

MUNICIPALITY OF ANCHORAGE
ANCHORAGE ASSEMBLY

Assembly Chambers, Z. J. Loussac Library
3600 Denali Street, Anchorage, Alaska

Minutes for Regular Meeting of August 3, 2004

1. CALL TO ORDER

The Assembly Meeting was called to order by Chair Traini at 5:05 p.m.

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, Janice Shamberg and Dan Coffey.

ABSENT: None.

3. PLEDGE OF ALLEGANCE Ms. Jennings led the pledge.

4. MINUTES OF PREVIOUS MEETING

4.A. Special Meeting – June 24, 2003

Mr. Tesche moved, to approve Minutes of the Special Assembly Meeting
Mr. Tremaine seconded, of June 24, 2003.

Ms. Shamberg requested a correction of the spelling of Bob Mintz's name on Page 2.

and this motion was passed, as amended,
with Jennings, Stout, Ossiander and Coffey abstaining,

4.B. Regular Meeting – August 19, 2003

Mr. Tesche moved, to approve Minutes of the Regular Assembly Meeting
Mr. Tremaine seconded, of August 19, 2003.

Ms. Shamberg requested a technical correction on Page 16, Line 1 to change "am" to "an."

and this motion was passed, as amended,
with Jennings, Stout, Ossiander and Coffey abstaining,

4.C. Regular Meeting – December 16, 2003

Mr. Tesche moved, to approve Minutes of the Regular Assembly Meeting
Mr. Tremaine seconded, of December 16, 2003.

Ms. Shamberg requested corrections of the spelling of names of Deanna Essert, Chris Hamre, Ryan Stencel and Cindy Kinard. On Page 27, on item 14.J, AO 2003-155, she wanted to show that she was not in the room at the time of the vote.

and this motion was passed, as amended,
with Jennings, Stout, Ossiander and Coffey abstaining,

4.D. Regular Meeting – July 6, 2004

Mr. Tesche moved, to approve Minutes of the Regular Assembly Meeting
Mr. Tremaine seconded, of July 6, 2004.

Ms. Jennings requested on Page 9, to correct statements from Ms. Fairclough. Ms. Jennings requested a correction to Mr. Potter's statement on Page 9, Line 60, of rezoning from R-3 to B-3. Chair Traini requested this set of Minutes be postponed for corrections to be made.

and this motion was postponed,
with Coffey abstaining, due to his excused absence at that meeting,

5. MAYOR'S REPORT

Mayor Begich reported that his Administration had issued a press release about two positions federally funded for the next six years, to help with traffic light timing. The Mayor felt traffic light timing would help the vehicle congestion issue in the city and he was hopeful that these positions would be filled in October or early winter.

Mayor Begich stated he would be meeting with a group of developers in Los Angeles who had shown significant interest in the Winter Creek Development Project.

Mayor Begich stated that he met with foreign journalists who visited Anchorage on a regular basis. A large Italian television station staff would be visiting Alaska in September, doing a one-hour documentary on Anchorage and Alaska. From a global perspective, he felt these contacts were important and they would lead to new opportunities for our city.

6. ASSEMBLY CHAIR'S REPORT None.

7. COMMITTEE REPORTS None.

8. ADDENDUM TO AGENDA

Chair Traini called for motion on the Addendum.

Mr. Tesche moved, to approve the inclusion of the Addendum into the
Ms. Fairclough seconded, Regular Agenda.

Chair Traini read the Addendum items. He added AO 2004-200, and assigned this item Agenda Number 9.B.1. He then called for additional Addendum items, and there being none, he called for a vote.

and there were no objections,

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

Chair Traini called for a motion on the Consent Agenda.

Mr. Tesche moved, to approve the Consent Agenda.
Ms. Fairclough seconded,

Chair Traini called for Assemblymembers to request items be pulled and moved to the Regular Agenda for discussion.

9. CONSENT AGENDA

9.A. RESOLUTIONS FOR ACTION - PROCLAMATIONS AND RECOGNITIONS

9.A.1. Resolution No. AR 2004-197, a resolution of the Anchorage Municipal Assembly recognizing and honoring **James "Pat" Tilton** for his twenty-eight years of service with the Municipality of Anchorage, Mayor Begich; Assemblymembers Fairclough, Shamberg, Sullivan, Tesche, Traini, Ossiander, Tremaine, Jennings, Whittle, Coffey and Stout. **(Addendum)**

Ms. Ossiander requested this item be pulled for review on the Regular Agenda. *(See item 10.A.1)*

9.A.2. Resolution No. AR 2004-198, a resolution of the Anchorage Municipal Assembly recognizing and honoring **Gladys Moran Wilson** for her thirteen years of service with the Municipality of Anchorage, Mayor Begich; Assemblymembers Fairclough, Shamberg, Sullivan, Tesche, Traini, Ossiander, Tremaine, Jennings, Whittle, Coffey and Stout. **(Addendum)**

Mr. Tremaine requested this item be pulled for review on the Regular Agenda. *(See item 10.A.2)*

9.B. RESOLUTIONS FOR ACTION - OTHER

9.B.1. Resolution No. AR 2004-200, a resolution of the Anchorage Municipal Assembly requesting the Administration consider the implementation of a community-based siren alert and warning system, Assemblymembers Stout and Tesche. **(Laid on the Table)**

Mr. Coffey requested this item be pulled for review on the Regular Agenda. *(See item 10.B.1)*

9.C. BID AWARDS

9.C.1. Assembly Memorandum No. AM 596-2004, recommendation of award to Construction Unlimited, Inc. for the **B-5 and B-6 MH31428-19 Upgrade** for the Municipality of Anchorage, Anchorage Water & Wastewater Utility (ITB 24-C038) (\$262,050), Purchasing.

9.C.2. Assembly Memorandum No. AM 597-2004, recommendation of award to Cook Inlet Contracting, Inc. for **Eklutna Water Treatment Facility – Intake Generator Building** for the Municipality of Anchorage, Anchorage Water & Wastewater Utility (ITB 24-C036) (\$149,900), Purchasing.

9.C.3. Assembly Memorandum No. AM 606-2004, recommendation of award to Tam Construction, Inc. for the **Girdwood Water Improvements** Schedule A – Water Line Extension to Fire Station, and Schedule B – New Girdwood Lindblad for the Municipality of Anchorage, Anchorage Water & Wastewater Utility (ITB 24-C044) (\$382,221), Purchasing. **(Addendum)**

9.C.4. Assembly Memorandum No. AM 607-2004, recommendation of award to Ancor Inc. for the **Eagle River Pedestrian Overpass renovation** for the Municipality of Anchorage, Maintenance & Operations Department (ITB 24-C042) (\$108,835), Purchasing. **(Addendum)**

9.D. NEW BUSINESS

9.D.1. Assembly Memorandum No. AM 593-2004, **Upper Grover Limited Road Service Area Board of Supervisors** appointment (Mark Moderow), Mayor's Office.

9.D.2. Assembly Memorandum No. AM 598-2004, **Coastal Impact Assistance Program** (CIAP) grant contribution of \$100,000 to Great Land Trust, Planning Department.

Ms. Ossiander requested this item be pulled for review on the Regular Agenda. *(See item 10.D.2)*

- 1 9.D.3. Assembly Memorandum No. AM 599-2004, purchase of **laboratory toxicology testing** from Quest
2 Diagnostics, Inc. for the Municipality of Anchorage, Department of Health & Human Services, Sexual
3 Assault Response Team (SART) (\$35,000), Purchasing.
4

5 Ms. Fairclough requested this item be pulled for review on the Regular Agenda. *(See item 10.D.3)*
6

- 7 9.D.4. Assembly Memorandum No. AM 603-2004, **Shanghai Grand #4426** – New Restaurant/Eating Place
8 Designation Liquor License (Midtown Community Council), Clerk's Office. **(Addendum)**

- 9 9.D.5. Assembly Memorandum No. AM 604-2004, **Bernie's Bungalow #4425** – New Restaurant/Eating
10 Place Designation Liquor License (Downtown Community Council), Clerk's Office. **(Addendum)**
11

12 Mr. Tesche requested this item be pulled for review on the Regular Agenda. *(See item 10.D.5)*
13

- 14 9.D.6. Assembly Memorandum No. AM 608-2004, proprietary lease to Noodlum Equities, Limited Partnership
15 for providing leased space for the **Muldoon Police Substation** for the Municipality of Anchorage,
16 Anchorage Police Department (Real Estate Services) (\$25,920), Purchasing. **(Addendum)**
17

18 Mr. Stout requested this item be pulled for review on the Regular Agenda. *(See item 10.D.6)*
19

- 20 9.D.7. Assembly Memorandum No. AM 609-2004, Change Order No. 5 to Vendor Contract 22MLP054 with
21 Alaska Instrument Company, Inc. for providing **technical services and replacement parts** for the
22 Municipality of Anchorage, Municipal Light & Power (\$20,000), Purchasing. **(Addendum)**
23

24 Ms. Ossiander requested this item be pulled for review on the Regular Agenda. *(See item 10.D.7)*
25

- 26 9.D.8. Assembly Memorandum No. AM 610-2004, proprietary purchase with Jewel Jones & Associates to
27 provide professional **management and lobbying services** for the Municipality of Anchorage, Mayor's
28 Office (\$30,000), Purchasing. **(Addendum)**
29

30 Mr. Stout requested this item be pulled for review on the Regular Agenda. *(See item 10.D.8)*
31

- 32 9.D.9. Assembly Memorandum No. AM 612-2004, review of Ordinance No. 2003-108(S), an ordinance
33 revising AMC 17.10.090 **Off-Leash dog park spaces**, Clerk's Office. **(Addendum)**
34

35 Ms. Shamberg requested this item be pulled for review on the Regular Agenda. *(See item 10.D.9)*
36

37 **9.E. INFORMATION AND REPORTS**

- 38 9.E.1. Information Memorandum No. AIM 60-2004, Internal Audit Report 2004-9 – **Child Care Assistance**
39 **Program, Department of Health and Human Services**, Internal Audit.
40

41 Upon recommendation from Chair Traini, Municipal Manager Denis LeBlanc responded that he would review this
42 informational memorandum, particularly the last paragraph which gave indication that there was possible non-
43 compliance with the grant associated with the Child Care Assistance Program.
44

- 45 9.E.2. Information Memorandum No. AIM 67-2004, Internal Audit Report 2004-10 – **Airport Management**
46 **System, Merrill Field Airport**, Internal Audit.
47

48 Ms. Fairclough requested this item be pulled for review on the Regular Agenda. *(See item 10.E.2)*
49

- 50 9.E.3. Information Memorandum No. AIM 63-2004, **Orca 17th to 20th Water Upgrade (Schedule A) and**
51 **Orca 17th to 20th Sewer Upgrade (Schedule B)** – Tam Construction, Inc. (P.O. 0000236098) –
52 Report of Construction Contract Change Orders (\$6,758.63), Anchorage Water & Wastewater Utility.
53 9.E.4. Information Memorandum No. AIM 68-2004, AIM 57-2004 and Assemblymembers Fairclough's and
54 Ossiander's request for additional information concerning the transmittal of the Planning and Zoning
55 Commission record for the rezoning of approximately 26,000 square feet from R-1 A (Single Family
56 Residential District) to R-2M SL (Multiple Family Residential District with Special Limitations), for **Lots**
57 **15 and 16, Block 21, Poggas Subdivision**, generally located at 13211 and 13201 Venus Way,
58 Planning Department.
59 9.E.5. Information Memorandum No. AIM 69-2004, **Monthly Financial Reports – June 2004**, Purchasing.
60 **(Addendum)**
61

62 **9.F. ORDINANCES AND RESOLUTIONS FOR INTRODUCTION**

- 63 9.F.1. Ordinance No. AO 2004-113, an ordinance repealing Chapter 16.55 of the Anchorage Municipal Code
64 in its entirety and reenacting a new Chapter 16.55, **Child Care and Educational Facilities**, to comply
65 with State of Alaska standards, add child care home requirements, increase staff educational
66 requirements, improve play yard safety, increase staff accountability, and improve staff background
67 checks, Department of Health and Human Services. *(Public Hearing set for 8-17-04)*

68 a. Assembly Memorandum No. AM 595-2004.

- 69 9.F.2. Resolution No. AR 2004-193, a resolution of the Anchorage Municipal Assembly requesting the State
70 of Alaska, Department of Health and Social Services to delegate **Child Care Facility Licensing**
71 **authority** to the Municipality, Department of Health and Human Services, pursuant to Alaska Statute
72 47.35.010 and 4 Alaska Administrative Code Chapter 62, Department of Health and Human Services.
73 *(Public Hearing set for 8-17-04)*

74 a. Assembly Memorandum No. AM 595-2004.

- 75 9.F.3. Ordinance No. AO 2004-114, an ordinance of the Anchorage Municipal Assembly authorizing the long
76 term lease between the Municipality of Anchorage as lessor and **Flight Safety Alaska, Inc.** as lessee
77 of Lot 3, Block 2, Merrill Field Replat, located between Runway 06/24 and East 5th Avenue, Merrill
78 Field Airport. *(Public Hearing set for 8-17-04)*

- 1 a. Assembly Memorandum No. AM 600-2004.
- 2 9.F.4. Ordinance No. AO 2004-115, an ordinance of the Municipality of Anchorage authorizing a sale of
- 3 Heritage Land Bank Parcel 5-017, a .58 acre parcel commonly known as **Lot 4, Lake Center**
- 4 **Subdivision**, located at southwest corner of 82nd Avenue and Jewel Lake Road, at fair market value,
- 5 Heritage Land Bank. (*Public Hearing set for 8-17-04*)
- 6 a. Assembly Memorandum No. AM 601-2004.
- 7 9.F.5. Resolution No. AR 2004-194, a resolution of the Anchorage Municipal Assembly appropriating
- 8 \$153,081.04 of unappropriated revenues from the sale of **Municipality of Anchorage Standard**
- 9 **Specifications** (M.A.S.S.) and contractor specifications, Project Management & Engineering. (*Public*
- 10 *Hearing set for 8-17-04*)
- 11 a. Assembly Memorandum No. AM 602-2004.
- 12 9.F.6. Resolution No. AR 2004-196, a resolution of the Municipality of Anchorage appropriating \$191,571
- 13 from the State of Alaska Department of Transportation and Public Facilities to the State Categorical
- 14 Grants Fund (231) for the Traffic Department, Traffic Engineering Division, Signal Operations Section
- 15 for the **Traffic Control and Signalization Project**, Traffic Department. (*Public Hearing set for 8-17-*
- 16 *04*) (**Addendum**)
- 17 a. Assembly Memorandum No. AM 611-2004.

18

19 Ms. Jennings requested this item be pulled for review on the Regular Agenda. (*See item 10.F.6*)

20

- 21 9.F.7. Ordinance No. AO 2004-116, an ordinance amending Anchorage Municipal Code Chapter 12.35 to
- 22 incorporate amendments adopted by the State of Alaska regarding **deteriorated property and**
- 23 **deteriorated areas**, and to clarify tax incentive application requirements, Office of Economic &
- 24 Community Development. (*Public Hearing set for 8-17-04*) (**Addendum**)
- 25 a. Assembly Memorandum No. AM 613-2004.
- 26

27 Mr. Coffey requested this item be pulled for review on the Regular Agenda. (*See item 10.F.7*)

28

- 29 9.F.8. Resolution No. AR 2004-199, a resolution approving the acquisition of real property at the southeast
- 30 corner of Lake Otis and Tudor, formerly operated as a Chevron service station, from Cook Inlet
- 31 Marketing Group for \$650,000 for **municipal right-of-way acquisition**, Office of Economic &
- 32 Community Development. (*Public Hearing set for 8-17-04*) (**Addendum**)
- 33 a. Assembly Memorandum No. AM 614-2004.
- 34

35 The Administration requested this item be pulled for review on the Regular Agenda. (*See item 10.F.8*)

36

37 Chair Traini called for a motion to approve the remainder of Consent Agenda.

38

39 Ms. Fairclough moved, to approve the Consent Agenda, as amended.

40 Mr. Tremaine seconded,

41 and this motion was passed,

42

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

44 NAYES: None.

45

46 Chair Traini announced the unanimous approval of the Consent Agenda, with the exception of the pulled items and

47 proceeded into discussion of those items.

48

49 END OF CONSENT AGENDA

50

51 10. REGULAR AGENDA

52 10.A. RESOLUTIONS FOR ACTION - PROCLAMATIONS AND RECOGNITIONS

- 53 10.A.1. Resolution No. AR 2004-197, a resolution of the Anchorage Municipal Assembly recognizing and
- 54 honoring **James "Pat" Tilton** for his twenty-eight years of service with the Municipality of Anchorage,
- 55 Mayor Begich; Assemblymembers Fairclough, Shamberg, Sullivan, Tesche, Traini, Ossiander,
- 56 Tremaine, Jennings, Whittle, Coffey and Stout. (**Addendum**)
- 57
- 58

59 Chair Traini read this resolution title and called for a motion.

60

61 Ms. Ossiander moved, to approve AR 2004-197.

62 Ms. Fairclough seconded,

63 and this was unanimously passed,

64

65 Ms. Ossiander read the resolution and Ms. Fairclough presented the award, honoring Mr. James "Pat" Tilton for his

66 twenty-eight years of service with the Municipality of Anchorage. Mr. Tilton served for many of those years as a

67 planning and engineering technician with Cultural and Recreational Services and for the last three years as the Land

68 Management Officer for the Heritage Land Bank. Mr. Tilton accepted his award and thanked the Assembly and the

69 Administration for allowing him to work in a city as wonderful as Anchorage, and to be able to participate in its growth.

70 Mr. Tremaine, Mr. Sullivan and the Mayor offered their personal thanks.

71

- 72 10.A.2. Resolution No. AR 2004-198, a resolution of the Anchorage Municipal Assembly recognizing and
- 73 honoring **Gladys Moran Wilson** for her thirteen years of service with the Municipality of Anchorage,
- 74 Mayor Begich; Assemblymembers Fairclough, Shamberg, Sullivan, Tesche, Traini, Ossiander,
- 75 Tremaine, Jennings, Whittle, Coffey and Stout. (**Addendum**)
- 76

77 Chair Traini read this resolution title and called for a motion.

78

Mr. Tremaine moved, to approve AR 2004-198.
Mr. Tesche seconded,
and this was passed unanimously,

Mr. Tremaine read the resolution and Mr. Tesche presented the award to Gladys Moran Wilson, honoring her for thirteen years of service with the Municipality of Anchorage and for her expertise with property and real estate, and later in real estate services and management with the Heritage Land Bank. Ms. Wilson accepted her award and thanked the Assembly and the Administration. Mr. Tremaine, Ms. Ossiander and Mayor Begich thanked her for her expertise, dedication and service.

10.B. RESOLUTIONS FOR ACTION - OTHER None.

10.B.1. Resolution No. AR 2004-200, a resolution of the Anchorage Municipal Assembly requesting the Administration consider the implementation of a community-based siren alert and warning system, Assemblymembers Stout and Tesche. **(Laid on the Table)**

Chair Traini read this resolution title and called for a motion.

Mr. Coffey moved, to approve AR 2004-200.
Mr. Tremaine seconded,

To Mr. Coffey, Municipal Manager Denis LeBlanc responded that the helicopter had been contacted out to another area for fighting fires. The Administration had originally contracted the helicopter to be here and available to fight fires in Anchorage during the most critical period of the wild fire season, which was now passed. During the last couple of weeks the contract had been extended on a week-to-week basis, but was now ended. Mr. LeBlanc stated that they would have access to that helicopter or another one in Palmer, in the event of an emergency.

To Mr. Stout stated that years ago there was a warning system in place in Anchorage, and requested the Fire Department to check and see if that equipment was still available and if not, to determine what it would take to put that system back into place.

and this was unanimously passed,

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

10.D. NEW BUSINESS

10.D.2. Assembly Memorandum No. AM 598-2004, **Coastal Impact Assistance Program** (CIAP) grant contribution of \$100,000 to Great Land Trust, Planning Department.

Chair Traini read this memorandum title and called for a motion.

Ms. Ossiander moved, to approve AM 598-2004.
Mr. Tremaine seconded,

Ms. Ossiander addressed her concerns for the future needs of the Municipality, in particular the increased population and more dense and congested transportation issues. She questioned if this particular grant assistance program was a counter-productive move while she thought there might be more profitable and needed areas that could be considered. She also thought that when a property went off the tax rolls, it should be thoroughly discussed and analyzed.

Ms. Fairclough questioned if this property had an environmental impact analysis completed, or if it would need one. The Mayor responded that the Administration's plan for this property was to use a grant that they had received to acquire twelve acres of this very wet land that was not developable, to add open space to protect the waterways in that area.

Municipal Planning Department Acting Director Tom Nelson explained that the land, classified as class-A wetlands, had been subdivided into three tracts, and the Municipality was interested in purchasing one on these sections, which was the stream channel for Fish Creek. The use of this grant fund was to be used for development of parks and open space, and also for wetlands and greenbelts acquisition.

To Ms. Fairclough, Mr. Nelson responded that he was not aware of any additional costs associated with Phase One, or costs associated with land contamination or other issues on the site. He added that the church was acquiring their designated property and involved a different transaction. To her question, Mr. Nelson responded that their intention was that the property would come back into the Municipality Land Bank. Mr. Nelson responded that he would find out if the wetlands acquisition would bank points for the Municipality. The Mayor thought that dedicated wetlands acquisitions like this one would allow for credits, and thought that the city would also receive a return on this investment money.

Mr. Coffey concurred that this property was wetlands. He knew the Municipality was currently reviewing a draft of the conservation easement. He was troubled that one hundred thousand dollars would be appropriated on the basis of an agreement that was not yet signed. He would be more comfortable if the conservation agreement was completed and thought it would be helpful to study maps of the area.

Mr. Sullivan also questioned if the Municipality would receive conservation credits for acquiring wetlands like this acquisition. He stated that the Municipality had a number of projects where wetlands would be accessed, and thought it would be in the city's best interest if credits could be banked. He concurred with Mr. Coffey with a possible delay of this item until the next meeting.

Deputy Municipal Manager Michael Abbott responded that there did not appear to be any time sensitivity associated with this action, and a delay until August 17th would be fine.

Ms. Fairclough suggested that the remaining twenty thousand dollars left in the fund could be applied to land acquisition in the Chugiak Eagle River area. She requested paperwork on the appraisal and taxes involved with this property of subject.

Mr. Coffey moved, *to postpone* AM 598-2004 until August 17, 2004, with the
Ms. Ossiander seconded, Administration providing details of the property, including
and this motion passed without objection, appraisal and tax history.

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

10.D.3. Assembly Memorandum No. AM 599-2004, purchase of **laboratory toxicology testing** from Quest Diagnostics, Inc. for the Municipality of Anchorage, Department of Health & Human Services, Sexual Assault Response Team (SART) (\$35,000), Purchasing.

Chair Traini read this memorandum title and called for a motion.

Ms. Fairclough moved, *to approve* AM 599-2004.
Mr. Tremaine seconded,

Ms. Fairclough requested for the record, consideration of her position with Standing Together Against Rape (STAR) which may be a possible conflict of interest. Chair Traini explained her position as Director of STAR was not a conflict and ruled that Ms. Fairclough should participate.

To Ms. Fairclough, Purchasing Officer Bart Mauldin responded this was a one-year contract, with two, one-year options, based on mutual consent.

and this was passed without objection,

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

10.D.5. Assembly Memorandum No. AM 604-2004, **Bernie's Bungalow #4425** – New Restaurant/Eating Place Designation Liquor License (Downtown Community Council), Clerk's Office. **(Addendum)**

Chair Traini read this memorandum title and called for a motion.

Mr. Tesche moved, *to approve* AM 604-2004.
Mr. Coffey seconded,

Mr. Tesche questioned the protest of this liquor license. He understood there was a failure to file notice of zoning action with the State Recorder's Office, and thought that was a minor reason for protesting the renewal of the liquor license. He also questioned a requirement under a previous resolution which approved the land use and the conditional use permit and that a final conditional use could still be issued by the end of this year. He thought there was enough time remaining in the year to complete the requirements, and thought the action of protesting the license was unfair.

Mr. Coffey concurred with Mr. Tesche. He felt the notice of zoning action had been a consistent problem over the years and should not be a condition of the license renewal. Considering there were several months left for the owner to complete construction, he thought it was premature to protest the license. Municipal Zoning Administrator Jerry Weaver explained that of the many liquor licenses that were in violation or had a history of violations, this was not one. Mr. Coffey assumed that there was an existing conditional use, and the zoning action may not have been filed, which led to the confusion. Mr. Weaver stated that the owner of the facility had not completed the improvements in accordance with the second phase of the conditional use that had been approved, and he did need to file a notice of zoning action, and thought that would be forthcoming.

Mr. Tesche proposed the renewal of this license, pursuant to this memorandum, instead of the protest. He also requested the Clerk's Office to schedule the owner to appear before the Assembly to report on the construction issues.

Mr. Tesche moved, *to amend* AM 604-2004, *by removing* [PROTEST] *and by*
Ms. Jennings seconded, *adding "APPROVE," on Page 1, and to invite the owner of*
Bernie's to schedule a mandatory appearance before the
Assembly within thirty days.

Mr. Sullivan thought this memorandum was in order, with the improvements to be completed by the end of the year. He thought it was part of the process to protest until the filing notice and construction were completed.

Mr. Coffey concurred with both Mr. Sullivan and Mr. Tesche. He explained that this involved a renewal of a previously approved liquor, duplicate license. The owner could have the license renewed, but would not be able to use it until the conditional use and the fire code requirements were met.

Ms. Fairclough felt that a letter of intent from the owner would be enough, or perhaps simply an invitation to appear, instead of a mandatory appearance before the Assembly. Mr. Tesche accepted her proposed invitation to appear or simply an explanatory letter, instead of the mandatory appearance, as friendly amendments.

Ms. Fairclough moved, to amend the Tesche amendment, to AM 604-2004,
Ms. Jennings seconded, *by removing [PROTEST] and by adding "APPROVE," by*
and this was unanimously approved, *substituting [invite the owner of Bernie's to schedule a*
mandatory appearance] for "an invitation to appear, at his
convenience," before the Assembly, "or a letter of intent" in
the next thirty "or sixty days."

To Ms. Ossiander, Mr. Tesche explained his amendment would not affect the underlying validity of the previous resolution on the conditional use.

Mr. Tesche moved, to approve AM 604-2004, as amended.
Mr. Coffey seconded,
and this motion was passed,

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

10.D.6. Assembly Memorandum No. AM 608-2004, proprietary lease to Noodlum Equities, Limited Partnership for providing leased space for the **Muldoon Police Substation** for the Municipality of Anchorage, Anchorage Police Department (Real Estate Services) (\$25,920), Purchasing. **(Addendum)**

Chair Traini read this memorandum title and called for a motion.

Mr. Stout moved, to approve AM 608-2004.
Mr. Tesche seconded,

To Mr. Stout, a representative from the Police Department responded that the current North Muldoon Substation was at the Hanna Car Wash, with limited parking and access. The proposed, new location at the Muldoon Mall was a larger space, with more visibility and parking, and offered opportunities for the expansion of the department and to establish more of a presence in the community. Mr. Stout stated he was in full support of this project.

Mr. Coffey requested to abstain, due to a conflict of interest. Chair Traini concurred because of Mr. Coffey's financial association with the mall and ruled that Mr. Coffey abstain from participating with this issue.

and this motion was unanimously passed,

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

10.D.7. Assembly Memorandum No. AM 609-2004, Change Order No. 5 to Vendor Contract 22MLP054 with Alaska Instrument Company, Inc. for providing **technical services and replacement parts** for the Municipality of Anchorage, Municipal Light & Power (\$20,000), Purchasing. **(Addendum)**

Chair Traini read this memorandum title and called for a motion.

Ms. Ossiander moved, to approve AM 609-2004.
Ms. Jennings seconded,

Ms. Ossiander questioned why this project had gone from a \$15,000 contract to a \$110,000 contract. She understood a reason to be pursuing sole source, and wondered if there was an effort being made to look at alternatives. She suggested postponing this item until later in the evening, to allow the Administration to respond.

Ms. Ossiander moved, to postpone AM 609-2004, until later in the evening.
Ms. Jennings seconded,
and this motion was approved without objection,

Chair Traini returned the body to this item at the end of the Assembly meeting.

Ms. Ossiander stated that it had appeared that the contract had gone from \$15,000 to \$110,000 because of sole source requirement. She questioned the Administration if they were addressing any other alternatives. Purchasing Officer Bart Mauldin responded that this involved a three-year contract, and they were reviewing an accumulative cost over a three-year period, beginning with the \$15 thousand and ending with the \$110 thousand. Mr. Mauldin explained there were about fifteen or twenty contracts that were put into place every year for Municipal Light and Power (ML&P). These contracts covered equipment maintenance, repair and replacement. He stated this contract would cover services mechanical portion of ML&P's high-pressure steam generators. Mr. Mauldin added that most of the equipment was close to thirty years old, and costs of repairs, calibrations and replacement were more intensive.

and this motion was approved without opposition,

AYES: Fairclough, Whittle, Tremaine, Sullivan, Traini, Tesche, Stout, Jennings, Ossiander and Coffey.
NAYES: None.
ABSENT: Shamberg, temporarily out of room.

10.D.8. Assembly Memorandum No. AM 610-2004, proprietary purchase with Jewel Jones & Associates to provide professional **management and lobbying services** for the Municipality of Anchorage, Mayor's Office (\$30,000), Purchasing. **(Addendum)**

1 Chair Traini read this memorandum title and called for a motion.

2
3 Mr. Stout moved, to approve AM 610-2004.
4 Mr. Tesche seconded,

5
6 To Mr. Stout, Jewel Jones, formerly with Health and Social Services, responded that she had been a department
7 employee and had participated as a lobbyist while in her position. She stated that when it came to addressing specific
8 legislation requiring specialized knowledge and experience with state and federal delegations, it required
9 professionals. Ms. Jones stated that topics she would be addressing in the future included issues in the public health
10 sector, involving the Municipal Department of Health and Human Services. Mr. Stout stated she was a very competent
11 professional.

12
13 To Mr. Sullivan, Mayor Begich responded the lobbyists now worked directly with the Mayor's Office and were given
14 assignments.

15
16 and this motion was unanimously approved,

17
18 AYES: Fairclough, Whittle, Tremaine, Sullivan, Traini, Tesche, Stout, Jennings, Ossiander, Shamberg and Coffey.
19 NAYES: None.

20
21 10.D.9. Assembly Memorandum No. AM 612-2004, review of Ordinance No. 2003-108(S), an ordinance
22 revising AMC 17.10.090 **Off-Leash dog park spaces**, Clerk's Office. (**Addendum**)

23
24 Chair Traini read this memorandum title and called for a motion.

25
26 Ms. Shamberg moved, to approve AM 612-2004.
27 Mr. Tesche seconded,

28
29 Ms. Shamberg stated that she would be addressing Connors Bog when the subject of off-leash dog parks was
30 discussed by the Assembly. She knew there was a campaign mounting to exclude this park from the areas open to
31 loose dogs.

32
33 To Mr. Coffey, Assembly Budget Director Elvi Gray-Jackson stated that this item would be introduced on August 17,
34 2004, with Public Hearing set for September 7, 2004. Chair Traini added that there would be a worksession also
35 scheduled.

36
37 and this motion was unanimously approved,

38
39 AYES: Fairclough, Whittle, Tremaine, Sullivan, Traini, Tesche, Stout, Jennings, Ossiander, Shamberg and Coffey.
40 NAYES: None.

41
42 **10.E. INFORMATION AND REPORTS**

43 10.E.2. Information Memorandum No. AIM 67-2004, Internal Audit Report 2004-10 – **Airport Management**
44 **System, Merrill Field Airport**, Internal Audit.

45
46 Chair Traini read this memorandum title and called for a motion.

47
48 Ms. Fairclough moved, to accept AIM 67-2004.
49 Mr. Tremaine seconded,

50
51 Ms. Fairclough questioned the responses of the Merrill Field Airport Management, which indicated they were taking
52 exception with the new standards set by the Municipal Internal Auditor. Municipal Manager Denis LeBlanc responded
53 that the management of Merrill Field was in communication with the auditor, had agreed with all the comments and
54 would be committed to resolving all those issues identified. He felt the report, which perhaps included a degree of
55 defensiveness on the part of the department, was welcome because it indicated the administrators took great pride
56 and had passion in their accomplishments. Ms. Fairclough stated she understood and respected a degree of
57 defensiveness involved with an audit.

58
59 To Ms. Fairclough, Airport Manager David Lundebj responded that they wanted to confirm that their system was
60 reporting accurately and had requested the audit. He stated that all recommended improvements were items that
61 would be addressed, including account calculation methods, which he hoped would be resolved by December 31,
62 2004.

63
64 and this motion was unanimously passed,

65
66 AYES: Fairclough, Whittle, Tremaine, Sullivan, Traini, Tesche, Stout, Jennings, Ossiander, Shamberg and Coffey.
67 NAYES: None.

68
69 **10.F. ORDINANCES AND RESOLUTIONS FOR INTRODUCTION**

70 10.F.6. Resolution No. AR 2004-196, a resolution of the Municipality of Anchorage appropriating \$191,571
71 from the State of Alaska Department of Transportation and Public Facilities to the State Categorical
72 Grants Fund (231) for the Traffic Department, Traffic Engineering Division, Signal Operations Section
73 for the **Traffic Control and Signalization Project**, Traffic Department. (*Public Hearing set for 8-17-*
74 *04*) (**Addendum**)
75 a. Assembly Memorandum No. AM 611-2004.

76
77 Chair Traini read this resolution title and called for a motion.

78

Ms. Jennings moved, *to introduce* AR 2004-196, with Public Hearing scheduled
Mr. Coffey seconded, for August 17, 2004.
Ms. Shamberg was the concurring third,

Ms. Jennings was pleased that the Administration was moving forward with signal timing, and felt this would help with traffic congestion and air quality. To her questions, Municipal Traffic Engineer Glenda Radvansky responded they were planning to hire two individuals for signalization and anticipated that it would take six months for them to become familiar with the project. By next summer they would be more proactive in the signal review and would begin major corridor retiming. Within the next three years the department hoped to complete an analysis of the entire Municipality.

To Mr. Coffey, Ms. Radvansky responded that they had negotiated this funding last year to hire two individuals and purchase materials and equipment for traffic signalization. The Mayor added that this would be an annually funded project and the funds would come from AMATS. Mr. Coffey questioned on Page 6, in the third paragraph, discussing signal preemption for buses. Ms. Radvansky responded that their department had identified projects they wanted to explore, where the signalization would operate to accommodate emergency response vehicles or the transit system.

To Mr. Stout, Ms. Radvansky responded that ten years ago the Municipality had hired an outside consultant to write the computer program to run the traffic signals. Mayor Begich added that the Traffic Department had a great team but they were short handed, and this project would allow them to review and modify the needed changes in traffic patterns over a six-year period.

Mr. Whittle thought vehicle congestion and signal synchronization was an important issue that needed to be addressed as soon as possible.

To Mr. Coffey, Deputy Municipal Manager Michael Abbott responded that the Municipality had management and control of all signals within the Municipality.

and this motion was approved,

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

10.F.7. Ordinance No. AO 2004-116, an ordinance amending Anchorage Municipal Code Chapter 12.35 to incorporate amendments adopted by the State of Alaska regarding **deteriorated property and deteriorated areas**, and to clarify tax incentive application requirements, Office of Economic & Community Development. (*Public Hearing set for 8-17-04*) (**Addendum**)
a. Assembly Memorandum No. AM 613-2004.

Chair Traini read this ordinance title and called for a motion.

Mr. Coffey moved, *to introduce* AO 2004-116, with Public Hearing scheduled
Ms. Fairclough seconded, for August 17, 2004.
Ms. Tesche was the concurring third,

Mr. Coffey requested a worksession to discuss this issue.

Ms. Fairclough also wanted to discuss the issue of tax relief or tax incentives of Aurora Properties Projects, because of this ordinance.

and this motion was approved,

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

10.F.8. Resolution No. AR 2004-199, a resolution approving the acquisition of real property at the southeast corner of Lake Otis and Tudor, formerly operated as a Chevron service station, from Cook Inlet Marketing Group for \$650,000 for **municipal right-of-way acquisition**, Office of Economic & Community Development. (*Public Hearing set for 8-17-04*) (**Addendum**)
a. Assembly Memorandum No. AM 614-2004.

Chair Traini read this resolution title and called on the Administration. Deputy Municipal Manager Michael Abbott responded that Public Hearing was not required for this item, and thought that action could take place that evening.

Mr. Tesche moved, *to Change the Order of the Day*, to consider AR 2004-199
Mr. Coffey seconded, under Special Orders.
and this motion was approved,
with one opposition (*Ms. Fairclough*),
and this motion was later withdrawn,

To Mr. Tremaine, Municipal Attorney Fred Boness responded that he agreed this resolution did not need Public Hearing. Assembly Attorney Gatti concurred.

Mr. Sullivan stated this item had already been advertised for Public Hearing. He thought to maintain good public policy, that when something was advertised, public comment should be heard. He asked if this was a time-sensitive issue.

Mr. Tesche thought that action should be taken on this item that evening.

Mr. Coffey thought that, since Public Hearing was advertised, it should be honored.

Mayor Begich responded that this item was introduced on the Addendum, and Public Hearing was not advertised. He added that technically items such as this were not required to come before the Assembly for Public Hearing or approval. The Administration was simply sharing details of a project.

Ms. Fairclough supported this acquisition, but thought that since notice had already been given and the public had the understanding that Public Hearing had already been scheduled for August 17, 2004, that they should honor the schedule.

Mayor Begich stated that a two-week delay could be arranged and he moved to postpone.

Mayor Begich moved, *to postpone* AR 2004-199 until August 17, 2004.
Mr. Sullivan seconded,
and this motion was withdrawn,

Ms. Fairclough reminded the body that there was already an approved motion on the floor that changed the resolution to Special Orders. Mr. Tesche withdrew his motion to move the resolution to Special Orders. Chair Traini called for a motion to introduce, with Public Hearing scheduled for August 17, 2004.

Mr. Stout moved, *to introduce* AR 2004-199 with Public Hearing scheduled
Mr. Tesche seconded, *for* August 17, 2004.
Mr. Coffey was the concurring third,

Ms. Ossiander thought this was a high profile item and requested a briefing, to better understand the rationale for choosing between creating more routes and widening existing routes. Mayor Begich promised to share packets of information which included maps, diagrams and layouts, the traffic flow patterns in the area, explanation of their stand on the argument of creating more east-west corridors, including expansions of Dowling and Bragaw.

For the record, Ms. Fairclough wanted to clarify that she supported the Administrations' attempts to acquire property in this area as they became available.

Mr. Stout stated that he supported the land acquisitions. To his question, the Administration responded that they were not aware of any contamination involved with any of the properties proposed for purchase. They were in the process of negotiating an agreement for contamination indemnity with Chevron Oil, concerning the property that supported a gas station.

11. OLD BUSINESS AND UNFINISHED ACTION ON PUBLIC HEARING ITEMS

- 11.A. Resolution No. AR 2004-166, a resolution approving and ratifying a two year and one-half years extension of the collective bargaining agreement between the Municipality of Anchorage and the **Public Employees, Local 71**, Employee Relations. (*Carried Over from 7-20-04*)
1. Assembly Memorandum No. AM 521-2004.

Chair Traini explained that a new resolution had been introduced, dealing with the labor agreement of the Public Employees, Local 71, which would be up for Public Hearing at the next Assembly meeting. Because of the new resolution, they wanted to postpone this one indefinitely. The Administration agreed.

Mr. Tesche moved, *to postpone indefinitely* AR 2004-166.
Mr. Tremaine seconded,
and his motion was unanimously passed,

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

12. APPEARANCE REQUESTS

- 12.A. **Heather Flynn.**

HEATHER FLYNN, a former Assemblymember, was welcomed by the body. She appeared before the Assembly to make three requests. First, she requested support from the Assembly and the Administration for *Youth Vote*, a program supported by the League of Women Voters, to encourage youth involvement in government. She was on a campaign to raise \$30,000 by September, to support this program in the Anchorage Public Schools. She announced that she had received a donation from Mayor Begich and encouraged other members to contribute. Mayor Begich thanked her for her efforts with this worthy cause and welcomed a challenge to match or beat his \$250 contribution. Ms. Flynn also requested road maintenance on her street, 6th and L Street, which was in need of cleaning. She requested attention to another street that needed cleaning, and referred to the intersection of Fireweed and Gambell as the world's largest ashtray.

Ms. Flynn thanked the Assembly and the Administration for their writing of the resolution, honoring her late husband, in November, 2003. She thanked them for the support they had given to her during that time. She thanked Chair Traini and Mr. Tesche for delivering the resolution to her.

Mayor Begich shared some stories of Ms. Flynn's tenure as a member of the Assembly. Ms. Jennings shared that she had been inspired with Ms. Flynn's past involvement and felt she led the way for women's participation with the Assembly. Ms. Fairclough mentioned some Chugiak students who were doing a senior project for voter registration, and encouraged Ms. Flynn to contact them and use them as volunteers with her *Youth Vote* program.

- 12.B. **E. Erwin Davis**, to request review of the new platting fees.

ERWIN DAVIS, resident of Lakeside Drive, testified that he had purchased an adjoining lot to his residence in 1970. He was seeking to incorporate this purchased lot into residential property, by deleting the interior lot line by completing a short plat. He stated that this year he had filed his fourth appeal against the Municipality, contesting the assessed value of this vacant lot. He had been told by the Municipal Assessor this would be the best way to resolve the issue, and it would cost about fifteen hundred dollars. He had completed a survey and a filing. Once the survey had been completed he discovered the fees would be thousands of dollars higher than original quoted. He suggested that the new fee schedule was grossly excessive, particularly for a residential homeowner, trying to vacate a lot line.

Mr. Sullivan stated that he had reviewed similar cases, where the municipal fees had been increased by eighty percent. Surveyor Bob Bell, a former member of the Assembly, stated that he had completed the survey of Mr. Davis' property for the fee of \$2000. That, with the municipal fee of \$5200, seemed unfair. He suggested reviewing the details and consider lowering the fees for short plats. Ms. Ossiander stated she was concerned with the need to address these fees. While she had originally planned to review the issue with the budget, she was ready to address it now. Mr. Sullivan recommended consideration of retroactivity, once the fee schedule was addressed.

Mayor Begich stated that the Administration was aware that the fee structure needed to be addressed. They had also been reviewing some models used by other communities where the process could be further streamlined and the costs could be lowered. To Mr. Davis' question, the Mayor responded that they had not discussed retroactivity.

Chair Traini stated he would like to see Mr. Bell's recommendations, to compare with the municipal proposals. He also requested the Administration address the new fee schedules for appeals. The Mayor responded they were addressing the appeal process.

Mr. Coffey thought it was important to address the conditional use and the short platting fees. He had been assured from the Administration that this issue would be addressed in a timely fashion.

12.C. **Ted & Françoise Gianoutsos**, regarding Anchorage Veterans' Home and hospital.

TED and FRANCOISE GIANOUTSOS, spoke of their campaign of Permanent Fund Dividend (PFD) gift assignment philanthropy and on their campaign to have community dividends contribute to building and financing an Anchorage Veterans' Home and hospital. They both felt it was right for all citizens to honor and support our armed forces and veterans who have defended our country. They handed out applications for gift assignments of citizen's PFD checks.

13. CONTINUED PUBLIC HEARINGS None.

14. NEW PUBLIC HEARINGS

- 14.A. Resolution No. AR 2004-192, a resolution of the Anchorage Municipal Assembly approving a conditional use for an alcoholic beverages conditional use in the Transition (T) District for Alaska Airlines, Inc. (DBA **Alaska Airlines Board Room**), a beverage dispensary-tourism use to transfer its location within the Ted Stevens International Airport, South Terminal, per AMC 21.40.240 D.5, located on the West One-Half of Section 34, Township 13 North, Range 4 West, S.M., AK, generally located at the west end of West International Airport Road (Case 2004-123), Planning Department.
1. Assembly Memorandum No. AM 592-2004.

Chair Traini read this resolution title and opened Public Hearing. There being no one to testify he closed Public hearing and called for a motion.

Mr. Coffey moved, to approve AR 2004-192.
Mr. Tesche seconded,

There was no one present to represent the establishment, or answer Mr. Tesche's question of why the bar closed at nine o'clock p.m. Mr. Tesche stated he recommended approval.

Mr. Coffey proposed changes to the resolution and the accompanying memorandum.

Mr. Coffey moved, to amend AR 2004-192, *by changing* in Section 2, on Page 1,
Mr. Tesche seconded, Line 27 to read: The subject Conditional Use Permit for an
and this motion was unanimously approved, Alcoholic Beverages conditional Use in the [B-3] "T" District
for a ~~new Restaurant or Eating Place~~ "Beverage Dispensary
– Tourism" License per AMC 21.40.240 D.5 is approved...
and *by changing* in the accompanying memorandum, AM
592-2004, on Page 1, Line 10 to read: This conditional use
for a ~~restaurant/eating place serving alcoholic beverages~~
"Beverage Dispensary- Tourism Use" in the [B-3] "T" District
generally meets...

Mr. Coffey moved, to amend AR 2004-192, *by substituting* on Page 1, Line 36, a
Mr. Tesche seconded, comma for a period, following 21, to read: AMC 21[.]40.240
and this motion was unanimously approved,

Mr. Coffey moved, to approve AR 2004-192, as amended.
Mr. Tesche seconded,
and this motion was unanimously passed,

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

- 14.B. Resolution No. AR 2004-188, a resolution approving the acceptance and appropriation of State of Alaska grant funds in the amount of \$83,464 from the Department of Environmental Conservation Matching Grant Program to be applied toward the **Spenard and 19th Water Upgrade Project** (SB144 - \$49,155; SB 483 - \$25,059; HB268 - \$9,250), Anchorage Water & Wastewater Utility.
1. Assembly Memorandum No. AM 578-2004.

Chair Traini read this resolution title and opened Public Hearing. There being no one to testify, he closed Public Hearing and called for a motion.

Ms. Jennings moved, to approve AR 2004-188.
Mr. Tesche seconded,
and this motion was unanimously passed,

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

- 14.C. Resolution No. AR 2004-189, a resolution of the Municipality of Anchorage, Alaska, accepting and appropriating State of Alaska Clean Water Fund loan offers in the amounts of \$4,000,000 and \$4,200,000 for financing a portion of the costs of the **SCADA Sewer Project and the Asplund WWTF Process Improvements (Headworks) Project**, respectively, Anchorage Water & Wastewater Utility.
1. Assembly Memorandum No. AM 579-2004.

Chair Traini read this resolution title and opened Public Hearing. There being no one to testify, he closed Public Hearing and called for a motion.

Ms. Shamberg moved, to approve AR 2004-189.
Mr. Sullivan seconded,
and this motion was unanimously passed,

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

- 14.D. Ordinance No. AO 2004-110, an ordinance of the Municipality of Anchorage, Alaska, authorizing the completion of **roof repairs at the Anchorage Performing Arts Center**; authorizing the sale and issuance of revenue bonds of the Municipality in the principal amount of not to exceed \$6,000,000 for the purpose of providing permanent financing for said repairs and funding the reserve requirement; and providing for the repayment of such bonds over a term of years; fixing the form, terms, maturities and covenants of the bonds; providing a method of payment therefore; and providing for the sale of bonds to the Alaska Municipal Bond Bank Authority, Finance.
1. Assembly Memorandum No. AM 522-2004.

Chair Traini read this resolution title and opened Public Hearing. There being no one to testify, he closed Public Hearing and called for a motion.

Mr. Tesche moved, to approve AR 2004-110.
Mr. Stout seconded,

Ms. Fairclough wanted to know how the revenue was calculated and the PAC's capacity to repay the loan. Chief Fiscal Officer Jeff Sinz responded that there was already a loan with expected payoff, based on a fifteen-year ticket surcharge of one dollar. With the new \$2.50 surcharge, the annual revenue would be approximately \$342,000. The Municipality would use that source of revenue as a means of financing the roof repairs and would subordinate the remaining balance on the first loan, a current balance of about \$600,000. The balance would be paid, either during the term of the new financing as funds became available or upon completion of the payback of the new debt. The continued surcharge would be used to pay-down any remaining balance, which was expected to take two additional years. To Ms. Fairclough, Mr. Sinz responded that the engineers estimated the life expectancy of the new roof design and repairs should be thirty-five to forty years. While the project was still in a design phase and they expected normal contractor warranties with this project, they would be relying on the engineers and contractors for a sound design and construction. He did not think there would be a warranty that would cover a thirty or forty year projection. He clarified that the proposed term of the new debt would be closer to thirty years, rather than fifteen and there were no liabilities beyond the \$600,000.

To Mr. Stout, Municipal Manager Denis LeBlanc responded that the roof would continue to leak and the irrigation system that was installed would hopefully continue to operate. He added that there was a sense of urgency to finish this project, with a design that would be completed this winter and construction would begin soon.

Ms. Fairclough summarized the city's revenue bond history, including a discovery that the Municipality had been in default of a contract concerning parking garages. Because the Municipality no longer had emergency funds, she wanted assurances the funds would cover the debt. Mr. Sinz responded that there were provisions in the ordinance which required the Municipality to establish a debt service payment fund. There would be continual monitoring of the debt, including quarterly reviews, there would be a bond redemption reserve with the State of Alaska, a reserve at the Municipality and they were comfortable in assuring the payments would be made as expected. To Ms. Fairclough's question, Mr. Sinz responded that since the funds were all with the Municipality, there would be no finance charges associated with forward-funding the first year's debt payment.

To Ms. Ossiander, Mr. Sinz responded the most recent estimate on interest rates were 4.95%.

and this motion was passed,

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

15. SPECIAL ORDERS None.

16. UNFINISHED AGENDA None.

17. AUDIENCE PARTICIPATION None.

18. ASSEMBLY COMMENTS None.

19. EXECUTIVE SESSIONS None.

20. ADJOURNMENT

Chair Traini called for a motion to adjourn the meeting.

Mr. Tremaine moved, to adjourn the Regular Assembly Meeting.
Ms. Fairclough seconded,
and this motion was unanimously passed,

The Regular Assembly Meeting was adjourned at 8:30 p.m.

DICK TRAINI, Assembly Chair

ATTEST:

BARBARA GRUENSTEIN, Municipal Clerk
Date Minutes Approved: September 7, 2004.
MC/BG

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