 4
 2 seconded by Mr. Kendall, and renumber the remaining sections.
 3

4 Mr. Sullivan said it was up to the courts, not the Assembly, to determine whether the rights and civil liberties
 5 guaranteed under state and federal constitutions were being upheld. He felt it was inappropriate for the Assembly to tell
 6 local officials not to cooperate with federal officials.
 7

8 Mr. Van Etten felt removing Sections 2, 3 and 4 would take the entire meaning out of the resolution. Previous acts
 9 similar to the Patriot Act had been passed in this country in haste and fear, which had later been repealed only after a
 10 popular outcry that told Congress that they had gone too far. He felt this was merely an advisory vote that supported the
 11 State Legislature, our sister cities and the opinion that had been expressed by Congressman Don Young. He opposed
 12 deleting Sections 2, 3 and 4 and supported AR 2003-223.
 13

14 Mr. Tesche felt deleting Sections 2, 3 and 4 would gut the resolution and would be contrary to the recommendations
 15 overwhelmingly expressed by the Alaska Legislature and representatives of all the major political parties. He urged the
 16 Assembly to reject the amendment.
 17

18 Mr. Sullivan said this was not just an advisory vote. The resolution included provisions that instructed agencies of the
 19 municipality not to cooperate with the law and to refrain from certain cooperative acts with the federal government.
 20

21 Question was called on the motion to amend AR 2003-223 and it failed.
 22

23 AYES: Traini, Kendall, Sullivan.

24 NAYES: Tesche, Whittle, Taylor, Von Gemmingen, Van Etten, Shamberg.
 25

26 Mr. Tesche moved, to amend AR 2003-223, Section 4, item 1,
 27 seconded by Mr. Whittle, line 20, page 2, to read “.....use Municipal resources,
 28 unless necessary to protect the safety of people.”
 29

30 Mr. Tesche did not want the resolution to discourage police officers from taking appropriate action in an apparent
 31 violation of an immigration statute that would involve harm or potential harm to the safety of people. The amendment
 32 would clarify the policy to indicate that while we discouraged the use of local law enforcement resources for the
 33 enforcement of federal immigration matters, which are most assuredly the duty of the federal government, we would not
 34 allow that to endanger the lives of people.
 35

36 In response to Mr. Sullivan, Mr. Tesche said police officers would use appropriate discretion in dealing with possible
 37 endangerment to lives.
 38

39 Mr. Kendall noted that there was a long history of cooperation between the local police department and federal agencies
 40 and he did not want to see that harmed in any way.
 41

42 Question was called on the motion to amend AR 2003-223 and it passed with Mr. Kendall and Mr. Sullivan objecting.
 43

44 Ms. Von Gemmingen moved, to amend AR 2003-223, page 1, line 40, to read
 45 seconded by Mr. Tesche, “.....the cities of.....”
 46 and it passed without objection,
 47

48 Mr. Kendall noted that he would not be voting on AR 2003-223, because he did not have enough information. He felt
 49 this was a federal matter. There had been other acts that the federal government had passed that had been either
 50 repealed or ruled unconstitutional by the Supreme Court. In passing the resolution, he felt they were underestimating
 51 the power and strength of the enemy in the war against terrorism. He felt Congress should review the issue, but he did
 52 not feel it was necessary for the Assembly to make a broad statement prohibiting the use of municipal resources to assist
 53 federal agencies.
 54

55 Chairman Traini said he would vote no on AR 2003-223. He pointed out that Mr. Kendall did not have the option of
 56 abstaining and he encouraged him to vote no on the issue.
 57

58 Question was called on the motion to approve AR 2003-223 as amended and it passed.
 59

60 AYES: Tesche, Whittle, Taylor, Von Gemmingen, Van Etten, Shamberg.

61 NAYES: Traini, Kendall, Sullivan.
 62

63 Mr. Tesche moved, for immediate reconsideration of AR 2003-223.
 64 seconded by Ms. Shamberg,
 65

66 Mr. Tesche recommended a no vote.
 67

68 Question was called on the motion for immediate reconsideration of AR 2003-223 and it failed.
 69

70 AYES: Traini, Kendall, Sullivan.

71 NAYES: Tesche, Whittle, Taylor, Von Gemmingen, Van Etten, Shamberg.
 72

73 Chairman Traini said he had been in contact with an individual who had discussed this issue with our Congressman and
 74 they were working on possible changes to the Patriot Act.
 75

76 C. BID AWARDS: None.
 77

D. NEW BUSINESS:

1. Assembly Memorandum No. AM 590-2003, re-appointment to the **Executive Staff** (Timothy G. Middleton – Administrative Hearing Officer), Mayor's Office.

Ms. Von Gemmingen moved, to approve AM 590-2003.
seconded by Mr. Tesche,

In response to Ms. Von Gemmingen, Administrative Hearing Officer Timothy Middleton discussed the hearing process for dog violations. Each case was ruled on individually and in a timely fashion, with the vast majority of the violations being upheld. He felt the code enforcement staff did an excellent job. Curfew citations had gone down dramatically since 1999 and 2000, because of the change in the law that lowered the age from 18 to 17 and incorporated a consent provision. He discussed the number of citations issued versus the number of hearings requested.

In response to Mr. Tesche, Mr. Middleton said there were very few land use cases that originated with a private citizen's complaint.

Mr. Tesche said that concerned him, because he frequently received complaints that there was inadequate attention being paid to neighborhood complaints by staff from an enforcement level. On the other hand, when something was done there were complaints that the action was heavy handed or an inappropriate use of resources. Mr. Tesche asked Mr. Middleton to comment on whether he felt the municipality should continue with private citizen actions, do something else to make those actions more available or develop other remedies for zoning enforcement complaints.

Mr. Middleton felt the private enforcement action was not being utilized. The only way to find out why it was not being used was to talk to those people who were concerned about the situation in their community. He felt more manpower, better training and initiating lawsuits to collect on outstanding fines would be helpful. When situations were brought to code enforcement's attention, they worked hard towards obtaining compliance.

Mr. Tesche felt the issue of code compliance and the continued viability of the citizens' enforcement action was important and needed to be reviewed.

Mr. Tesche moved, to postpone AM 590-2003 to July 22, 2003 and
seconded by Ms. Von Gemmingen, schedule a work session with Mr. Middleton and a representative of the administration in code enforcement on July 18, 2003.

Mr. Middleton said he would relish the opportunity to review the issue, but he did not know what his status was in the interim. His term expired on July 5, 2003.

The Assembly discussed whether or not Mr. Middleton could retain his position until the resolution was passed. Mayor Begich pointed out the new administration recommended that he be retained.

Mr. Gatti said the code established the Administrative Hearing Officer position for a two-year term, which was an important fact to consider. He suggested passing the resolution and then scheduling a work session so Mr. Middleton could continue working on his pending cases.

Mr. Tesche withdrew the motion to postpone AM 590-2003 and requested a work session for July 18, 2003. Ms. Von Gemmingen withdrew her second.

Question was called on the motion to approve AM 590-2003 and it passed without objection.

2. Assembly Memorandum No. AM 593-2003, **A-K Korral** (#859) – Transfer of Ownership for a Beverage Dispensary Liquor License (Tudor Area, Campbell Park and University Community Councils), Clerk's Office.

Ms. Shamberg moved, to set AM 593-2003 for public hearing on July 22, 2003.
seconded by Mr. Van Etten,
and it passed without objection,

Chairman Traini directed the Clerk to notify Mr. Nading of the public hearing and request his presence at the meeting.

3. Assembly Memorandum No. AM 594-2003, **A-K Korral** (#2875) – Transfer of Ownership for a Beverage Dispensary (Duplicate) Liquor License (Tudor Area, Campbell Park and University Community Councils), Clerk's Office.

Ms. Shamberg moved, to set AM 594-2003 for public hearing on July 22, 2003.
seconded by Mr. Van Etten,
and it passed without objection,

E. INFORMATION AND REPORTS:

1. Appeal S-10990, **Kincaid Estates Subdivision**, has been set for hearing before the Board of Adjustment on August 19, 2003, Municipal Clerk.

Mr. Tesche moved, to accept Appeal S-10990.
seconded by Ms. Taylor,

Mr. Tesche noted that the Assembly recently passed an ordinance that created a new Board of Adjustment and Appeals to handle these types of matters. He asked if Appeal S-10990 could be delayed so the new Board could handle it or if the Assembly wanted to handle it under the old rules.

1
2 In response to Mr. Tesche, Mayor Begich said the Administration had discussed the nominations for the board of
3 Adjustment and Appeals and would attempt to bring them forward in the near future.

4
5 Mr. Tesche pointed out that there was a lot of work associated with appeals and he felt it would be appropriate for the
6 new board to handle the issue.

7
8 Mr. Von Gemmingen thought it was a wonderful idea to have the new board handle the appeal.

9
10 In response to Chairman Traini, Mr. Sullivan concurred with Mr. Tesche that the appeal should be postponed and
11 handled by the newly formed Board of Adjustment and Appeals.

12
13 Mr. Tesche moved, to postpone action on Appeal S-10990 pending
14 seconded by Ms. Von Gemmingen, an effort by Assembly counsel to work with the parties
15 and it passed without objection, and obtain a stipulation allowing this matter to be
16 transferred to the new Board of Adjustment and Appeals.

17
18 **F. ORDINANCES AND RESOLUTIONS FOR INTRODUCTION:** None.

19
20 **11. OLD BUSINESS AND UNFINISHED ACTION ON PUBLIC HEARING ITEMS:**

21 A. **NOTICE OF RECONSIDERATION:** Resolution No. AR 2003-219, a resolution of the Anchorage
22 Municipal Assembly revising the 2003 General Government Operating Budget by appropriating
23 \$46,560 from Areawide General Fund (101) Balance to the Health and Human Services Department
24 to be used as a grant to **Standing Together Against Rape, Inc.** (STAR), Assemblymember Traini.
25 1. Assembly Memorandum No. AM 575-2003.
26 (APPROVED 6-24-03; NOTICE OF RECONSIDERATION WAS GIVEN BY MR. TESCHE
27 6-24-03)

28
29 Chairman Traini gave the history of the resolution and noted a motion to reconsider was on the floor.

30
31 Mr. Tesche said Standing Together Against Rape was an extremely important organization in terms of its public safety
32 mission and the community's need for its services. The Assembly had the difficult process of scaling down grants to
33 several organizations. Based on recommendations from a committee that had previously assisted the Assembly, the
34 Assembly approved \$46,560 of new money to STAR to make them whole. Ms. Jones had pointed out that the action
35 might inject uncertainty and imbalance in the process of allocating the remaining grant money among the various needy
36 agencies. She wanted to revisit the issue to review the appropriateness of taking one agency over another when dealing
37 with area wide funds. Comments in the mayor's transition report indicated that we were experiencing shortages in the
38 current operating budget. He asked the Assembly to reconsider the appropriation.

39
40 Mr. Whittle supported the reconsideration. He noted that there would be issues in the future on how the State of Alaska
41 and the Municipality allocated funds. He felt there needed to be a discussion among the community to establish
42 priorities, because funding would continue to decrease.

43
44 Question was called on the motion to reconsider AR 2003-219 and it passed.

45
46 AYES: Tesche, Whittle, Taylor, Von Gemmingen, Van Etten, Kendall, Shamberg, Sullivan.

47 NAYES: Traini.

48
49 Mr. Sullivan moved, to postpone AR 2003-219 to July 22, 2003.
50 seconded by Mr. Tesche,

51
52 Mr. Sullivan felt they should afford Standing Together Against Rape the opportunity to appear before the Assembly to
53 let them know whether or not the funds had already been expended.

54
55 Question was called on the motion to postpone AR 2003-219 to July 22, 2003 and it passed without objection.

56
57 Mr. Tesche asked to have the chair of the committee that made the task force allocation recommendations present at the
58 meeting to answer questions.

59
60 B. Assembly Memorandum No. AM 548-2003, **Polaris Distributors** (#4305) – New Wholesale Liquor
61 License (Taku/Campbell and Tudor Area Community Councils), Clerk's Office.
62 (CARRIED OVER FROM 6-24-03; POSTPONED FROM 7-8-03 (*SPECIAL MEETING*))

63
64 Chairman Traini gave the history of AM 548-2003 and noted no motions were pending.

65
66 Ms. Von Gemmingen read the following police report. A female stated that a male subject bought liquor from this
67 location and consumed all of his liquor and became extremely intoxicated. The male subject wanted more liquor and
68 was able to stumble two blocks to the liquor store and was sold more liquor. The male subject was so intoxicated that
69 vehicles almost hit him. The male victim was transported to Providence Hospital with a BAC of .548.

70
71 In response to Ms. Von Gemmingen, Chang Huen Lee said they would be selling wines to liquor stores and restaurants,
72 not individuals.

73
74 In response to Chairman Traini, Mr. Lee said he knew nothing about the police report.

75
76 In response to Mr. Whittle, Mr. Lee said his wife owned a package liquor store, but he was applying for a new
77 wholesale liquor license.

1 Mr. Kendall moved, to approve AM 548-2003.
 2 seconded by Mr. Van Etten,
 3

4 Question was called on the motion to approve AM 548-2003 and it failed.
 5

6 AYES: Kendall, Shamburg, Sullivan.

7 NAYES: Tesche, Whittle, Taylor, Van Etten, Von Gemmingen, Traini.
 8

9 Mr. Tesche said the evidence presented to the Assembly suggested that the operator might not be a responsible operator.
 10 The actions on the premises suggested that the premises would not be operated in a manner consistent with public,
 11 health, safety and welfare and the expectations of the community.
 12

13 C. Assembly Memorandum No. AM 550-2003, Turnagain Vines – New Wholesale Liquor License
 14 (University Area, Russian Jack and Northeast Community Councils), Clerk's Office.
 15 (CARRIED OVER FROM 6-24-03; POSTPONED FROM 7-8-03 (*SPECIAL MEETING*))
 16

17 Chairman Traini gave the history of AM 550-2003 and noted no motions were pending.
 18

19 Mr. Kendall moved, to approve AM 550-2003.
 20 seconded by Mr. Sullivan,
 21

22 Chairman Traini said he spoke with Keith Hoffman, the applicant, who worked on the North Slope and would not be
 23 available for the meeting. Mr. Hoffman would be importing wines out of Australia for wholesale distribution and there
 24 would be no retail sales.
 25

26 In response to Mr. Whittle, Chairman Traini said the wholesale liquor license would be run out of a
 27 condominium/townhouse, which was an acceptable use of the property and did not require a conditional use permit.
 28

29 Mr. Sullivan said he would like to review the zoning of the condominium/townhouse before making a decision, because
 30 the Assembly should not be granting approval to businesses operating in residential areas without appropriate zoning.
 31

32 Planning Department Director Sue Fison said there were limitations on the number of square feet that could be allocated
 33 to a business in a residential area, but she was not familiar with this particular case.
 34

35 Mr. Sullivan said he would vote against AM 550-2003, because he did not have enough information to insure that the
 36 applicant would be operating legally and with the proper zoning.
 37

38 Mr. Kendall referenced an e-mail to Francis Dunn from Mary Autor of the Planning Department that said a conditional
 39 use permit was not needed. He assumed Ms. Autor reviewed the application for other planning department concerns.
 40

41 Mr. Sullivan thought Ms. Autor was speaking to the fact that it would be a wholesale operation, which was not typically
 42 covered under conditional use permits. His question pertained to a business within a residential area.
 43

44 Ms. Taylor moved, to postpone AM 550-2003 until later in the meeting
 45 seconded by Mr. Sullivan, to determine the proper zoning.
 46 And it passed without objection,
 47

48 (Clerk's Note: This item continued later in the meeting. See after Item 14U.)
 49

50 **12. APPEARANCE REQUESTS:**

51 A. **Theresa Nangle Obermeyer, Ph.D.**, regarding false arrest.
 52

53 THERESA OBERMEYER spoke regarding her false arrest on June 26, 2003 at the Anchorage School District office by
 54 Sergeant Allen, Officer Breiner and Officer Washington, which she believed violated her civil liberties, freedom of
 55 speech and the right to due process. She had already been put through the process of being arrested and had a seven-day
 56 jury trial in November 1998. The case was automatically transferred to the state, but she felt the hearing should be at
 57 the municipal level.
 58

59 B. **Don Smith**, regarding bonds.
 60

61 DON SMITH expressed concerns about the Municipality of Anchorage's financial future. After the 2003 April election,
 62 Anchorage property owners collectively owe \$1,582,915,000, which represents 8.1 percent of the entire Municipal
 63 assessed property value. Each Anchorage family's share of that debt would be about \$20,000. Few residents knew that
 64 the community owed Wall Street and other investors almost \$1,600,000,000. He felt the municipality needed to
 65 evaluate their debt load and consider slowing its rate of growth. He offered the following suggestions. The Municipality
 66 of Anchorage and the Anchorage School District should hold off or reduce the amount of future debt placed before the
 67 voters. If bond issues were placed on the ballot, the total municipal general obligation and revenue debts should be
 68 printed on the ballot. No public money should be used to advertise or "educate" voters about the bonds, but that should
 69 be done by the private sector. Bond issues should be voted on separately. No bond should be offered to pay for routine
 70 repairs, maintenance or basic supplies.
 71

72 In response to Mr. Tesche, Mr. Smith said he did not know how much the federal debt had increased in the last two and
 73 a half years. As of the last election, there was \$392,000,000 of city GO debt, \$754,000,000 of school debt and about
 74 \$400,000,000 of revenue bonds. He felt Anchorage had allowed themselves to get too far into debt.
 75

76 The meeting recessed for a break.
 77

13. CONTINUED PUBLIC HEARINGS:

- A. Ordinance No. AO 2003-88, an ordinance amending the Anchorage Municipal Code to protect the **public health and safety** by enacting provisions providing authority for the Municipal Medical Officer and the Mayor to issue orders regarding the examination, treatment, isolation, quarantine, transportation and housing of persons having or suspected of having infectious diseases and providing for standards, procedures, regulations, penalties and review pertaining thereto. **(TO BE SUBMITTED)**
(CARRIED OVER FROM 6-10-03; CONTINUED FROM 6-24-03)

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. Taylor, and it passed without objection,	to postpone AO 2003-88 indefinitely as requested by the Administration.
----------------------------------------------------------------------------------	----------------------------------------------------------------------------

- B. Ordinance No. AO 2003-89, an ordinance amending the Anchorage Municipal Code Title 12 sections relating to the **Board of Equalization** and specified processes, procedures and requirements applicable to appeals of assessed valuations of property for tax purposes to provide for multiple panels of the Board of Equalization consisting of five members with a four member quorum; compensation of the members of the Board of Equalization; the required submission of evidence by property owners; and the confidentiality of specified evidence of commercial property values affecting confidentiality. **(TO BE SUBMITTED)**
(CARRIED OVER FROM 6-10-03; CONTINUED FROM 6-24-03)

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. Taylor, and it passed without objection,	to postpone AO 2003-89 to August 19, 2003.
----------------------------------------------------------------------------------	--------------------------------------------

- C. Ordinance No. AO 2003-78, an ordinance of the Anchorage Municipal Assembly amending the **Utility Corridor Plan** to add a new electrical transmission line corridor alignment, Planning Department.
 1. Assembly Memorandum No. AM 375-2003.
(CONTINUED FROM 5-20-03)

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

DELBERT LARUE, Chugach Electric consultant, testified in support of the ordinance.

Mr. Tesche asked Mr. LaRue what the municipality could do to accelerate the undergrounding of distribution lines given limited resources.

Mr. LaRue said there was an undergrounding ordinance for distribution lines, which he assumed the various utilities complied with. He felt the Assembly should work with the community councils to prioritize the areas where undergrounding was desired and reasonable.

In response to Mr. Tesche, Mike Maason, Director of Engineering for Chugach Electric, said the first step would be to update the implementation plan that was created in 1986 and strengthen the ordinance to insure that the plan would be updated on a regular basis. He doubted that they were in compliance with the 1986 plan.

In response to Ms. Shamberg, Phil Styer said Chugach Electric would prefer to spend X percentage of their annual gross retail revenue on undergrounding distribution lines in areas where it made sense, rather than the Planning Department working up an arbitrary plan. That would require amending the ordinance to take out any references to the plan. The utilities would like the latitude to spend dollars in the areas that it made the most sense in terms of safety or upgrades. He suggested sitting down with all the utilities, the Assembly and the city representatives to reach a consensus of where undergrounding should go so the dollars would be spent wisely.

In response to Ms. Shamberg, Mr. Styer said distributions lines were customarily undergrounded all over the country, because of the voltage that was applied to them. The cable was small and easy to build and fairly reliable. As the voltage increases for transmission facilities, it becomes more complicated, because the cable becomes much larger. Transmission lines are not only more complicated and expensive to make, but they are more difficult to maintain and have a shorter life span. He was not aware of any other cities that required undergrounding of transmission lines as an ordinance. The many underground transmission lines around the country were usually due to their location. For example, you could not run above ground lines in New York City. The cost of placing transmission lines underground was about ten times that of overhead lines depending on the location of the lines.

In response to Mr. Van Etten, Mr. Maason discussed the power lines along the Old Seward Highway. The Department of Transportation, who paid to relocate and adjust the facilities, determined that they did not want to spend the money to put the utilities underground. A significant portion of the relocation involved 34.5kv sub-transmission lines, which did not have to be buried according to the strict definition of the ordinance.

In response to Mr. Whittle, Mr. Styer said it was possible to place the transmission lines partially above ground and partially underground.

1 DON KASHAVERA said he was the chairman of Seldovia Native Association, as well as the president of the Alaska
2 Native Tribal Health Consortium. The Seldovia Native Association heavily invested in building the Dimond Center
3 Hotel and they were concerned about having the utilities above ground, which obstructed the view from the hotel.
4

5 In response to Mr. Tesche, Mr. Kashavera said they had a garden area in the back of the hotel that would face the utility
6 lines. The courtyard was used all year round, although mostly in the summertime. They would have the same objection
7 to an above ground distribution line as they did to the above ground transmission line.
8

9 HUGH ASHLOCK, owner and developer of the Dimond Center, testified against the ordinance.
10

11 In response to Mr. Tesche, Mr. Ashlock discussed the zoning of the property for the Dimond Center and the Dimond
12 Center Hotel. The Dimond Center had grown into what was called a lifestyle mall, which included restaurants, a health
13 clubs and recreational opportunities.
14

15 In response to Mr. Tesche, Phyllis Johnson, Vice President and General Counsel of the Alaska Railroad, said the
16 railroad was exempt from local planning and zoning ordinances. The right-of-way along the railroad tracks was
17 regarded as a utility corridor. Utility transmission lines could be built above ground along that corridor in accordance
18 with the state statutes passed in 1984.
19

20 In response to Mr. Tesche, Mr. Ashlock said he recently entered into negotiations with Alaska Railroad to purchase a
21 small piece of the right-of-way to add parking and a Boston Pizza restaurant. The Alaska Railroad's real estate
22 department appraised their 6,000 square foot piece of ditch at \$24 a square foot and the discussions ended.
23

24 In response to Mr. Van Etten's question on whether Chugach Electric could put in the transmission lines as long as they
25 reached an agreement with Alaska Railroad, Ms. Johnson said they were not ready to grant Chugach Electric exclusive
26 jurisdiction over the corridor. Most people thought that the railroad corridor was limited to strict railroad use, but that
27 was not the case under the statutes.
28

29 MARTHA STAFFORD testified against the ordinance.
30

31 RON CHIRIMIE testified against the ordinance. If the utility lines were placed above ground, the Ironworkers' training
32 facility would have to be moved, because it interfered with the operation of their cranes.
33

34 In response to Ms. Shamberg, Mr. Chirimie said training on the cranes could not be moved to the front of the building,
35 because they needed that area for parking. The utility lines would have to be greater than 95 feet. The length of the
36 boom on the crane was 75 feet, the jib was 25 feet and they were not allowed to operate within 15 feet of power lines.
37

38 In response to Mr. Van Etten, Mr. Chirimie said they had not had discussions with Chugach Electric about the problems
39 they would face if the utility lines were placed above ground.
40

41 In response to Mr. Van Etten, Dora Drop, project manager for Chugach Electric, said they had not started right-of-way
42 or easement negotiations with property owners.
43

44 In response to Mr. Whittle, Mr. Chirimie said the Ironworkers' training facility was north of Dimond Boulevard and
45 east of King Street.
46

47 RICK WILLIAMS testified against the ordinance.
48

49 Chairman Traini asked if anyone else wished to speak. There was no one, and he closed the public hearing.
50

51 Mr. Van Etten moved, to postpone AO 2003-78 to August 19, 2003.
52 seconded by Mr. Sullivan,
53

54 In response to Mr. Tesche, Mr. Styer said any delay would have an impact on Chugach Electric. Until they received a
55 decision, they could not move forward with the project. Once the decision was made, Chugach Electric had to initiate
56 the right-of-way procurement process and they were getting dangerously close to the point where the project would
57 have to be delayed until next year. They would like to have a decision no later than August 19, 2003.
58

59 Question was called on the motion to postpone AO 2003-78 to August 19, 2003 and it passed without objection.
60

61 14. NEW PUBLIC HEARINGS:

- 62 A. Ordinance No. AO 2003-93, an ordinance of the Municipality of Anchorage, Alaska, authorizing and
63 providing for the issuance of not to exceed \$81,890,000 in aggregate principal amount of **General**
64 **Obligation General Purpose Bonds** of the Municipality for the purpose of raising funds to pay costs
65 related to ambulances, emergency/areawide communications improvements, road and drainage
66 improvements, and public transit improvements, and related capital improvements; fixing certain
67 details of said bonds; providing for the form and manner of sale of said bonds; pledging the full faith
68 and credit of the Municipality to the payment thereof; authorizing the Chief Fiscal Officer or Acting
69 Chief Fiscal Officer to negotiate and execute a contract for the purchase and sale of said bonds; and
70 related matters, Finance.

- 71 1. Assembly Memorandum No. AM 520-2003.
72

73 Chairman Traini opened the public hearing and asked if anyone wished to speak. There was no one, and he closed the
74 public hearing.
75

76 Mr. Sullivan moved, to approve AO 2003-93.
77 seconded by Ms. Von Gemmingen,
78

1 Question was called on the motion to approve AO 2003-93 and it passed.

2
3 AYES: Tesche, Whittle, Taylor, Von Gemmingen, Traini, Sullivan.

4 NAYES: None.

5
6 (Clerk's Note Mr. Van Etten, Mr. Kendall and Ms. Shamberg were out of the room at the time of the vote.)

7
8 B. Ordinance No. AO 2003-94, an ordinance of the Municipality of Anchorage, Alaska, authorizing and
9 providing for the issuance of not to exceed \$126,770,000 in aggregate principal amount of **General**
10 **Obligation School Bonds** of the Municipality for the purpose of raising funds to pay the costs of
11 educational capital improvement projects in the Municipality; fixing certain details of said bonds;
12 providing for the form and manner of sale of said bonds; pledging the full faith and credit of the
13 Municipality to the payment thereof; authorizing the Chief Fiscal Officer or Acting Chief Fiscal
14 Officer to negotiate and execute a contract for the purchase and sale of said bonds; and related
15 matters, Finance.

16 1. Assembly Memorandum No. AM 521-2003.

17
18 Chairman Traini opened the public hearing and asked if anyone wished to speak. There was no one, and he closed the
19 public hearing.

20
21 Mr. Tesche moved, to approve AO 2003-94.
22 seconded by Mr. Sullivan,

23
24 Question was called on the motion to approve AO 2003-94 and it passed.

25
26 AYES: Tesche, Whittle, Taylor, Von Gemmingen, Traini, Sullivan.

27 NAYES: None.

28
29 (Clerk's Note Mr. Van Etten, Mr. Kendall and Ms. Shamberg were out of the room at the time of the vote.)

30
31 C. Ordinance No. AO 2003-95, an ordinance of the Municipality of Anchorage, Alaska, authorizing and
32 providing for the issuance of **General Obligation Refunding Bonds** of the Municipality in the
33 aggregate principal amount of not to exceed \$65,000,000 to provide funds required to refund certain
34 outstanding General Obligation School Bonds of the Municipality; providing for the form and manner
35 of sale of said bonds; pledging the full faith and credit of the Municipality to the payment thereof;
36 authorizing the Chief Fiscal Officer or Acting Chief Fiscal Officer to negotiate and execute a contract
37 for the purchase and sale of said bonds; and related matters, Finance

38 1. Assembly Memorandum No. AM 522-2003.

39
40 Chairman Traini opened the public hearing and asked if anyone wished to speak. There was no one, and he closed the
41 public hearing.

42
43 Mr. Sullivan moved, to approve AO 2003-95.
44 seconded by Mr. Tesche,

45
46 Question was called on the motion to approve AO 2003-95 and it passed.

47
48 AYES: Tesche, Whittle, Taylor, Von Gemmingen, Traini, Kendall, Sullivan.

49 NAYES: None.

50
51 (Clerk's note: Mr. Van Etten and Ms. Shamberg were out of the room at the time of the vote.)

52
53 D. Ordinance No. AO 2003-103, an ordinance of the Municipality of Anchorage, Alaska, providing for
54 the issuance of **Subordinate Lien Water Revenue and Refunding Bonds** of the Municipality in the
55 aggregate amount of not to exceed \$48,000,000 for the purpose of providing part of the funds to
56 refund certain outstanding senior lien water revenue bonds of the Municipality and to provide for
57 certain improvements to the water utility and to pay costs of issuance; fixing certain covenants and
58 protective provisions safeguarding the payment of the principal of and interest on said bonds;
59 providing for the date, form, terms, maturities and manner of sale of the bonds; delegating to the
60 Chief Fiscal Officer and/or Acting Chief Fiscal Officer the approval of final maturity amounts and
61 interest rates on said bonds; authorizing an official statement; appointing an escrow agent approving
62 the form of an escrow deposit agreement; and authorizing the sale of such bonds; and repealing
63 AO 2003-59, Finance.

64 1. Assembly Memorandum No. AM 543-2003.

65
66 Chairman Traini opened the public hearing and asked if anyone wished to speak. There was no one, and he closed the
67 public hearing.

68
69 Mr. Tesche moved, to approve AO 2003-103.
70 seconded by Mr. Sullivan,

71
72 Question was called on the motion to approve AO 2003-103 and it passed.

73
74 AYES: Tesche, Whittle, Taylor, Von Gemmingen, Traini, Kendall, Sullivan.

75 NAYES: None.

76
77 (Clerk's note: Mr. Van Etten and Ms. Shamberg were out of the room at the time of the vote.)

- 1 E. Ordinance No. AO 2003-104, an ordinance of the Municipality of Anchorage, Alaska, providing for
 2 the issuance of **Wastewater Revenue Bonds** of the Municipality in the aggregate amount of not to
 3 exceed \$45,000,000 for the purpose of providing certain improvements to the wastewater utility and
 4 to pay costs of issuance; fixing certain covenants and protective provisions safeguarding the payment
 5 of the principal of and interest on said bonds; providing for the date, form, terms, maturities and
 6 manner of sale of the bonds; delegating to the Chief Fiscal Officer and/or Acting Chief Fiscal Officer
 7 the approval of final maturity amounts and interest rates on said bonds; authorizing an official
 8 statement; appointing an escrow agent approving the form of an escrow deposit agreement; and
 9 authorizing the sale of such bonds; and repealing AO 2003-60, Finance.
 10 1. Assembly Memorandum No. AM 544-2003.

11
 12 Chairman Traini opened the public hearing and asked if anyone wished to speak. There was no one, and he closed the
 13 public hearing.

14
 15 Mr. Tesche moved, to approve AO 2003-104.
 16 seconded by Ms. Von Gemmingen,

17
 18 Question was called on the motion to approve AO 2003-104 and it passed.

19
 20 AYES: Tesche, Whittle, Taylor, Von Gemmingen, Traini, Kendall, Sullivan.
 21 NAYES: None.

22
 23 (Clerk's note: Mr. Van Etten and Ms. Shamberg were out of the room at the time of the vote.)

- 24
 25 F. Resolution No. AR 2003-162, a resolution of the Municipality of Anchorage, Alaska, approving the
 26 **Girdwood Phase II water line extension** along Alyeska Highway, Hightower Road and Ski View
 27 Road and providing for assessment of benefited properties at time of service connection, Anchorage
 28 Water and Wastewater Utility.
 29 1. Assembly Memorandum No. AM 494-2003.

30
 31 Chairman Traini opened the public hearing and asked if anyone wished to speak. There was no one, and he closed the
 32 public hearing.

33
 34 Mr. Tesche moved, to approve AR 2003-162.
 35 seconded by Ms. Von Gemmingen,

36
 37 Question was called on the motion to approve AR 2003-162 and it passed.

38
 39 AYES: Tesche, Whittle, Taylor, Von Gemmingen, Traini, Kendall, Sullivan.
 40 NAYES: None.

41
 42 (Clerk's note: Mr. Van Etten and Ms. Shamberg were out of the room at the time of the vote.)

- 43
 44 G. Resolution No. AR 2003-163, a resolution of the Municipality of Anchorage, Alaska, confirming and
 45 levying assessments for the water special improvements within **Levy Upon Connection (LUC) Roll**
 46 **03-W-1**, setting date of payment and providing for penalties and interest in the event of delinquency,
 47 Anchorage Water and Wastewater Utility.
 48 1. Assembly Memorandum No. AM 495-2003.

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

52
 53 Mr. Tesche moved, to approve AR 2003-163.
 54 seconded by Mr. Sullivan,

55
 56 Mr. Tesche moved, to amend AR 2003-163, line 13, from 13013-231-24-000
 57 seconded by Mr. Sullivan, Spruce Acres LT 17, \$9240, the cost of \$1,502.94 for
 58 and it passed without objection, Watson J&L to 13-014-231-25-000 Spruce Acres LT 18,
 59 \$9,240, the cost of \$1,502.94 for Watson J&L.
 60

61 Question was called on the motion to approve AR 2003-163 as amended and it passed.

62
 63 AYES: Tesche, Whittle, Taylor, Von Gemmingen, Traini, Kendall, Sullivan.
 64 NAYES: None.

65
 66 (Clerk's note: Mr. Van Etten and Ms. Shamberg were out of the room at the time of the vote.)

- 67
 68 H. Resolution No. AR 2003-187, a resolution of the Municipality of Anchorage, Alaska, accepting and
 69 appropriating a State of Alaska Clean Water Fund loan offer in the amount of \$3,000,000 for
 70 financing a portion of the costs of the **C-5-7 Trunk Sewer Upgrade project**, Anchorage Water and
 71 Wastewater Utility.
 72 1. Assembly Memorandum No. AM 570-2003.

73
 74 Chairman Traini opened the public hearing and asked if anyone wished to speak. There was no one, and he closed the
 75 public hearing.
 76

1 Mr. Tesche moved, to approve AR 2003-187.
2 seconded by Mr. Sullivan,
3

4 Question was called on the motion to approve AR 2003-187 and it passed.
5

6 AYES: Tesche, Whittle, Taylor, Von Gemmingen, Traini, Kendall, Sullivan.

7 NAYES: None.
8

9 (Clerk's note: Mr. Van Etten and Ms. Shamberg were out of the room at the time of the vote.)
10

11 I. Resolution No. AR 2003-188, a resolution of the Municipality of Anchorage, Alaska, accepting and
12 appropriating a State of Alaska Drinking Water Fund loan offer in the amount of \$4,000,000 for
13 financing a portion of the costs of the **SCADA Project – Water**, Anchorage Water and Wastewater
14 Utility.

15 1. Assembly Memorandum No. AM 571-2003.
16

17 Chairman Traini opened the public hearing and asked if anyone wished to speak. There was no one, and he closed the
18 public hearing.
19

20 Mr. Tesche moved, to approve AR 2003-188.
21 seconded by Mr. Sullivan,
22

23 Question was called on the motion to approve AR 2003-188 and it passed.
24

25 AYES: Tesche, Whittle, Taylor, Von Gemmingen, Traini, Kendall, Sullivan.

26 NAYES: None.
27

28 (Clerk's note: Mr. Van Etten and Ms. Shamberg were out of the room at the time of the vote.)
29

30 J. Resolution No. AR 2003-48, a resolution of the Municipality of Anchorage appropriating a total of
31 \$211,270 consisting of \$149,340 from the Areawide General Fund Balance (101) achieved from 2002
32 Program Revenues exceeding expenditures and \$61,930 from within the Miscellaneous Categorical
33 Grants Fund (261) for current and future needs in the **Vehicle Emission and Air Quality Programs**,
34 Health and Human Services Department.

35 1. Assembly Memorandum No. AM 529-2003.
36

37 Chairman Traini opened the public hearing and asked if anyone wished to speak. There was no one, and he closed the
38 public hearing.
39

40 Mr. Sullivan moved, to approve AR 2003-48.
41 seconded by Mr. Tesche,
42

43 Question was called on the motion to approve AR 2003-48 and it passed.
44

45 AYES: Tesche, Whittle, Taylor, Von Gemmingen, Traini, Kendall, Sullivan.

46 NAYES: None.
47

48 (Clerk's note: Mr. Van Etten and Ms. Shamberg were out of the room at the time of the vote.)
49

50 K. Resolution No. AR 2003-189, a resolution of the Municipality of Anchorage appropriating
51 \$1,405,320 to the State Categorical Grants Fund (231) from the Federal Highway Administration
52 through the Alaska Department of Transportation and Public Facilities to provide funding for
53 **congestion management and air quality mitigation** through expansion of public transportation
54 services within the Municipality of Anchorage, Public Transportation Department.

55 1. Assembly Memorandum No. AM 572-2003.
56

57 Chairman Traini opened the public hearing and asked if anyone wished to speak.
58

59 CAROL HOLDEN testified against the resolution.
60

61 Chairman Traini asked if anyone else wished to speak. There was no one, and he closed the public hearing.
62

63 Mr. Sullivan moved, to approve AR 2003-189.
64 seconded by Mr. Tesche,
65

66 In response to Mr. Sullivan, Tom Wilson, Transit, said the money was allocated specifically for expansion of services.
67 The plan had been approved as the blueprint for the People Mover since early 2002. The service initiated on July 7
68 included the airport service, expansion of more than 250 trips per week, expanded trips throughout the system on
69 weekends, and converting seven of the routes to memory headways. Part of the marketing money would be used to
70 reimburse the free bus rides offered to people who had picture identifications from the airport area for the month of
71 July. He discussed the advertising campaign. They were relying primarily on radio advertisements and limited
72 television advertisements.
73

74 Mr. Van Etten asked Tom Wilson to return to the Assembly on a quarterly basis to report on the successes that the
75 People Mover system was experiencing.
76

1 Question was called on the motion to approve AR 2003-189 and it passed.

2
3 AYES: Tesche, Whittle, Taylor, Von Gemmingen, Traini, Van Etten, Kendall, Shamberg, Sullivan.

4 NAYES: None.

- 5
6 L. Resolution No. AR 2003-184, a resolution approving the transition of eligible municipal employees
7 represented by the **International Union of Operating Engineers-Local 302** from PERS (Public
8 Employees Retirement System) to the Local 302/612 International Union of Operating Engineers and
9 Employers Construction Industry Retirement Plan (Union Retirement Plan), Employee Relations.
10 1. Assembly Memorandum No. AM 538-2003.

11
12 Chairman Traini opened the public hearing and asked if anyone wished to speak.

13
14 LINDA FRANK testified against the resolution. She asked the Assembly to put this issue on hold for the duration of
15 the labor contract so they could work on a possible solution with the new Administration.

16
17 In response to Mr. Sullivan, Ms. Frank did not know if a change in state law was required for some of the group to
18 remain in PERS.

19
20 In response to Ms. Shamberg, Ms. Frank said the solution of transferring employees to another PERS programmed
21 department such as AWWU had only been mentioned yesterday and they had not had a chance to review the issue.

22
23 In response to Mr. Whittle, Ms. Frank said they had not been informed that a work session was being held.

24
25 In response to Mr. Tesche, Ms. Frank said there was nothing to prohibit individual members from seeking other job
26 positions that were covered by PERS.

27
28 Mr. Tesche noted that many of the people were in the end phase of their careers and receiving the PERS benefits that
29 they originally wanted was important. He felt it would be worthwhile for those people to consider alternative
30 opportunities.

31
32 In response to Mr. Tesche's question about whether a workable offer had been submitted, Ms. Frank said they met with
33 Kathy Lee from PERS in April. Ms. Lee asked the union to ask the Municipality to write a letter to Guy Bell to take to
34 the attorney general. Ms. Lee said that if the IRS did not deem this discriminatory then it could be a viable fix. Mr.
35 Ackerman was unable to find the time or the right person to write the letter, so they did not know if everything they had
36 research had been tried. They were told they had to go through the union and they could not talk directly to Mr. Otto.

37
38 SUE WILLIAMS, Solid Waste Services, testified against the resolutions.

39
40 EDWARD WEISS testified against the resolution.

41
42 In response to Mr. Sullivan, Mr. Weiss said he was a heavy equipment operator in the Maintenance and Operations
43 Department. He did not know if the workers could be transferred to another department.

44
45 CHARLES STRANGE, an equipment operator with Street Maintenance, testified in support of the resolution.
46 Everyone was mailed a ballot and the final vote was 86 for and 36 against with 17 people who did not vote.

47
48 In response to Mr. Sullivan, Mr. Strange said he did not attend the June 26, 2003 membership meeting of Local 302.
49 He was not aware of the motion that was made and approved to extend the time period from 120 days to the duration of
50 the contract to find a legal solution to the problem.

51
52 WALTER MON, Solid Waste Services, testified against the resolution. They had been promised that this issue would
53 not appear before the Assembly until the promised fix was in place. He asked the Assembly to postpone the resolution
54 until a solution could be worked out.

55
56 In response to Chairman Traini, Mr. Mon said Mr. Ackerman had promised them a fix, but no one from the city had
57 promised them a fix.

58
59 In response to Mr. Sullivan, Mr. Mon said many of the positions at AWWU required certification in water treatment
60 facilities, which had to be obtained by working in that field or attending two years of college, so it would not be an easy
61 transition for workers to move into AWWU.

62
63 DOUG POLLARD, Street Maintenance, testified in support of the resolution.

64
65 In response to Ms. Von Gemmingen, Mr. Pollard said he had worked for 20 years under the PERS system and was
66 already vested in Tier 1. He would have medical benefits when he retired. The membership had voted 86 to 36 to move
67 out of PERS and into Local 302 and he thought the Assembly should let their collective bargaining rights be heard.

68
69 SCOTT WOODARD, Street Maintenance, testified in support of the resolution.

70
71 MARK PHILLIPS, Street Maintenance, testified in support of the resolution. He felt the vote taken at the June 26th
72 meeting was out of order and illegal, because the resolution should have been voted on by all of the members. He felt
73 they should go with the majority, which voted to move to Local 302.

74
75 In response to Mr. Tesche, Mr. Phillips said he did not want the Assembly to determine whether the vote taken at the
76 June 26th union meeting was legal, but he felt it had been out of order and should have been brought up before the entire
77 membership. He felt the initial vote taken by the union to switch pension plans was done in accordance with the
78 union's rules.

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In response to Ms. Von Gemmingen, Mr. Phillips felt they had been blindsided at the June 26th meeting, because they did not know that the issue would come up at the meeting. He reiterated that the membership had already voted on and accepted the resolution.

Mr. Sullivan pointed out that the issue was on the agenda of the June 26th meeting under Old Business and anyone who wanted to attend the meeting could have attended it.

An unidentified speaker from Street Maintenance testified in support of the resolution. He pointed out that the original vote had been through a ballot that was received in the mail by all the members.

JEFFREY STONE, Street Maintenance, testified in support of the resolution, because he felt the Local 302 retirement benefits would be better in the long run.

DON SMITH testified against the resolution. He was not directly involved in this issue, but he felt loyalty was owed to the older workers.

Mr. Tesche agreed that something was owed to the people who had contributed to the state for such a long period of time, including the right of collective bargaining. He questioned how the Assembly could get involved in this issue and still respect and honor the rights of Alaskans to organize and bargain collectively with the Municipality.

In response to Mr. Tesche, Mr. Smith felt the Assembly should leave this issue to the union and the membership.

JAMES BRICKHOUSE, a heavy equipment operator with the Street Department, testified in support of the resolution. He chose to give up his Tier 1 position in PERS to move to Local 302.

STAN AYLOCK testified in support of the resolution.

In response to Mr. Sullivan, Mr. Aylock felt any delay in the resolution would be detrimental. They had been working on this issue for a year and he did not feel a solution would be found. He urged approval of AR 2003-184.

DARREN DETER testified in support of the resolution. His father retired from Local 302 and enjoyed a nice retirement. He did not feel the Assembly should get involved in this issue.

Chairman Traini pointed out that the union had asked the Assembly to get involved in the issue.

Ms. Von Gemmingen said her father retired from Local 302 after 30 years and was not happy with his retirement.

TODD WINTER testified against the resolution.

In response to Mr. Whittle, Mr. Winter said he had considered transferring to another department, but he would probably have to take less money and lose his seniority.

STEVE MCKINNON said he supported the resolution, but he was sympathetic to the other workers and felt they needed to work on a solution.

Mr. Tesche said it was his perception that the union had made a tentative agreement with the Municipality based on the union vote, but some members of the union disagreed with that vote and were asking the Assembly to do something about it. He questioned if Mr. McKinnon really wanted the Assembly to get involved in this issue.

In response to Mr. Tesche, Mr. McKinnon said the employees had been hired with the expectation of retiring after 30 years of service. He did not feel it was right to change the rules this late in the game. He would not have a problem with delaying the issue to allow Local 302 and the membership to continue working towards a solution.

FRED BLIGH, Solid Waste Services, testified against the resolution. In order to get his retirement from Local 302, he would have to work an additional six years. They had been told at the meetings that anyone who wanted to stay in PERS would be allowed to, which affected the way some people voted. He asked the Assembly to postpone action on the resolution until a solution could be found.

In response to Chairman Traini, Mr. Bligh said Mr. Ackerman said anyone who wanted to stay in PERS would be allowed to.

CHRIS KNUDSEN, a crane operator at the Port of Anchorage, testified against the resolution.

In response to Mr. Sullivan, Mr. Knudsen said PERS said that the legal solution was within the state statutes. PERS was willing to help find a solution, rewrite the proposals and word it to where not only would the employer not be able to discriminate against the employees under the statute, but the employees would then be able to choose their own retirement path. He felt the Assembly should allow time for a legal solution to be reached.

LEONARD SCHULZ, Street Maintenance, testified in support of the resolution. He felt the union had tried to deal with the issue and needed help to reach a solution.

GLEN HOUSEL, a 19-year employee with Solid Waste Services, testified against the resolution. He did not want to stop those employees who wanted to switch to Local 302, but there needed to be a solution for those who wanted to remain in PERS.

JEFF ACKERMAN said he had discussed possible solutions with Debbie English, Dave Otto, the Trust's attorney and Colleen Brooks, but they had not found an easy solution. There had been tremendous pressure from both sides. Some

1 of the members would be looking at a substantial loss in their retirement by transferring to Local 302. He was more
2 than willing to work with the city on a solution, but so far nothing had presented itself. The creative solutions that he
3 and PERS had come up with did not pass the muster of the state law, the IRS or the Trust. He discussed some of the
4 possible solutions that had been discussed. Employees who transferred to other departments would lose their seniority.
5 If the Assembly approved the resolution, he asked them to extend the implementation date so they could explore other
6 options. He pointed out that the Legislature was not a very labor friendly environment. They would be trying to amend
7 PERS to benefit a small group of people and he was not sure if the state would support those changes.

8
9 In response to Chairman Traini, Mr. Ackerman said the meeting of June 26 had come up on short notice and he had not
10 been able to notify the entire membership.

11
12 In response to Mr. Tesche, Mr. Ackerman said he would not have a problem with the Assembly making this effective at
13 the end of the first pay period of September, rather than August 11, 2003, to allow all the parties additional time to
14 explore possible solutions.

15
16 In response to Mr. Sullivan's question on the IRS problems they were facing, Mr. Ackerman said he would have to
17 defer to Debbie English and Dave Otto. They discussed the possibility of approaching the Legislature to sponsor
18 legislation that would affect a solution, but he felt the climate in the Legislature for the union to affect any changes was
19 very dismal.

20
21 Ms. Sullivan offered his help in approaching the Legislature to find a solution to this issue.

22
23 Ms. Shamberg wanted to know why the people who supported switching to Local 302 had been notified about the
24 meeting on June 26, but those opposed to it had not been notified.

25
26 Mr. Tesche took the chair.

27
28 In response to Ms. Shamberg, Mr. Ackerman said he was the District Representative for the Operating Engineers and he
29 represented both sides in this issue. He had placed phone calls to several people asking them to spread the word about
30 the meeting, but had not had time to give proper notification of the meeting.

31
32 Chairman Tesche asked if anyone else wished to speak. There was no one, and he closed the public hearing.

33
34 Ms. Von Gemmingen moved, to postpone AR 2003-184 to August 19, 2003
35 seconded by Mr. Van Etten, to allow time to find a solution or figure out what the
36 liability would be on both sides.
37

38 In response to Ms. Taylor, Mayor Begich pointed out that there was a signed agreement between the two parties before
39 the Assembly. He would have Dave Otto work to minimize the damage to those employees that might have to switch
40 from PERS to Local 302. The Assembly would have to make a decision by August 19, 2003 due to the labor rules.
41 The contract on binding on both parties and the Assembly would have to ratify it one way or the other.

42
43 Employee Relations Director David Otto supported postponing AR 2003-184 to August 19, 2003. In talking to PERS
44 and trying to find creative solutions in the past, it was very clear that the rules around a qualified plan, which is the
45 ability to receive tax free monies, hold them and later distribute them, had very strict rules on defined benefits. PERS
46 saw no ability to amend the statute. The body represented by the contract could not be internally switched from one
47 retirement system to another. It had to be all in one or the other. If the Assembly were to support the bargaining
48 agreement, they would attempt to get all the negatively affected people who would like to remain in PERS into other
49 bargaining units or departments. The Plumbers and Pipefitters' contract was a lucrative contract and they would work
50 with them, but it would be different work and would require sacrifices on the parts of those employees. The same
51 would be offered to the Plumbers and Pipefitters who wanted to go into Local 302. Unless there was something
52 different in federal law or PERS' interpretation, the body of work that was currently being done could not be reassigned
53 to a different retirement system than what has been agreed upon.

54
55 In response to Chairman Tesche, Mr. Otto said if the resolution was postponed to August 19, 2003, they would increase
56 their efforts to place employees in different positions so they could remain in PERS, but they would not be able to do
57 the same body of work that they were currently doing.

58
59 In response to Ms. Taylor, Mr. Otto said his first choice would be for the Assembly to approve the resolution, but the
60 second option would be to wait until August 19, 2003. He suggested that by passing the resolution with an amendment
61 that would change the implementation to September would provide a longer period of time to work on protecting those
62 employees who wished to be protected.

63
64 Mayor Begich said a third option would be for the Assembly to reject the resolution, but he did not know what the end
65 product of that action would be.

66
67 Mr. Traini takes the chair.

68
69 Mr. Tesche felt the two options were to postpone the resolution to August 19, 2003 or approve it with an extended
70 implementation date of the first pay period in September. He could support either option, but felt the parties should be
71 afforded additional time to attempt to work out a solution among themselves.

72
73 In response to Mr. Sullivan, Mr. Otto said if the resolution was disapproved, it was his understanding that the issue
74 would essentially die. In order for it to come back before the Assembly, the bargaining unit would have to put the issue
75 back on the table. PERS' assessment was that they were bound by IRS rules around the definitions of a qualified plan.
76 If the body were covered by a particular bargaining unit, they must provide that benefit level to all the employees
77 represented by that bargaining unit.

1 Mr. Sullivan asked Mr. Otto to contact PERS and have them provide the Assembly with a letter that stated that
2 according to the IRS rules the group could not be split and the rationale for that decision. He asked that the letter include
3 their analysis of whether or not a change in state statute would alter the interpretation of the IRS rules.
4

5 Question was called on the motion to postpone AR 2003-184 to August 19, 2003 and it passed without objection.
6

7 M. Ordinance No. AO 2003-105, an ordinance of the Anchorage Municipal Assembly amending
8 Anchorage Municipal Code Section 3.30.068, **Selection of Current Employees**, to add a new section
9 to provide for reinstatement to current position after terminating within a thirty-one day period,
10 Assembly Chair Traini.

11 1. Assembly Memorandum No. AM 555-2003.
12

13 Chairman Traini opened the public hearing and asked if anyone wished to speak.
14

15 GARY GILLAM, Acting Captain for the Anchorage Police Department, testified in support of the ordinance. The
16 mayor's transition report indicated that the shortfalls in the Police and Fire Retirement System threatened department's
17 budget and created the likelihood of an exodus of the most experienced employees. A strength identified in the report
18 was the highly qualified, motivated and dedicated workforce, which was the result of the department's hiring standards,
19 generous educational assistance program and strong compensation package. There are currently 57 detectives, 8
20 detective sergeants and 3 detective lieutenants assigned to the division in homicide, special victims unit, robbery,
21 assault, fraud, theft, burglary and the metro drug unit. Almost 20 percent of the division is currently eligible for
22 retirement, including all of the commanders and half of the detective sergeants. The more senior and experienced
23 detectives are currently assigned to the most sensitive areas such as homicide, special victims unit, robbery and assault.
24 If these detectives elect to leave, the Anchorage Police Department will have a problem providing investigative
25 services. There are currently 43 officers eligible to retire. Added to the current 34 vacancies our ability to conduct
26 public safety operations would be severely restricted. Many of these employees are not near a normal retirement age
27 and can be a wonderful asset to the department and community. Many of these effected employees are members of
28 retirement plan two and will have to work additional years to maintain what they would have received at their normal
29 20 year retirement. He urged the Assembly to support the ordinance, which would allow the more qualified detectives,
30 supervisors and commanders to retire from one plan and participate in another.
31

32 Chairman Traini asked if anyone else wished to speak. There was no one, and he closed the public hearing.
33

34 Mr. Tesche moved, to approve AO 2003-105.
35 seconded by Ms. Von Gemmingen,
36

37 Mr. Tesche moved, to amend AO 2003-105, line 16, to delete "...into
38 seconded by Ms. Shamberg, their current position."
39

40 Mr. Tesche felt the amendment would make this ordinance more flexible by expanding the types of positions that the
41 officers could be rehired into.
42

43 In response to Mr. Whittle, Mr. Gillam disagreed with the amendment. He did not want to see a 20-year homicide
44 detective rehired as a patrolman. He wanted the people to be rehired in the positions that they were trained for.
45

46 In response to Chairman Traini, Chief of Police Walt Monegan said he supported the ordinance for the good of the
47 department and the community.
48

49 In response to Mr. Tesche, Chief Monegan supported the amendment, because it would provide more flexibility without
50 prohibiting rehiring the employees in their current positions.
51

52 Question was called on the motion to amend AO 2003-105 and it passed.
53

54 AYES: Tesche, Whittle, Taylor, Van Etten, Shamberg, Sullivan.

55 NAYES: Von Gemmingen, Traini, Kendall.
56

57 Mr. Tesche moved, the technical amendment as stated by Mr. Otto to
58 seconded by Mr Van Etten, read "...reinstatement to a position."
59 and it passed without objection,
60

61 In response to Ms. Von Gemmingen, Employee Relations Director David Otto said the 31 days mirrored what PERS
62 required as far as the ability to turn around from one position to another. Currently when you have a six-hour break in
63 service, you have to go back through the entire battery of testing. This would allow us to do a drug test within that 31
64 days and reinstate the employee without recertifying that employee as an officer as required in the code.
65

66 Question was called on the motion to approve AO 2003-105 as amended and it passed.
67

68 AYES: Tesche, Whittle, Taylor, Von Gemmingen, Traini, Van Etten, Kendall, Shamberg, Sullivan.

69 NAYES: None.
70

71 Mr. Tesche moved, to change the order of the day to take up
72 seconded by Mr. Whittle, Item 14R, AO 2003-101.
73 and it passed without objection,
74

75 R. Ordinance No. AO 2003-101, an ordinance of the Anchorage Municipal Assembly amending
76 Anchorage Municipal Code Title 4 Sections 4.40 and 4.05.050 establishing the **Board of Adjustment**
77 and compensation of members, Assemblymembers Tesche and Sullivan.

78 1. Assembly Memorandum No. AM 526-2003.

1 Question was called on the motion to approve AO 2003-99 and it passed.

2
3 AYES: Tesche, Whittle, Taylor, Von Gemmingen, Traini, Van Etten, Kendall, Shamberg, Sullivan.

4 NAYES: None.

- 5
6 Q. Ordinance No. AO 2003-100, an ordinance of the Anchorage Municipal Assembly continuing or
7 reestablishing **Housing and Neighborhood Development Commission** pursuant to Anchorage
8 Municipal Code Section 4.05.150, Assembly Chair Traini.
9 1. Assembly Memorandum No. AM 525-2003.

10
11 Chairman Traini opened the public hearing and asked if anyone wished to speak. There was no one, and he closed the
12 public hearing.

13
14 Ms. Von Gemmingen noted that she did not have a copy of the three-year evaluation, which was required.

15
16 Ms. Von Gemmingen moved, to postpone AO 2003-99 to July 22, 2003.
17 seconded by Mr. Sullivan,
18 and it passed without objection,
19

- 20 R. Ordinance No. AO 2003-101, an ordinance of the Anchorage Municipal Assembly amending
21 Anchorage Municipal Code Title 4 Sections 4.40 and 4.05.050 establishing the **Board of Adjustment**
22 and compensation of members, Assemblymembers Tesche and Sullivan.
23 1. Assembly Memorandum No. AM 526-2003.
24 2. Information Memorandum No. AIM 65-2003.
25

26 (Clerk's Note: This item addressed earlier in the meeting. See after Item 14M.)

- 27
28 S. Ordinance No. AO 2003-102, an ordinance amending Anchorage Municipal Code Chapter 12.20,
29 **Hotel-Motel Room Tax**, to clarify operator responsibilities; provide assurance that taxes collected by
30 operators will be remitted to the Municipality; increase the severity of consequences for failure to
31 comply with requirements; and revise terminology for precision and consistency, Finance.
32 1. Assembly Memorandum No. AM 542-2003.
33

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

36
37 Mr. Tesche moved, to approve AO 2003-102.
38 seconded by Mr. Sullivan,
39

40 In response to Ms. Von Gemmingen, Dan Moore said they had a few operators, both in hotels and rental vehicles, that
41 had fallen into serious delinquent status and some had filed bankruptcy. According to the current code, an operator was
42 allowed to collect taxes in the name of the Municipality and the monies were to be remitted to the Municipality 30 days
43 after the end of each calendar quarter. Certain operators did not hold the money in trust and no longer had the money
44 when it was due. The ordinance would setup a procedure for an assurity bond, a line of credit or escrow money and
45 deposit, which would allow us to pay ourselves in a timely fashion.
46

47 In response to Ms. Von Gemmingen, Mike Molene, said the city filed full claims in bankruptcy court for money they
48 were owed, but it was up to the court to decide what would be collected. He discussed the situation with the Northern
49 Lights Inn. They sent out a series of collection letters and a letter notifying Mr. Kusak that his certificate to operate
50 would be taken away. The next step was to get the assistance of the police department to close down the business. At
51 the time they were pursuing collections, the Northern Lights Inn also owed ML&P and had fire code issues. The prior
52 administration made the decision to allow him to try to fix the code issues so he could continue to operate. We worked
53 closely with the law department and collected about \$90,000 from Mr. Kusak before he filed bankruptcy. Once he filed
54 bankruptcy, everything shifted out of our control.
55

56 In response to Mr. Sullivan, Mr. Molene said the language of the ordinance exempted the smaller bed and breakfast
57 businesses from collecting the taxes.
58

59 In response to Mr. Sullivan, Mr. Moore said they had considered having the bed and breakfast businesses collect the
60 taxes. It would produce about \$500,000 in revenue with half going to ACVB and half to the city. It was a potential
61 source of revenue, but would required a heavy volume of work. He discussed the issue of hotels under reporting taxes.
62 They had significant finding when auditing certain businesses, which were taken to the Administrative Hearing Office.
63 When under reporting of taxes was brought to their attention either through investigation or other operators, they were
64 pursued.
65

66 Question was called on the motion to approve AO 2003-102 and it passed.

67
68 AYES: Tesche, Whittle, Taylor, Von Gemmingen, Traini, Van Etten, Kendall, Shamberg, Sullivan.

69 NAYES: None.

- 70
71 T. Ordinance No. AO 2003-107, an ordinance amending Anchorage Municipal Code Chapter 12.45,
72 **Rental Tax on Rental of Motor Vehicles**, to clarify rental agency responsibilities, provide assurance
73 that taxes collected by rental agencies will be remitted to the Municipality, increase the severity of
74 consequences for failure to comply with requirements, and revise terminology for precision and
75 consistency, Finance.
76 1. Assembly Memorandum No. AM 537-2003.
77

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

3
4 Ms. Shamberg moved, to approve AO 2003-107.
5 seconded by Ms. Taylor,
6

7 In response to Chairman Traini, Mr. Moore said this item was similar to AO 2003-102.

8
9 Question was called on the motion to approve AO 2003-107 and it passed.

10
11 AYES: Tesche, Whittle, Taylor, Von Gemmingen, Traini, Van Etten, Kendall, Shamberg, Sullivan.

12 NAYES: None.

13
14 U. Ordinance No. AO 2003-106, an ordinance amending Anchorage Municipal Code Chapter 9.28 to
15 increase the **administrative fee for civil impound and forfeiture matters**, Legal Department &
16 Chairman Traini.

17 1. Assembly Memorandum No. AM 598-2003.
18

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

21
22 Mr. Van Etten moved, to continue the public hearing on AO 2003-106 to
23 seconded by Ms. Von Gemmingen, July 22, 2003.
24 and it passed without objection,
25

26 The Assembly then returned to consider item 11C.

27
28 C. Assembly Memorandum No. AM 550-2003, **Turnagain Vines** – New Wholesale Liquor License
29 (University Area, Russian Jack and Northeast Community Councils), Clerk's Office.
30 (CARRIED OVER FROM 6-24-03; POSTPONED FROM 7-8-03 (*SPECIAL MEETING*))
31

32 Mr. Sullivan said he spoke with Sue Fison, who indicated that the business was in a residential area. She suggested
33 approving AM 550-2003 and then if they later found that the applicant was operating a big business in a residential area,
34 they could be closed down.
35

36 The Assembly then returned to reconsider Item 11B.

37
38 B. Assembly Memorandum No. AM 548-2003, **Polaris Distributors** (#4305) – New Wholesale Liquor
39 License (Taku/Campbell and Tudor Area Community Councils), Clerk's Office.
40 (CARRIED OVER FROM 6-24-03; POSTPONED FROM 7-8-03 (*SPECIAL MEETING*))
41

42 Mr. Gatti noted that the Assembly had protested Polaris Distributors' liquor license. He offered an alternative
43 suggestion that might help resolve some later difficulties should this proceed further through other processes. He
44 suggested reconsidering the protest and approving the liquor license with conditions placed on it with respect to the
45 Assembly's concerns on the alleged violations that were noted in the police report.
46

47 In response to Ms. Von Gemmingen, Mr. Gatti suggested the following wording. "The Assembly would not protest the
48 liquor license provided that no similar type liquor license violations took place on the new wholesale premises."
49

50 Ms. Von Gemmingen said it had been her experience that the State Alcoholic Beverage Control Board did not really
51 care about the Assembly's protested conditions and could overrule the Assembly's recommendations.
52

53 Mr. Sullivan agreed with Ms. Von Gemmingen that the State Alcoholic Beverage Control Board would probably deny
54 the Assembly's protested conditions. He felt the vote to deny the application should stand.
55

56 **15. BOARD OF ADJUSTMENT/ASSEMBLY APPEALS:**

57 A. Appeal S-10999, Preliminary Plat of the **Park West Subdivision**, Municipal Clerk.
58 (POSTPONED FROM 6-24-03)
59

60 **16. SPECIAL ORDERS:** None.
61

62 **17. UNFINISHED AGENDA:** None.
63

64 **18. AUDIENCE PARTICIPATION:** None.
65

66 **19. ASSEMBLY COMMENTS:** None.
67

68 **20. EXECUTIVE SESSIONS:** None.
69

70 **21. ADJOURNMENT:**

71
72 Mr. Kendall moved, to adjourn the meeting.
73 seconded by Mr. Sullivan,
74 and it passed without objection,
75

1 The meeting adjourned.
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9 _____
10 Chairman
11

12 ATTEST:
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14
15
16

17 _____
18 Municipal Clerk
19 BARBARA GREUNSTEIN

20 Date Minutes Approved: August 19, 2003.
21

22 BG:KRON
23
24
25