

MUNICIPALITY OF ANCHORAGE
ANCHORAGE ASSEMBLY

Assembly Chambers
Loussac Library

Minutes for Special Meeting of April 27, 2004, amended

1. CALL TO ORDER

The Assembly Meeting was called to order by Chair Traini at 6:00 p.m. in the Assembly Chambers, Room 108, Loussac Library, 3600 Denali Street in Anchorage, Alaska.

2. ROLL CALL A Quorum was achieved with Assemblymembers present.

PRESENT: Anna Fairclough, Brian Whittle, Dick Tremaine, Dan Sullivan, Dick Traini, Allan Tesche, Ken Stout, Pamela Jennings, Debbie Ossiander and Dan Coffey.

ABSENT: Janice Shamberg, excused.

3. PLEDGE OF ALLEGANCE Mr. Stout led the pledge.

4. CONTINUED PUBLIC HEARINGS

4.A. Resolution No. AR 2004-92, a resolution approving and ratifying a two-year extension of the collective bargaining agreement between the Municipality of Anchorage and the **General Teamsters Local Union 959**, Employee Relations.

1. Assembly Memorandum No. AM 327-2004. *(Continued from 4-20-04)*

Chair Traini read the resolution title.

Ms. Fairclough declared that she had a possible conflict of interest, as a participant in the retirement pension plan. Chair Traini called Mr. Tremaine to move the question, "Does Assemblymember Fairclough have a substantial financial interest in the Teamster Contract negotiation before the Assembly?" Mr. Tesche was the second and recommended a NO-vote.

Mr. Tremaine moved, that Ms. Fairclough had a conflict of interest.
Mr. Tesche seconded,
and this failed unanimously,

Chair Traini directed Ms. Fairclough to participate in the negotiation before the Assembly.

Mr. Whittle declared that he had a possible conflict of interest, as he was a member of Local 959, but was not currently working. Chair Traini called Mr. Tremaine to move the question, "Does Assemblymember Whittle have a substantial financial interest in the Teamster contract negotiation before the Assembly?" Mr. Tesche was the second and recommended a NO-vote.

Mr. Tremaine moved, that Mr. Whittle had a conflict of interest.
Mr. Tesche seconded,
and this failed unanimously,

Chair Traini directed Mr. Whittle to participate in the negotiation before the Assembly.

Ms. Ossiander declared that she had a possible conflict of interest because her husband was a member of Local 959. Chair Traini called Mr. Tremaine to move the question, "Does Assemblymember Ossiander have a substantial financial interest in the Teamster contract negotiation before the Assembly?" Mr. Tesche was the second and recommended a NO-vote.

Mr. Tremaine moved, that Ms. Ossiander had a conflict of interest.
Mr. Tesche seconded,
and this motion failed,

AYES: ~~Fairclough, Whittle, Tremaine, Sullivan, Traini, Tesche and Jennings.~~ Stout and Coffey.
NAYES: ~~Stout and Coffey.~~ Fairclough, Whittle, Tremaine, Sullivan, Traini, Tesche and Jennings
ABSTAIN: Ossiander.

Chair Traini directed Ms. Ossiander to participate in the negotiation before the Assembly.

Chair Traini opened Public Hearing. There was no one to testify and he closed Public Hearing and called the question.

Mr. Tesche moved, to approve AR 2004-92.
Mr. Sullivan seconded,

Mr. Sullivan stated that he was not supporting this contract, primarily for financial reasons. He felt public sector jobs were surpassing the private sector jobs in both wages and benefits. He felt this trend was dangerous, considering the economy, and he would be casting a NO-vote on these contracts.

Ms. Fairclough thought Mr. Sullivan's comments were relevant. She felt that contacts needed to be negotiated and Assemblymembers should not wait until the end to make changes. She would be casting a YES-vote.

To Mr. Coffey, Deputy Municipal Manager, Michael Abbott stated that they hoped to achieve cost savings in the health care area. He thought it was premature to give a range of what they would be trying to achieve.

Mr. Tesche stated that questions should not be raised at the end of negotiations and he would be supporting this ordinance.

Mr. Tesche moved, to approve AR 2004-92.
Mr. Sullivan seconded,
and this motion was passed,

AYES: Fairclough, Whittle, Tremaine, Traini, Tesche, Stout, Jennings, Ossiander and Coffey.
NAYES: Sullivan.

Mr. Tesche moved for immediate reconsideration and urged a NO-vote.

Mr. Tesche moved, for immediate reconsideration of AR 2004-92.
Mr. Tremaine seconded,
and this motion failed,

AYES: None.
NAYES: Fairclough, Whittle, Tremaine, Sullivan, Traini, Tesche, Stout, Jennings, Ossiander and Coffey.

4.B. Resolution No. AR 2004-93, a resolution approving and ratifying a two and one-half year extension of the collective bargaining agreement between the Municipality of Anchorage and the **International Union of Operating Engineers, Local 302**, Employee Relations.
1. Assembly Memorandum No. AM 328-2004. (*Continued from 4-20-04*)

Chair Traini opened Public Hearing. There being no one to testify, he closed Public Hearing and called the question.

Ms. Fairclough moved, to approve AR 2004-93.
Mr. Tesche seconded,

Ms. Fairclough disclosed that she had been contacted by 302 union representatives, and had been told that they would not be interested in giving up the PERS/TERS. She stated there were about thirty, long-standing employees that would be displaced, and who were not interested in changing to the 302 pension plan.

To Mr. Sullivan, Employee Relations Director, Dave Otto, responded that the union had cancelled their contract wage increase through May 1, 2005.

Ms. Fairclough moved, to approve AR 2004-93.
Mr. Tesche seconded,
and this motion was passed,

AYES: Fairclough, Whittle, Tremaine, Traini, Tesche, Stout, Jennings and Ossiander.
NAYES: Sullivan and Coffey.

Mr. Tesche moved for immediate reconsideration and urged a NO-vote.

Mr. Tesche moved, for immediate reconsideration of AR 2004-93.
Mr. Tremaine seconded,
and this motion failed,

AYES: None.
NAYES: Fairclough, Whittle, Tremaine, Sullivan Traini, Tesche, Stout, Jennings, Ossiander and Coffey.

To Ms. Ossiander's question, Chair Traini responded that because this involved a labor contract, traditionally a vote of immediate reconsideration would eliminate any chance of renegotiations. Ms. Ossiander questioned the importance of the action, but agreed to follow Assembly tradition.

Ms. Fairclough thanked Ms. Karen Moore and the Administration who patiently provided her with the information on the Operating Engineers 302, and helped mediate discussions.

4.C. Resolution No. AR 2004-94, a resolution approving and ratifying a five and one-half year collective bargaining agreement between the Municipality of Anchorage and **Anchorage Police Department Employees Association**, Employee Relations.
1. Assembly Memorandum No. AM 329-2004. (*Continued from 4-20-04*)

Mr. Tesche moved to change the order of the day to take up this item, it was seconded by Mr. Tremaine and there were no objections.

Mr. Sullivan declared he had received a campaign donation from the APD and explained he may have a possible conflict of interest. Chair Traini stated they did not consider campaign donations a conflict and ruled Mr. Sullivan did

not have a conflict and directed him to participate on this issue. Mr. Coffey stated that the conflict of interest issue came up during his recent campaign and he researched the issue thoroughly, to find the code of ethics stated there was no conflict if the public was fully informed of member contributions and financial interests and if it were disclosed before debating or voting. Chair Traini stated that all disclosures were recorded through APOC. To Mr. Tremaine, Municipal Attorney Fred Boness responded that he was not aware of any mandatory member disclosure of campaign contributions, and in his opinion APOC provided sufficient disclosure.

Chair Traini opened Public Hearing.

EVERETT ROBBINS, President of the Anchorage Police Department Employees Association (APDEA), member since 1983, spoke of the current negotiations and stated that APDEA had always negotiated in good faith. He had felt a fair contract resolution had been achieved. They had negotiated to work with the Administration and on occasion had not taken pay increases when the budget was tight. In the past they had created a retiree medical program, which saved the MOA \$75 million. Mr. Robbins stated that they had negotiated the current contract since last October and had again agreed to no increases. He thanked APD Chief Monegan and the APD staff, the Mayor, the Administration and the Assembly for all the hard work they contributed to the contract. To Mr. Tesche, Mr. Robbins responded that their negotiations were difficult and they had used a mediator. To Chair Traini, Mr. Robbins stated that this contract included a co-pay policy for insurance and had agreed to include a 500-hour cap on accrued leave hours.

With no additional public testimony, Chair Traini closed Public Hearing and called the question.

Mr. Tesche moved, to approve AR 2004-94.
Mr. Sullivan seconded,

Mr. Sullivan stated that Assemblymembers had been promised and had not received requested information explaining the new hiring policies. Deputy Municipal Manager, Michael Abbott responded that they were expecting to hire eighty experienced officers between 2005 and 2008, with an estimated 2.5% salary increase per year. Municipal Manager, Denis LeBlanc added that this increase would be covered with the expected tax cap growth in the MOA.

Referring to the APDEA statistics of summary wage costs, Mr. Coffey questioned the 15.53% increase of salary and benefits from now until July of 2009. Mr. Dave Otto, MOA Director of Employee Relations, explained that they thought that number was high, and health costs would be negotiated.

Mr. Sullivan did not agree with the longer, three-year contract, due to the economic instability. With the unpredictability of budgets, lack of revenue, the stock market, increased health costs and PERS contributions, he would cast a NO-vote on this issue. He stated that his vote was not a reflection on the APD force, and thought they did an excellent job.

Mr. Whittle thought that long-term contracts would attract new, experienced officers and he felt that was important. He would cast a YES-vote.

Mr. Coffey listed the elements of the contract and stated that he would be casting a YES-vote. He was interested in seeing the savings promised from the Administration, with respect to the benefits and medical packages.

Mr. Tesche stated they had worked hard on this contract. He was curious why there had not been more public testimony. He agreed with Mr. Whittle and thought that Anchorage needed to be stable to attract more already-trained, experienced officers from out-of-state. He would cast a YES-vote.

Chair Traini commented that Anchorage would be celebrating Officers' Memorial Day on May 7, 2004, honoring the many officers who had sacrificed their lives to protect us.

Mr. Tesche moved, to approve AR 2004-94.
Mr. Sullivan seconded,
and this motion was passed,

AYES: Fairclough, Whittle, Tremaine, Traini, Tesche, Stout, Jennings, Ossiander and Coffey.
NAYES: Sullivan.

Mr. Tesche moved for immediate reconsideration and urged a NO-vote.

Mr. Tesche moved, for immediate reconsideration of AR 2004-94.
Mr. Tremaine seconded,
and this motion failed unanimously,

Chair Traini allowed a Moment of Privilege to Mr. Larry Baker, who introduced his grandson, Boy Scout Christian Flannigan. Mr. Baker explained that his grandson was completing his citizenship merit badge. To Ms. Fairclough, Christian Flannigan responded that he had been in scouting for two years and he was in Troop Five.

4.D. Ordinance No. AO 2004-75, an ordinance of the Municipality of Anchorage, Alaska, providing for the issuance of **Wastewater Revenue and Refunding Bonds** of the Municipality in the aggregate amount of not to exceed \$35,000,000 for the purpose of providing part of the funds to refund certain outstanding wastewater revenue bonds of the Municipality and to provide for certain improvements to the wastewater utility and to pay costs of issuance; fixing certain covenants and protective provisions safeguarding the payment of the principal of and interest on said bonds; providing for the date, form, terms, maturities and manner of sale of the bonds; delegating to the Chief Fiscal Officer the approval of final maturity amounts and interest rates on said bonds; authorizing an official statement; authorizing the appointment of an escrow agent and the execution of an escrow agreement; authorizing the sale of such bonds; amending Ordinance No. 99-119(S); and repealing Ordinance No. 2003-104, Finance.

1. Assembly Memorandum No. AM 287-2004. (Continued from 4-20-04)

Chair Traini read this ordinance title and opened Public Hearing. There being no one to testify, he closed Public hearing and called the question.

Mr. Tesche moved, to approve AO 2004-75.
Mr. Whittle seconded,
and this motion was passed,

AYES: Fairclough, Whittle, Tremaine, Sullivan, Traini, Tesche, Jennings, Ossiander and Coffey.

NAYES: None.

(Clerk's Note: Stout, temporarily out of room.)

- 4.E. Ordinance No. AO 2004-76, an ordinance of the Municipality of Anchorage, Alaska, providing for the issuance of **Subordinate Lien Water Revenue and Refunding Bonds** of the Municipality in the aggregate amount of not to exceed \$45,000,000 for the purpose of providing part of the funds to refund certain outstanding senior lien water revenue bonds of the Municipality and to provide for certain improvements to the water utility and to pay costs of issuance; fixing certain covenants and protective provisions safeguarding the payment of the principal of and interest on said bonds; providing for the date, form, terms, maturities and manner of sale of the bonds; delegating to the Chief Fiscal Officer the approval of final maturity amounts and interest rates on said bonds; authorizing an official statement; authorizing the appointment of an escrow agent and the execution of an escrow agreement; authorizing the sale of such bonds; amending Ordinance No. 98-71 and Ordinance No. 99-118(S); and repealing Ordinance No. 2003-103, Finance.
1. Assembly Memorandum No. AM 287-2004. (Continued from 4-20-04)

Chair Traini read this ordinance title and opened Public Hearing. With no one to testify, he closed Public Hearing and called the question.

Mr. Tesche moved, to approve AO 2004-76.
Mr. Tremaine seconded,
and this motion was passed,

AYES: Fairclough, Whittle, Tremaine, Sullivan, Traini, Tesche, Stout, Jennings, Ossiander and Coffey.

NAYES: None.

To Mr. Coffey's question, Mr. Premo responded that these were ordinances passed in 2003 and due to changes in the Administration, they wanted to wait on the previously approved bond sales, until a new Administration could address the issues.

- 4.F. Resolution No. AR 2004-88, a resolution of the Municipality of Anchorage providing for a revision of the **Anchorage School District Budget for FY 2004-2005**, Anchorage School District.
1. Assembly Memorandum No. AM 300-2004. (Continued from 4-20-04)

Mr. Tremaine, Mr. Sullivan and Chair Traini declared possible conflicts of interest, as their wives worked for the School District. It was the ruling of the Chair that there were no conflicts, following the same discussion, debate and ruling of this issue when it had previously been before the Assembly. He directed members to participate.

Chair Traini read the resolution title and opened Public Hearing.

ASD SUPERINTENANT CAROL COMEAU stated she wanted to solicit the support of the Assembly and the Administration for new schools construction, the increase of debt service as a result of the successful passage of Proposition Four in the recent election, and the potential sale of bonds in September. She urged the Assembly to support this resolution.

With no further public testimony, Chair Traini closed Public Hearing and called the question.

Mr. Tesche moved, to approve AR 2004-88.
Mr. Tremaine seconded,

To Mr. Tesche, Superintendent Comeau responded that the mentioned one million dollars was included with this proposal. To Mr. Coffey's question, Chief Fiscal Officer, Mike Sinz, responded that this money was in addition to what had already been appropriated for 2004-2005.

Chair Traini stated that there were other issues that would be addressed by the Assembly that should be discussed first. He called for objections to postpone until later in the evening. There was one objection, and he announced this resolution would be postponed until later in the evening.

Chair Traini returned the body to this resolution upon completion of Assembly action on AR 2004-95(S), revising the general operating budget. He called for a vote on the motion.

and this motion was passed,

AYES: Fairclough, Whittle, Tremaine, Sullivan, Traini, Tesche, Stout, Jennings, Ossiander and Coffey.

NAYES: None.

Ms. Fairclough moved for immediate reconsideration and urged a NO-vote.

Ms. Fairclough moved, for immediate reconsideration of AR 2004-88.
Mr. Tremaine seconded,

1 and this motion failed,

2
3 AYES: None.

4 NAYES: Fairclough, Whittle, Tremaine, Sullivan, Traini, Tesche, Stout, Jennings, Ossiander and Coffey.

5
6 4.G. Resolution No. AR 2004-95(S), a resolution of the Municipality of Anchorage providing for a **revision**
7 **of the 2004 General Government Operating Budget**, Office of Management & Budget.

8 1. Assembly Memorandum No. AM 332-2004. (*Continued from 4-20-04*)
9

10 Chair Traini read this resolution title and opened Public Hearing.

11
12 DEBRA RIVERA, representing Saint Anthony Catholic Church, testified. Ms. Rivera spoke of Mr. Tesche and Mr.
13 Whittle's promise to support the community police departments in Mountain View and Russian Jack, when they met
14 with 450 members of the associated community councils. She urged the Assembly to support a budget revision to
15 provide funding for police officers.

16
17 NINA RIVERA responded to Mr. Whittle's question, explaining they had met with police officers and the Mayor to find
18 support and had gone door-to-door collecting input. To Mr. Tesche, she responded that she saw good communication
19 between the organizers and the police department. Mr. Tesche understood there was a clear need for additional
20 police protection in those areas which he intended to support. Ms. Rivera stated that they had severe and violent
21 crimes in their communities and the residents of those areas were interested in getting protection.
22

23 With no further public testimony, Chair Traini closed Public Hearing and called for a motion to introduce the substitute
24 version of AR 2004-95.

25
26 Mr. Tesche moved, to accept AR 2004-95(S), *as substitute* for AR 2004-95.
27 Mr. Sullivan seconded,
28 and this motion was unanimously approved,
29

30 Chair Traini called the question.

31
32 Mr. Tesche moved, to approve AR 2004-95(S).
33 Mr. Coffey seconded,
34

35 The Administration explained the substitute version added \$83,580 and included changes to the Glen Alps Service
36 Area, following the vote of the residents of that area, which would generate the necessary revenue.
37

38 Mr. Tesche and Chair Traini changed seats, to allow Mr. Traini the opportunity to present amendments to the budget
39 revisions. Mr. Traini explained that on his recent trip to Juneau legislators had indicated that the State of Alaska would
40 make the promised appropriations of one million dollars to the Anchorage School District (ASD). He explained that the
41 MOA had already appropriated the money for the ASD Budget. With the proposed reimbursement from the state, the
42 new money could be moved in the same amount into the Anchorage Police Department. Mr. Traini proposed an
43 amendment.
44

45 Mr. Traini moved, to amend AR 2004-95(S), *by including: "Eliminate taxing*
46 *authority transfer of funds to Anchorage School District which*
47 *will increase the maximum property tax allowed by \$500,000,*
48 *and; Provide funding to enhance police services and*
49 *community interaction."*
50

51 Anchorage Police Chief Monegan responded that those funds would be used for improving the existing services,
52 improving communications with local community councils and special details for a rapid response unit to address MOA
53 hot spots. He stated that currently all new APD personnel were attending the academy. Until those graduates were
54 on duty, the only way for response was overtime by existing officers.
55

56 Mr. Sullivan noted that the state appropriation would add \$500,000 to the appropriation of \$742,000 already made by
57 the Administration's revised budget. To his question, Chief Monegan responded that currently the funds would go into
58 overtime.
59

60 Mr. Tremaine thought it was wonderful that the state was making assurances of appropriations of \$80 million towards
61 education in the state, but did not feel it meant guaranteed appropriations.
62

63 Ms. Ossiander had heard contradictory information about state appropriations to the ASD. Mr. Sinz responded that the
64 school district would be staying at their current tax-cap level. Ms. Ossiander was concerned with the next few years,
65 when there could be very significant budget shortfalls scheduled for the ASD. She wondered if these funds could be
66 reallocated back to the schools if they were needed. Mr. Sinz responded that the MOA had always adjusted the ASD
67 tax cap revenues to informally allocate a portion of the MUSA moneys to the district, and there were no legal
68 requirement to follow. Superintendent Comeau stated that she would remain cautiously optimistic that the state would
69 come through with the promised money. She did not object to the appropriation to the police department.
70

71 Referring to Mr. Traini's amendment, Ms. Fairclough thought this amendment was premature because they had not
72 received the state money. Deputy Municipal Manager, Mr. Abbott responded that taking action on the mill rates
73 needed to be addressed before the end of the month.
74

75 Mr. Traini argued that crime prevention should be the number one priority of the city. There were assaults, shootings
76 and violent crimes that needed to be reduced and this allocation from the state would make it possible.
77

78 To Mr. Tremaine, Mr. Abbott stated he was not aware of any school district money paying for the COPS in Schools
79 program. Superintendent Comeau stated the ASD had supplied offices and equipment for the COPS Program. Mr.

Abbott responded that there were twelve officers, at a cost of \$100,000 per officer. Chief Monegan stated that federal grants had covered some costs, which were increasing every year. He stated the MOA would be taking up the total costs of the program in the fourth year, which would be 2006.

Ms. Fairclough repeated her concern with future funding. She thought voting in favor of this amendment would be irresponsible.

Mr. Abbott had advised the Mayor on the amendment and it was the Mayor's recommendation that the Assembly not support the amendment because there were other equally deserving departments in the city.

Mr. Traini stated the police department desperately needed the support. There were rising crime rates, in a city that was already full of crime and he urged the body that this was the time to support public safety.

Chair Tesche called for a vote on Mr. Traini's amendment to transfer funds from the ASD to police services and community interaction.

Mr. Traini moved,	to amend AR 2004-95(S), <i>by including:</i> " <u>Eliminate taxing</u>
Mr. Coffey seconded,	<u>authority transfer of funds to Anchorage School District which</u>
and this motion failed,	<u>will increase the maximum property tax allowed by \$500,000,"</u>
	<u>and; "Provide funding to enhance police services and</u>
	<u>community interaction."</u>

AYES: Whittle, Traini, Tesche, Stout and Ossiander.

NAYES: Fairclough, Tremaine, Sullivan, Jennings and Coffey.

Chair Traini called for additional amendments. Mr. Sullivan proposed restoring funding to operate recreational facilities in the city.

Mr. Sullivan moved,	to amend AR 2004-95(S) <i>by adding:</i> " <u>Restore funding (of</u>
Mr. Coffey seconded,	<u>\$66,090; \$39,840 from property taxes) to operate Fairview,</u>
and this motion was withdrawn,	<u>Spenard and Kincaid recreation facilities seven days/week."</u>

Mr. Sullivan stated this would allow facilities to be operational. He was confident that these opened facilities would offer activities that would keep the kids off the streets.

Mr. Tesche stated he was working with Ms. Mary Jane Michaels, the Administration and the youth in the community to find creative ways to use that Fairview Recreation Center with community organizations. He felt Mr. Sullivan's amendment was premature, and he would not support it.

Mr. Tremaine agreed that this amendment was premature, and urged the Chair to consider only amendments that had secured financial sources.

Mr. Coffey thought the proposed state money allocation was too insecure to plan spending at this time.

Mr. Sullivan thought this amendment was appropriate and followed a similar process of creating the operating budget. Mr. Abbott responded that the Administration supported the idea of reopening the recreation centers but the Administration understood possible unforeseen expenses and risks that remained in the budget. Mr. Sullivan withdrew his amendment, and Mr. Coffey concurred.

Mr. Tesche proposed to direct \$8,000 to provide a grant to YWCA to be used for their property taxes, with the source of funding directed from the 101 area wide fund source. He urged a YES-vote.

Mr. Tesche moved,	to amend AR 2004-95(S), <i>by adding:</i> " <u>Provide a grant</u>
Mr. Sullivan seconded,	<u>(\$8,000) to the YWCA of Anchorage to be used to pay for</u>
	<u>property taxes owed on the space utilized for nonprofit</u>
	<u>purposes."</u>

Ms. Fairclough disagreed with any amendments relying on fund balance, as had been previously argued that evening.

Ms. Ossiander moved to amend the Tesche amendment.

Ms. Ossiander moved,	to amend the Tesche amendment <i>by substituting</i>
Ms. Fairclough seconded,	<u>"\$1,481.00"</u> for Mr. Tesche's proposed \$8,000.

Ms. Ossiander did not approve of providing grants to non-profits and questioned the responsibility of paying for property taxes. She thought the title company should be responsible for the lack of disclosure that had occurred upon closing. She agreed it had been unfair to the YWCA, and her amendment would be directed to pay for the penalties that had accrued from that incident.

JANA HAYENGA, MARIE MARQUART and TONI CARLO, with YWCA, summarized the history and confusion of the YWCA property purchase in December 2001. Upon the YWCA's request, so they could make sure they had all of the funds necessary, the sellers had agreed to postpone closing until the following February. The Title Company and professional volunteers had not been aware of the Code in relation to non-profit tax status and property taxes. By closing 41 days after that deadline, they found the YWCA would need to pay property taxes for the year.

To Mr. Tremaine, Ms. Carlo responded that the Title Company was a reputable company and had volunteered their time dealing with the property purchase for YWCA.

Ms. Fairclough stated this issue had been before the Assembly and they had not supported it. She would support Ms. Ossiander's amendment, but would not support the main motion, due to the lack of fund balance.

Mr. Sullivan felt he could not support Ms. Ossiander's amendment to reduce the amount but would support Mr. Tesche's amendment for the entire \$8,000.

Mr. Coffey wanted clarity that the proposed payout of \$8,000 would not be reducing other areas of the budget. Mr. Tesche responded that it would reflect a small change in the fund balance. Mr. Abbott concurred. Mr. Coffey thought that if there were insufficient funds in the fund balance, members should not violate the balance.

To Mr. Sullivan, Mr. Sinz responded that there were insufficient funds in the areawide general fund to pay either proposed amendment. Mr. Sullivan requested for Assemblymembers to receive fund balance summaries periodically.

and the Ossiander motion failed,

AYES: Fairclough, Tremaine, Stout, Jennings and Coffey.

NAYES: Whittle, Sullivan, Traini, Tesche and Ossiander.

Chair Traini called for a vote on the Tesche's motion, appropriating \$8,000 to YWCA.. Mr. Sullivan urged a YES-vote.

and the Tesche motion was passed,

AYES: Whittle, Sullivan, Tesche, Stout, Jennings and Coffey.

NAYES: Fairclough, Tremaine, Traini and Ossiander.

Mr. Sullivan moved for immediate reconsideration and urged a NO-vote.

Mr. Sullivan moved, for *immediate reconsideration* on the Tesche amendment
Mr. Tesche seconded, to AR 2004-95(S).
and this motion failed,

AYES: Fairclough, Tremaine and Traini.

NAYES: Whittle, Sullivan, Tesche, Stout, Jennings, Ossiander and Coffey.

Mr. Tremaine proposed funding for Rabbit Creek View/Heights LRSA in the amount of \$350,000.

Mr. Tremaine moved, to amend AR 2004-95(S), *by adding: "Provide funding*
(\$350,000) for a portion of Rabbit Creek View/Heights LRSA
Subdivision Survey Improvement Assessment District."

Chair Traini announced this amendment died for a lack of a second. Mr. Tremaine stated that he would propose this funding again in the future.

Ms. Fairclough proposed an amendment to appropriate \$2 million for property tax relief to areawide Municipal taxpayers.

Ms. Fairclough moved, to amend AR 2004-95(S), *by allocating "\$2,000,000 for*
Mr. Sullivan seconded, *property tax relief."*
this motion was withdrawn,

Ms. Fairclough thought this was in response to citizens who thought they pay too much property tax. She thought this action would send a vote of confidence to the community.

Mr. Tesche thought this would be a policy change with tremendous ramifications. He was concerned with the effect on government operations. To Mr. Tesche, Municipal Manager Denis LeBlanc responded that currently the Administration was spending to the cap. Mr. LeBlanc felt the reserve of 2.5% of the budget was contingency, to cover emergencies that would arise. Mr. Sinz added that they preferred to maintain an operating budget with an operating contingency available and using those reserves would put the municipality in a precarious financial position. Mr. Abbott added that the operating budget was calculated on tax cap receipts. A two million dollar adjustment this year would become a permanent adjustment in the future tax cap and would affect all branches of the municipal government in the future.

To Ms. Fairclough, the Administration responded that the \$2.1 million fund balance was real money. She viewed voters as lacking confidence and they would not support bond proposals. They felt their property taxes were too high. She thought that unpredicted financial emergencies would be resolved and viewed voter confidence as a priority over fund reserves.

Mr. Tremaine saw the amendment as being fiscally irresponsible. He called to return to the main motion.

Mr. Tremaine moved, to return to the main motion, as amended.
Mr. Sullivan seconded,
and this motion failed,

AYES: Fairclough, Tremaine, Sullivan, Tesche, Stout and Jennings.

NAYES: Whittle, Traini, Ossiander and Coffey.

Chair Traini agreed with Mr. Sullivan that a vote of eight would carry this motion and returned the body to discussion of Ms. Fairclough's \$2 million amendment. He announced this motion failed and returned the body to continued discussion of the Fairclough amendment.

Mr. Coffey thought that last minute amendments should not be allowed in the process.

Mr. Whittle had confidence in the Administration if this tax relief was needed. He agreed there were many people in the city that needed tax relief, but he thought a reserve was important for emergencies, like snow removal.

Ms. Ossiander agreed with Mr. Coffey and, even though she disliked voting against tax relief, she had not received a summary of the budget and had struggled with understanding the forecasted deficits and she could not support this amendment.

Ms. Fairclough withdrew her amendment, with concurrence of the second. She explained citizens' property taxes had never been discussed, and needed to be taken into consideration while the Administration continued to discuss millions of dollars worth of additions that would affect their property taxes.

Chair Traini stated that on his recent trip to the State Capital, he had learned that municipal revenue sharing was being considered in the form of a municipal dividend. He stated it would be viewed in part as municipal property tax relief. He called for a vote on the main motion, as amended.

Mr. Tesche moved, to approve AR 2004-95(S), as amended.
Mr. Coffey seconded,
and this motion was passed,

AYES: Fairclough, Whittle, Tremaine, Sullivan, Traini, Tesche, Stout, Jennings, Ossiander and Coffey.
NAYES: None.

Ms. Fairclough moved for immediate reconsideration, and urged a NO-vote.

Ms. Fairclough moved, for *immediate reconsideration* of AR 2004-94(S), as
Mr. Tremaine seconded, amended.
and this motion failed,

AYES: None.
NAYES: Fairclough, Whittle, Tremaine, Sullivan, Traini, Tesche, Stout, Jennings, Ossiander and Coffey.

Chair Traini explained this motion had failed and the resolution would not be considered by the Assembly again.

4.H. Ordinance No. AO 2004-81(S), an ordinance setting the rate of **tax levy and levying taxes** for the Municipality of Anchorage Areawide General Purposes including municipal schools and all service areas of the Municipality for the Municipal Tax Year 2004 and approving the total amount of municipal property tax for Fiscal Year 2004, Office of Management & Budget.
1. Assembly Memorandum No. AM 331-2004. (*Continued from 4-20-04*)

Chair Traini read this ordinance title and opened Public Hearing. There being no one to testify, he closed Public Hearing and called the question.

Mr. Tremaine moved, to accept AO 2004-81(S), *in substitution* of AO 2004-81.
Mr. Tesche seconded,
and this was unanimously approved,

Mr. Tremaine stated that the addition of the \$8,000 allocated to the YWCA needed to be added. Chair Traini stated that those technical corrections needed to be made by the Office of Management and Budget. Mr. Tesche added that the Assembly would give the authority to that division of the Administration to make necessary computations to implement the Assembly's direction. Chair Traini confirmed that authority had been given.

Deputy Municipal Manager, Mr. Abbott stated the "S" Version included mill rate proposals for 2004 and confirmed that the amounts in parenthesis indicated amounts being reduced.

Mr. Sullivan noted that the mill rate continued to be reduced.

Mr. Sullivan moved, to approve AO 2004-81(S).
Mr. Tesche seconded,
and this motion was passed,

AYES: Fairclough, Whittle, Tremaine, Sullivan, Traini, Tesche, Stout, Jennings, Ossiander and Coffey.
NAYES: None.

Ms. Fairclough moved for immediate reconsideration and urged a NO-vote.

Ms. Fairclough moved, for *immediate reconsideration* of AO 2004-81(S).
Mr. Tremaine seconded,
and this motion failed,

AYES: None.
NAYES: Fairclough, Whittle, Tremaine, Sullivan, Traini, Tesche, Stout, Jennings, Ossiander and Coffey.

Chair Traini explained that this ordinance would not be heard again by the Assembly.

4.I. Ordinance No. AO 2004-80, an ordinance amending Anchorage Municipal Code Chapter 26.70 "**Solid Waste Collection**" including rates, Solid Waste Services.

1. Assembly Memorandum No. AM 330-2004. *(Continued from 4-20-04)*

Chair Traini read this ordinance title and opened Public Hearing. There being no one to testify he closed Public Hearing and called the question.

Mr. Tesche moved, to approve AO 2004-80.
Mr. Tremaine seconded,

To Ms. Ossiander's question, Chair Traini responded that Assemblymembers would be briefed on the matters of Solid Waste. He explained the city had different requirements for garbage disposal.

To Mr. Coffey's question, Solid Waste Services Manager, Mr. Robert Hall, responded that the allocated funding for refuse collection had not been updated for years. He stated they were operating old equipment. He stated that the operational costs now exceeded the allocated revenue and they were proposing rate increases. He responded that the priority for operating expenses would cover wages.

To Mr. Tesche's and Chair Traini's questions, Mr. Hall responded that the garbage would still be collected in the areas across the MOA, and he assured Mr. Tesche that garbage collection in Fairview's and Airport Height's alleys would still be offered.

To Mr. Sullivan, referring to the forecasted loss, because the increase rates had not been in place since January, Mr. Hall responded they currently had reserves to cover the predicted losses. Mr. Hall predicted that with this proposed rate increase, their reserves would be replenished. Mr. Abbott stated the delay in preparing this ordinance was with the Mayor's Office and not with Solid Waste Services.

To Mr. Coffey, Mr. Hall responded they would possibly be proposing an additional 15% increase for commercial services in the future. Mr. Abbott responded that the Solid Waste Utility had proposed additional increases and the Administration was presently evaluating the issues. Mr. Coffey remarked that there were private services in Anchorage which offered lower rates.

Mr. Tesche moved, to approve AO 2004-80.
Mr. Tremaine seconded,
and this motion was passed,

AYES: Fairclough, Whittle, Tremaine, Sullivan, Tesche, Stout, Jennings, Ossiander and Coffey.
NAYES: Traini.

4.J. Ordinance No. AO 2004-82, an ordinance of the Anchorage Municipal Assembly authorizing the lease of the **South Transit Shed Building** at the Port of Anchorage to the United States Coast Guard, Port of Anchorage.

1. Assembly Memorandum No. AM 335-2004. *(Continued from 4-20-04)*

Chair Traini called for a motion to change the order of the day to take up this item. Mr. Tesche moved, Mr. Tremaine provided the seconded and there were no objections. Chair Traini read the ordinance title and opened Public Hearing.

RONALD J. MORRIS, United States Coast Guard Captain of the Port for the Western Alaska, testified before the Assembly to help explain the function of the new Maritime Safety and Security Team (MSST). He described them as an active Marine Coast Guard team, assigned by the area commander, which would provide a duty force of 75 members with 33 reservists, with expertise to perform port security and harbor defense missions. Alaska was the newest of 13 MSST across the nation. These teams were trained to combat radiological, biological, chemical and terrorist attack. They would provide escort duties and offer protection to ferries, cargo and cruise ships, bridges and included dive teams, trained canine and an assortment of mobile vehicles. To Mr. Whittle, Captain Morris responded the team would use six small boats to monitor the Anchorage harbor. The MSST was new to Anchorage and needed to have a home base at the Port. To Chair Traini, he responded the team could be deployed all over Alaska. They would begin setting up this summer and they would be operational by next spring. Chair Traini and Mr. Tesche welcomed them into the area and shared their appreciation of the security and safety they would provide.

With no further testimony, Chair Traini closed Public Hearing and called for a motion.

Mr. Tesche moved, to approve AO 2004-82.
Mr. Tremaine seconded,
and this motion was passed,

AYES: Fairclough, Whittle, Tremaine, Sullivan, Traini, Tesche, Stout, Jennings, Ossiander and Coffey.
NAYES: None.

4.K. Resolution No. AR 2004-96, a resolution of the Municipality of Anchorage appropriating \$1,480,668 as a grant from the State of Alaska Division of Homeland Security and Emergency Management and contributing: \$3,444 from Areawide General Operating Fund/Office of Emergency Management (101); \$1,963 from Areawide General Operating Fund/Department of Health and Human Services (101); \$42,058 from Anchorage Fire Service Area 2004 Operating Fund (131); and \$31,985 from Anchorage Metropolitan Police Service Area to the State Categorical Grants Fund (231) for the purchase of **terrorism response and prevention equipment and support of CBRNE exercise activities** by the Office of the Municipal Manager and the Emergency Operations Center.

1. Assembly Memorandum No. AM 333-2004. *(Continued from 4-20-04)*

Chair Traini read this resolution title and opened Public Hearing. There was no public testimony and Chair Traini closed Public Hearing and called the question.

Mr. Tesche moved, to approve AR 2004-96.
Mr. Sullivan seconded,
and this motion was passed,

AYES: Fairclough, Whittle, Tremaine, Sullivan, Traini, Tesche, Stout, Jennings, Ossiander and Coffey.
NAYES: None.

- 4.L. Resolution No. AR 2004-97, a resolution of the Municipality of Anchorage appropriating \$285,211 as a grant from the State of Alaska Division of Homeland Security and contributions of \$663 from Areawide General Operating Fund/Office of Emergency Management (101); \$378 from Areawide General Operating Fund/Department of Health and Human Services (101); \$8,094 from Anchorage Fire Service Area 2004 Operating Fund (131); and \$6,155 from Anchorage Metropolitan Police Service Area Operating Fund (151) to State Categorical Grants Fund (231) for the purchase of **terrorism response and prevention equipment and the expenses related to Homeland Security training** by the Office of the Municipal Manager and the Emergency Operations Center.
1. Assembly Memorandum No. AM 334-2004. *(Continued from 4-20-04)*

Chair Traini read this resolution title and opened Public Hearing.

CODY DOWNS, a resident of South Anchorage, voiced his concern with the lack of inspections at the Port of Anchorage. He had learned that 98% of cargo aboard airplanes was not inspected. He urged the Assembly to consider the basic needs before voting on any additional appropriations.

There was no further testimony and Chair Traini closed Public Hearing and called the question.

Mr. Tesche moved, to approve AR 2004-97.
Mr. Sullivan seconded,
and this motion was passed,

AYES: Fairclough, Whittle, Tremaine, Sullivan, Traini, Tesche, Stout, Jennings, Ossiander and Coffey.
NAYES: None.

5. ADJOURNMENT

Chair Traini called for a motion to adjourn the meeting.

Mr. Van Etten moved, to adjourn the Special Assembly Meeting.
Ms. Shamberg seconded,
and this motion was passed,

AYES: Fairclough, Whittle, Tremaine, Sullivan, Traini, Tesche, Stout, Jennings, Ossiander and Coffey.
NAYES: None.

The Special Assembly Meeting was adjourned at 10:10 p.m.

DICK TRAINI, Assembly Chair

ATTEST:

BARBARA GRUENSTEIN, Municipal Clerk
Date Minutes Approved: June 8, 2004
MC/BG

Agenda Published in THE ANCHORAGE CHRONICLE
P.O. 52464-494-04