

MUNICIPALITY OF ANCHORAGE
ANCHORAGE ASSEMBLY

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

Minutes for Regular Meeting of October 31, 2006

1. CALL TO ORDER

The Assembly Meeting was convened by Chair Sullivan at 5:03 p.m. in the Assembly Chambers, Room 108 of the Loussac Library, 3600 Denali Street in Anchorage, Alaska.

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

PRESENT: Allan Tesche, Paul Bauer, Anna Fairclough, Dan Sullivan, Debbie Ossiander, Chris Birch, Dan Coffey, Ken Stout, Dick Traini and Pamela Jennings.

ABSENT: Janice Shamberg, excused.

3. PLEDGE OF ALLEGIANCE Assemblymember Fairclough led the pledge.

4. MINUTES OF PREVIOUS MEETINGS

4.A. Regular Meeting – September 26, 2006

Ms. Fairclough moved, to approve the Regular Meeting Minutes of
Mr. Coffey seconded, September 26, 2006,

Ms. Jennings moved, to amend the Meeting Minutes on Page 8, Line 54, *by*
Mr. Coffey seconded, *changing:* ~~[improved traffic laws]~~ to “changed traffic laws;” on
and this was approved without objection. Page 9, Lines 1-4, *by changing:* When roads were under
construction there were changes in speed, traffic patterns and
direction ~~[and double fines, which encouraged people to slow~~
~~down.]~~ “. Double fines encouraged people to slow down.; and
on Page 13, Line 6 *by changing* to read: Ms. Jennings stated
that “not” approving this would not stop development on the
Hillside; and *by making* clerical corrections on Pages 8, 9, 12
and 13;

and the main motion, as amended, was passed without objection.

4.B. Special Meeting – October 13, 2006

Ms. Ossiander moved, to approve the Special Meeting Minutes of
Mr. Coffey seconded, October 13, 2006,

Mr. Coffey moved, to amend the Special Meeting Minutes, *by adding* on Page 2,
Ms. Ossiander seconded, Line 16: “Mr. Coffey stated that the policy question remained,
and this was accepted without objection, whether or not the Municipality should be in the business of
with Ms. Jennings abstaining, buying and selling commercial property in order to acquire a
park.”

and the main motion, as amended, was passed without objection,
with Ms. Jennings abstaining, due to her excused absence on that date.

5. MAYOR'S REPORT

Mayor Begich reported that the recent Girdwood Town Hall Meeting was well attended with much interest; over 150 residents were present. Mr. Birch thanked the Mayor and the Administrative staff who attended. Mr. Birch stated that the Heritage Land Bank holdings in Girdwood were extensive and there was much interest in how those and surrounding areas would be developed. Mayor Begich stated that future town hall meetings for Eagle River, Downtown and Midtown would be announced. Mayor Begich reported that the Municipality had received a \$1 million Denali Commission grant, which would complete the Girdwood Community Center Library, with construction beginning in 2007. Chair Sullivan stated this had been an ongoing process for the past ten years and progress was being made.

6. ASSEMBLY CHAIR'S REPORT None.

7. COMMITTEE REPORTS

Mr. Coffey reported that the Anchorage Community Development Authority (ACDA) would meet the following day, November 1, 2006 at 3:00 p.m., with newly appointed member, Rod Baird. The organization of this board had undergone many changes. Projects being addressed included the Hollywood Vista, the 4th Avenue Theatre and the relationship between the Heritage Land Bank, Real Estate Services and ACDA. The changes would result in the ACDA being grounded on the originally intended goals.

Mr. Stout reported that the Ethics Committee had completed its final worksession and Public Hearing on the revisions to the Ethics Code was scheduled for November 14th. He requested that additional questions or comments be directed to Assembly Counsel Julia Tucker prior to the Hearing. Mr. Tesche requested that the forms referenced in Anchorage Municipal Code (AMC) be available for Assembly review, prior to consideration of the ordinance on November 14th. To Chair Sullivan, Municipal Clerk Barbara Gruenstein responded the draft forms had been prepared and copies would be distributed to Assemblymembers, for their review.

8. ADDENDUM TO AGENDA

Chair Sullivan called for a motion and read the Addendum items. He called for additional items and AR 2006-290 was added and assigned Agenda number 9.B.5. With no additional Addendum items, Chair Sullivan called for a vote.

Ms. Ossiander moved, to approve the inclusion of the Addendum items
Mr. Coffey seconded, into the Consent Agenda,
and this motion was passed.

AYES: Tesche, Bauer, Fairclough, Sullivan, Ossiander, Birch, Coffey, Stout, Traini and Jennings.

NAYES: None.

ABSENT: Shamberg, excused.

Chair Sullivan called for a motion on the Consent Agenda.

Ms. Jennings moved, to approve the Consent Agenda,
Mr. Traini seconded,

Chair Sullivan 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 There were none.

9.B. RESOLUTIONS FOR ACTION - OTHER

9.B.1. Resolution No. AR 2006-278, a resolution of the Municipality of Anchorage appropriating \$19,000 as a donation from the Anchorage Woman's Club to the Miscellaneous Grants Fund (261) for the Anchorage Police Department to provide for the purchase of additional **defibrillators**; Anchorage Police Department.
a. Assembly Memorandum No. AM 785-2006.

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

9.B.2. Resolution No. AR 2006-288, a resolution of the Municipality of Anchorage appropriating \$66,500 from the State of Alaska, Department of Environmental Conservation, and \$1,390 as a contribution from the anchorage Fire Service Area Fund (131), Anchorage Fire Department 2006 Operating Budget, to the State Categorical Grants Fund (231) to expand the oil spill response capabilities of the Anchorage **Hazardous Materials (HAZMAT) Response Team**; Anchorage Fire Department.
a. Assembly Memorandum No. AM 797-2006.

9.B.3. Resolution No. AR 2006-289, a resolution of the Municipality of Anchorage appropriating \$10,000 from the U.S. Fish and Wildlife Service Grant Program to the Project Management & Engineering Department within the Federal Grant Fund (241) to initiate a **Stream Bank Restoration Program**; Project Management & Engineering.
a. Assembly Memorandum No. AM 798-2006.

9.B.4. Resolution No. AR 2006-292, a resolution of the Anchorage Municipal Assembly consenting to the location of the **Providence Health System Project** of the Alaska Industrial Development and Export Authority; Finance. (**Addendum**)

a. Assembly Memorandum No. AM 801-2006.

9.B.5. Resolution No. AR 2006-290, a resolution of the Anchorage Municipal Assembly in recognition of the continuing contribution made by **Fur Rendezvous** in the promotion of tourism and Anchorage's visitor industry, and supporting annual funding from the Anchorage Convention and Visitors Bureau Room Tax Revenue to Greater Anchorage, Inc. for the Fur Rendezvous Festival; Assemblymembers Fairclough, Tesche [and], Traini, Stout and Bauer. (**Laid on the Table**)

Ms. Fairclough moved, to introduce AR 2006-290,
Mr. Tesche seconded,
Ms. Ossiander was the concurring third.

Ms. Fairclough read the resolution into the record and Mr. Stout and Mr. Bauer requested to be added as cosponsors. Chair Sullivan requested that additional Assemblymembers wanting to be added as cosponsors, to contact the Municipal Clerk.

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

9.C. BID AWARDS There were none.

9.D. NEW BUSINESS

- 9.D.1. Assembly Memorandum No. AM 791-2006, **Alaska Gourmet Subs #4672** – New Restaurant/Eating Place Liquor License (Downtown Community Council); Clerk's Office.
- 9.D.2. Assembly Memorandum No. AM 792-2006, **El Rodeo #3802** – Restaurant/Eating Place Liquor License (Northeast Community Council); Clerk's Office.
- 9.D.3. Assembly Memorandum No. AM 783-2006, proprietary purchase of **computer software maintenance** support from BMC Software for the Municipality of Anchorage, Information Technology Department (ITD) (\$50,912.40); Purchasing.
- 9.D.4. Assembly Memorandum No. AM 802-2006, proprietary purchase to rent a **Membrane Bioreactor System** from ZENON Environmental Corporation for test and evaluation purposes for the Municipality of Anchorage, Anchorage Water & Wastewater Utility (AWWU) (\$39,900); Purchasing. (**Addendum**)
- 9.D.5. Assembly Memorandum No. AM 803-2006, recommendation of award to StephI Engineering, LLC for providing professional engineering services for the **Chester Creek Aquatic Ecosystem Restoration Project Phase II** for the Municipality of Anchorage, Project Management & Engineering (RFP 26-P028) (\$963,431); Purchasing. (**Addendum**)

9.E. INFORMATION AND REPORTS There were none.

9.F. ORDINANCES AND RESOLUTIONS FOR INTRODUCTION

- 9.F.1. Resolution No. AR 2006-277, a resolution of the Municipality of Anchorage, Alaska, approving a water main extension identified as the **Knik View Intertie Water Main Extension** and providing for assessment of benefited properties at time of service connection, Anchorage Water & Wastewater Utility. (*Public Hearing 11-21-06*)
- a. Assembly Memorandum No. AM 784-2006.
- 9.F.2. Ordinance No. AO 2006-153, an ordinance of the Anchorage Municipal Assembly amending Anchorage Municipal Code Section 9.28.030 to **adopt language inadvertently deleted in AO 2006-89(S)**, retroactive to June 6, 2006; Assemblymembers Bauer and Traini. (*Public Hearing 11-14-06*)
- a. Assembly Memorandum No. AM 804-2006. (**Addendum**)

Chair Sullivan put the Question on the remainder of Consent Agenda.

and this motion, as amended, was passed.

AYES: Tesche, Bauer, Fairclough, Sullivan, Ossiander, Birch, Coffey, Stout, Traini and Jennings.
NAYES: None.
ABSENT: Shamberg, excused.

The amended Consent Agenda was approved and Chair Sullivan led the body into discussion of the pulled items.

END OF CONSENT AGENDA

10. REGULAR AGENDA

10.A. RESOLUTIONS FOR ACTION - PROCLAMATIONS AND RECOGNITIONS There were none.

10.B. RESOLUTIONS FOR ACTION - OTHER

- 10.B.1. Resolution No. AR 2006-278, a resolution of the Municipality of Anchorage appropriating \$19,000 as a donation from the Anchorage Woman's Club to the Miscellaneous Grants Fund (261) for the Anchorage Police Department to provide for the purchase of additional **defibrillators**; Anchorage Police Department.
- a. Assembly Memorandum No. AM 785-2006.

Ms. Ossiander moved, to approve AR 2-006-278,
Ms. Jennings seconded,

Anchorage Women's Club President Kandy Kizis announced their donation of \$19,000 for new defibrillators for the Anchorage Police Department (APD). She reported that since 2002 their efforts of placing automatic defibrillators in all police cars had saved twenty-eight lives. The survival rate in Anchorage had risen from 5% to 70%.

Ms. Jennings thanked Ms. Kizis and the Anchorage Women's Club for the gift of their donation.

Chair Sullivan stated this was a great program and was a generous contribution.

and this motion was passed without objection,
with Ms. Shamberg as an excused absence.

- 10.B.5. Resolution No. AR 2006-290, a resolution of the Anchorage Municipal Assembly in recognition of the continuing contribution made by **Fur Rendezvous** in the promotion of tourism and Anchorage's visitor

industry, and supporting annual funding from the Anchorage Convention and Visitors Bureau Room Tax Revenue to Greater Anchorage, Inc. for the Fur Rendezvous Festival; Assemblymembers Fairclough, Tesche ~~and~~, Traini, Stout and Bauer. **(Laid on the Table)**

Ms. Fairclough requested to take up this item after she had conferred with the Chief Fiscal Officer, on exact figures needed for the document. Ms. Fairclough moved, seconded by Ms. Ossiander, to postpone AR 2006-290 until after the scheduled dinner break and there were no objections. (Clerk's Note: Chair Sullivan returned the body to complete Assembly debate and action on this item after the break.)

Ms. Fairclough moved, to amend AR 2006-290 on Page 2, Line 1 *by inserting* to
Mr. Coffey seconded, read: WHEREAS, the year-to-date bed tax revenue is up by
and this was approved without objection. "8%" over revenues for the same period in 2005, exceeding
all previous forecasts,

Ms. Fairclough moved, to amend AR 2006-290 on Page 2, Line 18, *by inserting* to
Ms. Ossiander seconded, read: An allocation to Greater Anchorage, Inc. from the bed
and this was approved without objection. tax revenues received and administered by the Anchorage
Convention and Visitors Bureau for the promotion of tourism
in the annual amount of "\$85,000" for Fur Rendezvous
beginning fiscal year 200_, is deemed appropriate by the
Anchorage Municipal Assembly.;

Ms. Fairclough moved, to amend AR 2006-290 on Page 2, Line 19, *by inserting* to
Ms. Ossiander seconded, read: An allocation to Greater Anchorage, Inc. from the bed
and this was approved without objection. tax revenues received and administered by the Anchorage
Convention and Visitors Bureau for the promotion of tourism
in the annual amount of \$85,000 for Fur Rendezvous
beginning fiscal year 2008, is deemed appropriate by the
Anchorage Municipal Assembly.;

Mr. Tesche moved, to amend AR 2006-290 on Page 2, Line 26, *by adding* to
Ms. Fairclough seconded, read: "4. An Operations and Marketing Plan prepared and
updated annually by GAI shall be submitted to the ACVB and
the MOA Assembly for review before expenditure of
municipal funds or bed tax revenues for Fur Rendezvous.;"

Ms. Jennings requested a copy of the Tesche Amendment, to see what it said.

Ms. Fairclough stated that the Fur Rendezvous had had debt and management challenges over the past couple of years. She stated that it was important not to force the ACVB to hand money to an organization which was not actively involved with debt reduction or being managed professionally.

Mr. Coffey stated that he had communicated with GAI and the Mayor's Office and this matter would be addressed in a year and it was important to determine what would be appropriate today. He questioned the Rondy's \$80,000 debt and the Assembly's requesting consideration of the ACVB appropriating \$85,000. Ms. Fairclough responded that the ACVB had not had a chance to look at the proposals. Mr. Coffey requested to hear a response from the ACVB.

Mr. Coffey moved, to postpone AR 2006-290 until November 14th to allow time
Mr. Stout seconded, for input from the Administration and the ACVB,

Mr. Stout state that the ACVB bed tax had specifically been increased to deal with the new convention center and he wanted to hear from the ACVB. The Assembly could move forward with this at a later time.

Mr. Traini supported postponement. He wanted the ACVB invited before the Assembly, with a plan of supporting the Fur Rendezvous.

Ms. Jennings concurred with Mr. Stout, that the ACVB was tasked with filling the convention center and the additional bed tax had been devoted to that cause. It was important to hear from them, as to how they might do this.

Ms. Fairclough stated that, while she did not oppose postponement, she understood that the responsibilities of the ACVB needed to be reviewed, including supporting a vibrant tourism industry downtown. Reserve funds were currently available to manage downtown projects, but it had not been negotiated.

Mr. Coffey stated that a worksession was not necessary, but recommended a formal request for the ACVB to respond.

Mr. Tesche concurred with Mr. Stout and Mr. Coffey and supported postponement. He thanked Ms. Fairclough for bringing this forward and he appreciated Mr. Traini's attitude. He welcomed a conversation with Fur Rendezvous.

Chair Sullivan stated that normally with resolutions affecting other parties, it was common courtesy to include them in the conversation. He supported Fur Rondy. He requested that Municipal Clerk Barbara Gruenstein formally present the resolution to the ACVB and request a written response. He concurred with Mr. Coffey's consideration of rolling this into 2007.

Mr. Traini requested that the Administration calculate the dollar amount of bed tax raised during the time periods of Fur Rendezvous.

Ms. Fairclough stated that it would be difficult for an organization receiving a percentage basis without restrictions to respond favorably and support advice on how to spend their money. She urged the ACVB to positively consider how to fit this into their program for Anchorage. She stated that she was expecting resistance.

To Chair Sullivan, Chief Fiscal Officer Jeff Sinz responded that approval of this resolution would require the ACVB to meet with Fur Rondy and discuss allocations of dollars. Contract provisions did not require them to provide dollars, as directed by the Assembly. The ACVB would be required to report back to the Assembly with a decision and the basis for that decision, after meeting with Fur Rondy.

Mr. Coffey requested a 'clean copy' that included the amendments.

Chair Sullivan stated that Municipal Clerk Barbara Gruenstein had recommended proceeding with postponement and there would be an S-version that included the Tesche Amendment.

Ms. Fairclough requested that Assembly Counsel Julia Tucker prepare an S-version of the ordinance.

and the motion to postpone was approved without objection,
with Ms. Shamberg as an excused absence.

10.C. BID AWARDS There were none.

10.D. NEW BUSINESS None were pulled for review.

10.E. INFORMATION AND REPORTS None were pulled for review.

10.F. ORDINANCES AND RESOLUTIONS FOR INTRODUCTION None were pulled for review.

11. OLD BUSINESS AND UNFINISHED ACTION ON PUBLIC HEARING ITEMS

11.A. Ordinance No. AO 2006-130, an ordinance of the Municipality of Anchorage adopting and appropriating funds for the **2007 (Updated) General Government Operating Budget** for the Municipality of Anchorage; Office of Management and Budget.

1. Assembly Memorandum No. AM 656-2006.

(First Public Hearing Closed 10-17-06; Second Public Hearing Closed 10-24-06; Action was Carried Over From 10-24-06)

2. Ordinance No. AO 2006-130(S), an ordinance of the Municipality of Anchorage adopting and appropriating funds for the 2007 (Updated) General Government Operating Budget for the Municipality of Anchorage.

3. Assembly Memorandum No. AM 656-2006(A)

Ms. Ossiander moved, to approve AO 2006-130,
Mr. Coffey seconded,

Deputy Municipal Manager Michael Abbott requested that the Assembly take up Old Business Items in reverse order, from 11.G to 11.A, to allow time for the newly prepared substitute versions to arrive. Chair Sullivan called for a motion. Ms. Ossiander moved, seconded by Mr. Coffey Change the Order of the Day to take up 11.G, 11.F, 11.E and 11.D, and this was approved without objection. *(Clerk's Note: After completion of those items, Chair Sullivan returned the Assembly to this item and called for a motion on the substitute version (S-version) to the ordinance.)*

Mr. Coffey moved, to approve AO 2006-130(S),
Mr. Traini seconded,

To Ms. Ossiander, Office of Management and Budget (OMB) Director Janet Mitson described the only change in the substitute version as a reclassification of the fleet rental costs for the purpose of improving fleet management and accountability. The S-version executed the changes by not using a direct cost budget, both in the user departments and the internal service fund.

Ms. Ossiander stated that the cemetery and park user fees still needed to be addressed. Ms. Mitson recommended addressing those changes at the first quarter budget revisions. The Administration had recommended an additional \$20,000 to the cemetery to deal with increased water costs. Mayor Begich concurred. Mr. Abbott responded the Administration had reviewed the park user fees and agreed to complete a reassessment.

Mr. Tesche moved, to amend AO 2006-130(S) *by increasing* the direct cost
Mr. Coffey seconded, appropriation for the Anchorage Police Department and the
Anchorage Police Service Area, "by Seventy-Five Thousand Dollars (\$75,000)." And to amend *by reducing* the direct cost
appropriation for the Assembly Department "by Seventy-Five Thousand Dollars (\$75,000)," and *by adjusting* the function
cost for the Areawide General Fund, Fund 101,

Mr. Tesche stated this amendment would increase the direct cost appropriation (*Section 2, Page 2, Line 15*) for the Anchorage Police Department and for the Anchorage Police Service Area, (*Fund 151, Section 3, Page 3, Line 37*) by \$75,000. He stated the funding would be provided through the reduction of \$75,000 from the Assembly Department (*Section 2, Page 1, Line 30*) by \$75,000, and of the function cost for the Areawide General Fund, Fund 101 (*Section 3, Page 3, Line 6*). Mr. Tesche stated this would cover a management audit of the APD for the deployment issue. APD Chief Rob Heun had indicated that a priority of his department would be to increase the number of qualified applicants.

To Mr. Coffey, Ms. Mitson responded that there was \$150,000 in the Assembly Budget that had not been directed and was available. Chief Heun responded that the \$75,000 was the number discussed when Chair Sullivan addressed the deployment audit survey. The department had responded to a 2003 audit by improving dispatcher recruitment. Chief Heun supported a new recruitment audit because the APD was now competing with departments across the nation and needed to provide more incentives to attract qualified officers. Improvements were needed with the websites, advertisements, efficiencies of job fairs and career days, participating in community events and properly applying the budget. The department needed to determine if the (*hiring*) process, which included psychological evaluations, written tests and interviews, was comparable to other jurisdictions. The department also needed to address a physical ability assessment, a defensible medical evaluation with published standards and worker compensation costs.

Mr. Bauer stated that Chief Heun had identified the problems and wondered why an audit was requested, instead of consulting an HR (*human resource*) professional who specialized in police agencies. It was a priority to find quality candidates, in a very competitive field in the nation. The current standards in the department should be checked.

To Ms. Fairclough, Ms. Mitson responded that in 2007 there were no fund balances for the 2007 APD budget. Mayor Begich responded that the Administration did not to use fund balance for operational purposes. Chief Fiscal Officer Jeff Sinz responded that the fund balance target was equal to 2.5% of the prior year's operating revenue. Fund 151 had routinely ended the year with a substantial deficit, relative to the target fund balance and had relied on other surplus funds, including from the road service areas. In the recent past there had not been any surplus fund balance available to support police operations. Mr. Sinz responded that the Administration would prepare the first quarter budget revisions, which would show any additional fund balances used for Fund 151.

Mr. Stout stated that he would be opposed to committing Assembly contingency funds to any other activities until the Assembly needs were assessed, including his request for a new amplification system in the Assembly Conference Room. The APD may have a valid need and there may enough funds to do everything.

Ms. Ossiander concurred with Mr. Stout. She, Chair Sullivan, Ms. Fairclough and Municipal Clerk Barbara Gruenstein had assessed the Assembly Office needs and had identified improving the Chambers sound system, adding contract legal to serve as counsel to the Board of Adjustment and costs for a run-off election, if needed. She requested to wait until the Assembly had reviewed cost utilization within the APD and the 2003 audit before allocating Assembly funds. Chair Sullivan requested that the 2003 audit be copied and distributed to Assemblymembers that evening.

Mr. Coffey stated analysis indicated the APD was understaffed and the Assembly supported increasing the numbers of police officers. Academy graduates would be added to the force in January, but the budget did not cover additional officers. An audit would address future needs. He recommended waiting to address the APD review during first quarter budget revisions.

Mr. Traini supported the amendment. Public safety was a priority and a plan was needed to address gang violence. Supporting the amendment would be supporting constituents.

Ms. Fairclough supported public safety and the officer recruitment process, but wanted accurate numbers and the money to come from a different place. The sound system in the Chambers needed to be addressed.

To Mr. Tesche, Ms. Mitson responded that the \$150,000 would remain as unrestricted funds and could be used in any manner, as the Assembly saw fit. Mr. Tesche stated that legal counsel needed for the Board of Adjustment should have been considered in the Assembly's operating budget. Ms. Ossiander responded that the Assembly was relying on Assembly Counsel Julia Tucker more than what was originally anticipated and this was an unforeseen, additional need that had been identified. To his question, Ms. Ossiander responded that the need for any run-off election was unpredictable, but the funds still needed to be available. Municipal Clerk Barbara Gruenstein responded that run-off elections were unpredictable, but she had had one in the past and preferred to maintain a cushion. Mr. Tesche stated that the Assembly had vague needs and amorphous plans for the \$150,000 and supporting the APD was a no-brainer.

Mr. Coffey stated that all Assemblymembers supported public safety. He questioned why the APD had not included an audit in their budget. He questioned if funds needed to be available for unpredictable costs of elections and other things identified that evening. He suggested taking more time to review the matter and to address it at the first quarter budget review. He urged the APD to determine the costs for the recruitment audit.

Ms. Jennings stated that the Municipal Information Technology (*IT*) Department had \$50,000 in their budget for improvements to the Chamber's sound system. With the needs addressed that evening, there appeared to be funds available in the Assembly budget for the recruitment study.

Ms. Jennings moved, to amend the Tesche Amendment *by reducing* the amount to
and this later died for a lack of a second. \$52,000,

To Chair Sullivan, Ms. Jennings responded that she had accounted for elections. Ms. Ossiander responded that the \$50,000 designated from IT was for only the Assembly Chamber sound system. Improvements were also needed to track and record votes and the total costs were currently undetermined. The Jennings Motion died for a lack of a second.

Ms. Fairclough stated that the Assembly supported APD recruitment and she requested that another fund be found. Mr. Abbott responded other options had not been identified and he requested to wait until first quarter budget revisions. Ms. Fairclough stated that Mr. Traini had identified a possible fund source.

Mr. Traini requested that Ms. Mitson check the current balance in Fund 601. Ms. Mitson responded that this fund was for fleet management and the Administration would be addressing a new method of handling fleet costs.

Mr. Birch stated that this matter was well intentioned, but the discussion had gone on longer than an hour and the amount was 1/10th of 1% of the APD Budget. He called for the Question.

Chair Sullivan put the Question to the Tesche Amendment.

and this motion failed, 4-6.

AYES: Tesche, Fairclough, Traini and Jennings.

NAYES: Bauer, Sullivan, Ossiander, Birch, Coffey and Stout.

ABSENT: Shamberg, excused.

Mr. Coffey stated that he would wait until first quarter budget revisions to propose his amendment. He now regretted his consistent support of Code Enforcement because commitments had been made to the Assembly which had not been met. He requested a report from the Administration by the second week of January on a proposed method of code enforcement, as the Assembly had requested. Mayor Begich concurred. The 20-year-old system needed change with a goal to have code enforcement make an impact directly on neighborhoods.

Ms. Jennings stated the arts community was a very vital and active part of the economic community and the commission had not seen a budget increase in twenty years.

Ms. Jennings moved,	to amend AO 2006-130(S) <i>by increasing: "by \$50,000</i>
Mr. Tesche seconded,	<i>the funding available in 2007 to the Arts Advisory</i>
and this motion was passed, 6-4.	<i>Commission, funded by \$30,000 made available through a</i>
	<i>program revenue adjustment for the Mayor's Office and</i>
	<i>\$20,000 through internal reprogramming with the Office of</i>
	<i>Economic and Community Development.;"</i>

AYES: Tesche, Bauer, Fairclough, Stout, Traini and Jennings.

NAYES: Sullivan, Ossiander, Birch and Coffey.

ABSENT: Shamberg, excused.

Mayor Begich offered two technical corrections to the document.

Mayor Begich moved,	to amend AO 2006-130(S) on Page 2, Line 24, <i>by correcting</i>
Ms. Ossiander seconded,	to read; Subtotal General Government Agencies
and this was passed without objection.	[\$308,005,280] to <u>"\$311,842,330;"</u>

Mayor Begich moved,	to amend AO 2006-130(S) on Page 2, Line 35, <i>by correcting</i>
Ms. Ossiander seconded,	to read; GRAND TOTAL GENERAL GOVERNMENT
and this was passed without objection.	[\$343,979,540] to <u>"\$347,816,590;"</u>

Mr. Coffey supported the amended budget. It was a continuation budget, which addressed increased labor and fuel costs. He looked forward to the projected \$22 million from the State of Alaska.

Ms. Jennings thanked the Administration for their management of the budget, specifically with the continued reduction in the percentage which came from property taxes.

Mr. Tesche thanked Mr. Coffey for addressing Code Enforcement. The Administration had gotten the message. If the Assembly was not satisfied with the report and information supplied by the Mayor in January, he would cosponsor the Coffey Amendments to Code Enforcement. Mr. Tesche supported the budget and recommended approval.

Ms. Fairclough stated the Administration had succeeded with reducing property taxes by lobbying the State of Alaska to meet obligations to pay for Anchorage services. If the state failed to provide funding, property taxes may increase in the future.

Chair Sullivan stated that ~~[he supported the two-year budget cycle and the budget revisions. There was an additional \$25 million spending projected for the 2007 General Operating Budget.]~~, now that the city was spending \$25 million more than what was spent a year ago, and with the Assembly having approved wage and benefit increases a couple of years ago, which totaled \$50 million, the city could afford defibrillators in the future. It was all a matter of setting priorities. He put the Question on the main motion.

and the main motion, as amended, was approved, 10-0.

AYES: Tesche, Bauer, Fairclough, Sullivan, Ossiander, Birch, Coffey, Stout, Traini and Jennings.

NAYES: None.

ABSENT: Shamberg, excused.

Mayor Begich thanked his staff for their management of, and the Assembly for their patience, with the first two-year budget.

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

Ms. Fairclough moved,	<i>immediate reconsideration of AO 2006-130(S),</i>
Mr. Coffey seconded,	<i>as amended,</i>
and this motion failed, 1-9.	

AYES: Jennings.
NAYES: Tesche, Bauer, Fairclough, Sullivan, Ossiander, Birch, Coffey, Stout and Traini.
ABSENT: Shamberg, excused.

Ms. Fairclough thanked the OMB, the Administration, Assembly Budget Analyst Steven King and the Municipal Clerk's Office for their assistance. Ms. Mitson stated that a two-year budget required fewer worksessions and less preparation and the Administration was continuing to improve the process. As Budget Chair, Ms. Fairclough thanked the Mayor's staff for their explanations and assistance with Assembly questions.

- 11.B. Resolution No. AR 2006-238, a resolution approving the **2007-2012 General Government Capital Improvement Program (CIP)**; Office of Management and Budget.
1. Assembly Memorandum No. AM 657-2006. (*First Public Hearing Closed 10-17-06; Second Public Hearing Closed 10-24-06; Action was Carried Over From 10-24-06*)
 2. Resolution No. AR 2006-238(S), a resolution approving the 2007-2012 General Government Capital Improvement Program (CIP); Office of Management and Budget. (**Laid on the Table**)
 3. Assembly Memorandum No. AM 657-2006(A).

Chair Sullivan read the resolution title and called the Question on the substitute version (S-version) Laid on the Table.

Ms. Ossiander moved, to approve AR 2006-238(S)
Mr. Coffey seconded,

Office of Management and Budget Director Janet Mitson stated the S-version included changes to capital improvement projects proposed by Assemblymembers, summarized in the attached AM 657-2006(A), which reflected funding increases to four Eagle River projects. The Administration was in support and she urged approval.

Ms. Ossiander stated that the Eagle River Long Range Transportation Plan (LRTP) had not been adopted and her amendments included projects identified within the community, including a trail along Eagle River Road, improvements to the Glenn Highway, Hiland Road and Eklutna Lake Road.

Chair Sullivan called the Question.

and this motion was passed unanimously, 9-0.

AYES: Tesche, Bauer, Fairclough, Sullivan, Ossiander, Birch, Coffey, Traini and Jennings.
NAYES: None.
ABSENT: Shamberg, excused.
(Clerk's Note: Mr. Stout was temporarily out of Chambers at the time of the vote.)

- 11.C. Ordinance No. AO 2006-132, an ordinance adopting the **2007 General Government Capital Improvement Budget (CIB)**; Office of Management and Budget.
1. Assembly Memorandum No. AM 658-2006.
(*First Public Hearing Closed 10-17-06; Second Public Hearing Closed 10-24-06; Action was Carried Over From 10-24-06*)
 2. Ordinance No. AO 2006-132(S), an ordinance adopting the 2007 General Government Capital Improvement Budget (CIB); Office of Management and Budget. (**Laid on the Table**)
 3. Assembly Memorandum No. AM 658-2006(A).

Chair Sullivan read the ordinance title and called the Question on a substitute version (S-version), Laid on the Table.

Mr. Coffey moved, to approve AO 2006-132(S),
Ms. Ossiander seconded,

OMB Director Janet Mitson summarized that the changes in the S-version were from Assemblymembers and the attached AM 658-2006(A) identified fire stations, various road projects and the Harry J. McDonald (Center).

Mr. Tesche stated that Mr. Stout had recommended Airport Heights Fire Station #3 facility renovations. On behalf of the Mountain View residents and constituents in the eastern end of his district, he thanked Mr. Stout for his leadership in pushing the project forward. It was a fire station that was essential to both districts.

Mr. Coffey moved, to amend AO 2006-132(S) on Page 1, Line 36, Fund 441,
Ms. Ossiander seconded, (GO Bonds) ARDSA CIB by adding "\$500,000" to read:
and this was approved without objection. [~~\$41,000,000~~] to "\$41,500,000" for funding of design of the
Bragaw Extension, from East Northern Light Boulevard to
Providence Drive,

Mr. Coffey stated that the project should include a public process involving the general public, UAA, APU, Providence and the other entities and institutions in the U-Med District. It had been in the legislative package, but had not been funded. This project would benefit the community.

Mr. Coffey moved, to amend AO 2006-132(S) on Page 2, Line 12, Fund 441,
Mr. Traini seconded, PROJECT MANAGEMENT & ENGINEERING, by adding
and this was approved without objection. "\$500,000" to read: [~~\$44,800,000~~] to "\$45,300,000,"

Deputy Municipal Manager Michael Abbott stated that there would be additional changes to the document needed to facilitate the amendment. Ms. Mitson responded that all required technical changes would be made to the document.

Mr. Coffey moved, to approve allowing any necessary clerical adjustments
Chair Sullivan seconded, in other sections of the document that were needed to
and this was approved without objection. accommodate the amendments,

Mr. Coffey requested state funding to complete a sound fence in his neighborhood.

Mr. Coffey moved, to amend AO 2006-132(S) on Page 1, Line 30, Fund 409,
Mr. Traini seconded, (State) by adding "\$250,000" to read: [\$27,470,000]
and this was approved without objection. "\$28,720,000," and by adding on Page 2, Line 12, "\$250,000"
PROJECT MANAGEMENT & ENGINEERING,

Mr. Coffey requested a correction to a narrative listed in the big bound book, describing four and three lanes, which had been changed. He requested that language be included, describing replacing deteriorated pavement, constructing safety improvements, and in particular, the safety improvements at the intersections of the Seward Highway, Gambell Street, Eagle Street and Arctic Boulevard.

Mr. Coffey moved, to amend AO 2006-132(S) on Page 52, Section 6-52, by
Mr. Traini seconded, deleting [THE DESIGN PROCESS WILL EVALUATE A
POSSIBLE CHANGE IN STREET SECTION FROM A 4-
LANE TO A 3-LANE SECTION],

To Ms. Fairclough, Chair Sullivan responded that there was a meeting scheduled on Thursday to discuss design changes for that area, which had been recommended during Public Hearing.

and this was approved without objection.

Mr. Coffey requested \$250,000 of General Obligation Bonds be added to the Cuddy Family Midtown Park. Mayor Begich concurred and recommended the locations in the document to amend.

Mr. Coffey moved, to amend AO 2006-132(S) on Line 36, Fund 461, and on
Mr. Traini seconded, Page 1, Line 38, the Anchorage Parks and Recreation
Development, by adding funding of a General Obligation
Bond in the amount of "\$250,000" for the Cuddy Family
Midtown Park, and by adding on Page 2, Line 10, the (same)
amount to the Office of Economic and Community
Development General Obligation Bonds,

Mr. Coffey stated that the Cuddy Family Midtown Park was in the Master Plan, which had been approved. Showing the Assembly was committed at a local level would help ensure proposed state funding. Mayor Begich concurred.

and this was approved without objection.

To Chair Sullivan, Mayor Begich responded that Fairview Community Park had been selected to support the United Way Fiftieth Anniversary in 2007.

Chair Sullivan put the Question on AO 2006-132(S), as amended.

and this motion, as amended, was approved, 9-0.

AYES: Tesche, Bauer, Fairclough, Sullivan, Osslander, Birch, Coffey, Traini and Jennings.

NAYES: None.

ABSENT: Shamberg, excused.

(Clerk's Note: Mr. Stout was temporarily out of Chambers at the time of the vote.)

11.D. Resolution No. AR 2006-234, a resolution approving the **2007-2012 Municipal Utilities/Enterprise Activities Capital Improvement Program**; Office of Management and Budget.

1. Assembly Memorandum No. AM 662-2006. (First Public Hearing Closed 10-17-06; Second Public Hearing Closed 10-24-06; Action was Carried Over From 10-24-06)

Chair Sullivan read the resolution title and called the Question.

Ms. Osslander moved, to approve AR 2006-234,
Mr. Coffey seconded,
and this was approved without objection, 10-0.

AYES: Tesche, Bauer, Fairclough, Sullivan, Osslander, Birch, Coffey, Stout, Traini and Jennings.

NAYES: None.

ABSENT: Shamberg, excused.

11.E. Ordinance No. AO 2006-133, an ordinance adopting and appropriating funds for the **Municipal Utilities/Enterprise Activities Operating Budget Fiscal Year 2007 (Update) and the 2007 Municipal Utilities/Enterprise Activities Capital Improvement Budget**; Office of Management and Budget.

1. Assembly Memorandum No. AM 659-2006.
(First Public Hearing Closed 10-17-06; Second Public Hearing Closed 10-24-06; Action was Carried Over From 10-24-06)

Chair Sullivan read the ordinance title and summarized the ordinance history. He Called the Question.

Ms. Ossiander moved, to approve AO 2006-133,
Mr. Stout seconded,

Ms. Ossiander moved, to amend AO 2006-133 under Solid Waste Disposal Utility, by
Ms. Jennings seconded, deferring the \$5 a ton rate increase to 2008, and by
and this was amended, changing the line item on Page 1, Line 40, Solid Waste
and was later withdrawn. Services, to [~~\$18,299,610~~] to "\$17,299,610."

Ms. Ossiander stated that a user rate increase per ton was listed in the manual entitled *Utility Enterprise Activity, 2006-2007 Operating Budgets*. While all utilities costs were increasing, this increase applied to the garbage pick-up companies. Solid Waste Disposal had \$12 million in reserve, with a predicted \$8 million required to be set aside for eventual closure of the landfill. That left a reserve of \$4 million and there was plenty of time to plan for future closure. It was important to help the utility payers in the city and not charge increases until they were absolutely needed.

To Mr. Coffey, Ms. Ossiander responded that the rate increases would be passed on to customers. Deputy Municipal Manager Michael Abbott responded that the two primary cost drivers of the rate increase were increased costs for personnel and fuel. There would be no operating surplus with the budget increase and the utility would be running right under its revenue projection. The department had a \$4 million fund balance and the city was required by the Environmental (*Protection*) Agency to augment that fund every year, to deal with closing the landfill the future.

To Mr. Traini, Mr. Abbott responded that Ms. Ossiander had addressed this matter at the worksession.

Ms. Ossiander stated that it would be better to spread out a cost increase, instead of implementing it all at once. She continually heard from constituents, concerned with utility cost increases. She urged support on the amendment.

Chair Sullivan requested that a dollar figure be determined to calculate the change to the budget.

(Clerk's Note: Ms. Fairclough moved, seconded by Mr. Traini to Change the Order of the Day to take up the Fur Rendezvous matter, which was approved without objection. See item 10.B.5. Once debate and action were completed on that matter, Chair Sullivan returned the body to continue this item.)

To Chair Sullivan, Mr. Abbott responded that it had been calculated that non-implementation of the rate increase involved \$1 million, in the \$18 million appropriation. On Page 1, Line 40, the figure would be less \$1 million. Expenditures would have to be reduced or fund balance would need to be used in that amount.

Ms. Ossiander amended her motion, by adding the change. Mr. Abbott and Mayor Begich each responded that there would be no other alternative other than reducing services or using fund balance, which they opposed. Ms. Ossiander stated that she preferred to make this amendment to send a significant message to the Administration. Mr. Abbott and Mayor Begich each responded that it would be appropriate to address this matter in 30 days.

To Mr. Traini, Mayor Begich responded that Solid Waste Services had not seen a rate increase since the 1980's.

Mr. Coffey stated that this was more than an expression of intent, cutting the budget by \$1 million.

Ms. Ossiander stated that this document was predicated by increasing rates. She supported postponement until the Administration presented the rate increase.

Ms. Ossiander moved, to postpone AO 2006-133 until the Administration
Ms. Fairclough seconded, presented rate increases,
and this motion failed, 5-5.

AYES: Tesche, Bauer, Fairclough, Ossiander and Stout.
NAYES: Sullivan, Birch, Coffey, Traini and Jennings.
ABSENT: Shamberg, excused.

Chair Sullivan stated the Ossiander Motion to reduce rates was on the floor.

To Chair Sullivan, Mr. Abbott responded that it was important to allow the Solid Waste Services time to adjust their operations.

Mr. Coffey and Mr. Tesche opposed the Ossiander Amendment.

Ms. Ossiander withdrew her amendment, as amended.

Chair Sullivan put the question on the main motion.

and the main motion was passed, 9-1.

AYES: Tesche, Bauer, Fairclough, Sullivan, Birch, Coffey, Stout, Traini and Jennings.
NAYES: Ossiander.

ABSENT: Shamberg, excused.

(Chair Sullivan Changed the Order of the Day to take up 11.A, AO 2006-130.)

11.F. Ordinance No. AO 2006-134, an ordinance adopting and appropriating funds for the **2007 Operating and Capital Budgets for the Cooperative Services Authority (CSA)**; Office of Management and Budget.

1. Assembly Memorandum No. AM 660-2006.

(First Public Hearing Closed 10-17-06; Second Public Hearing Closed 10-24-06; Action was Carried Over From 10-24-06)

Chair Sullivan read the ordinance title and called the Question.

Ms. Ossiander moved, to approve AO 2006-134,
Mr. Coffey seconded,

Ms. Ossiander stated that the Anchorage Cooperative Services Authority (ACSA) was saving a significant amount of money. The Assembly would continue to monitor the activities and encourage more participants for the plan, including the Anchorage School District (ASD).

To Ms. Jennings, Deputy Municipal Manager Michael Abbott, ACSA Vice Chair, responded that the ACSA continued to encourage the ASD to join the plan. The ACSA remained optimistic that the ASD would join the partnership. Ms. Jennings encouraged the ASD to participate.

and this motion was approved, 10-0.

AYES: Tesche, Bauer, Fairclough, Sullivan, Ossiander, Birch, Coffey, Stout, Traini and Jennings.

NAYES: None.

ABSENT: Shamberg, excused.

11.G. Ordinance No. AO 2006-135, an ordinance adopting and appropriating funds for the **2007 Operating and Capital Budgets for the Anchorage Community Development Authority (ACDA)**; Office of Management and Budget.

1. Assembly Memorandum No. AM 661-2006.

(First Public Hearing Closed 10-17-06; Second Public Hearing Closed 10-24-06; Action was Carried Over From 10-24-06)

Chair Sullivan read the ordinance title and summarized the history of the ordinance. He called the Question.

Ms. Ossiander moved, to approve AO 2006-135,
Mr. Coffey seconded,

Mr. Coffey stated that he and Mr. Stout served as ex-officio members to the Anchorage Community Development Authority (ACDA) Board. This was an appropriate budget which recognized ongoing ACDA obligations. He urged approval.

and this was approved, 10-0.

AYES: Tesche, Bauer, Fairclough, Sullivan, Ossiander, Birch, Coffey, Stout, Traini and Jennings.

NAYES: None.

ABSENT: Shamberg, excused.

12. APPEARANCE REQUESTS There were none.

13. CONTINUED PUBLIC HEARINGS

13.A. Ordinance No. AO 2006-64, an ordinance amending Anchorage Municipal Code Chapters 21.35, 21.40, 21.45 and 21.60 to establish design, location, and conditional use standards, and set the maximum heights for **high voltage transmission towers**, Planning Department.

1. Ordinance No. AO 2006-64(S), an ordinance amending Anchorage Municipal Code Chapters 21.35, 21.40, 21.45, and 21.50 to establish design, location, and conditional use standards, and set the maximum height for high voltage transmission towers (Planning and Zoning Commission Case 2006-074), Planning Department.

2. Assembly Memorandum No. AM 769-2006. *(Continued from 7-11-06, 9-12-06 and 10-10-06)*

Chair Sullivan read the ordinance title and opened Public Hearing. With no one to testify, he closed Public Hearing and called the Question on the substitute version (S-version).

Mr. Coffey moved, to Continue AO 2006-64(S) to December 11, 2006,
Mr. Stout seconded,

Mr. Coffey stated that there were additional specifics concerning conditional use standards and matters like landscaping that needed clarifying. There was a general consensus among utility companies, the Planning Department and Assemblymembers. An S-1 version would be supplied by the Planning Department.

and this was approved without objection, 10-0.

AYES: Tesche, Bauer, Fairclough, Sullivan, Ossiander, Birch, Coffey, Stout, Traini and Jennings.

NAYES: None.

ABSENT: Shamberg, excused.

14. NEW PUBLIC HEARINGS

- 14.A. Ordinance No. AO 2006-145, an ordinance repealing and re-enacting Anchorage Municipal Code Section 6.50.030 to update the **Investment Policies and Practices** of the Municipality and rescinding the reporting requirements in Assembly Resolutions No. 93-187(S-1) and No. 79-54; Finance.
1. Assembly Memorandum No. AM 766-2006.

Chair Sullivan read the ordinance title and opened Public Hearing. With no one to testify, he closed Public Hearing and called the Question.

Ms. Jennings moved, to approve AO 2006-145,
Ms. Ossiander seconded,

Ms. Ossiander thanked the Administration for the informative worksession. To her question, Public Finance and Investment Manager Ross Risvold responded that the Finance Department would follow all reporting requirements, listed in Section 1.F, which now included performance, compliance and uses of the authorized investments. There were minor changes to reporting information of brokerage or investment firms and a change to monthly reporting.

and this motion was passed, 9-0.

AYES: Tesche, Bauer, Fairclough, Sullivan, Ossiander, Birch, Stout, Traini and Jennings.

NAYES: None.

ABSENT: Shamberg, excused.

(Clerk's Note: Mr. Coffey was temporarily out of Chambers at the time of the vote.)

- 14.B. Ordinance No. AO 2006-146, an ordinance amending Anchorage Municipal Code Section 6.50.060 to authorize alternative investments and strategies consistent with practices followed by established endowment funds in order to further diversify holdings of the **MOA Trust Fund** and to enhance future potential returns; Finance.
1. Assembly Memorandum No. AM 767-2006.

Chair Sullivan read the ordinance title and opened Public Hearing. With no one to testify, he closed Public Hearing and called the Question.

Ms. Fairclough moved, to approve AO 2006-146,
Ms. Ossiander seconded,
and this motion was passed, 9-0.

AYES: Tesche, Bauer, Fairclough, Sullivan, Ossiander, Birch, Stout, Traini and Jennings.

NAYES: None.

ABSENT: Shamberg, excused.

(Clerk's Note: Mr. Coffey was temporarily out of Chambers at the time of the vote.)

- 14.C. Ordinance No. AO 2006-147, an ordinance authorizing the Municipality to be a member and participant in the **Alaska Municipal League Investment Pool, Inc.**, approving the standard terms and conditions of a Common Investment Agreement, and authorizing fund transfers for investment; Finance.
1. Assembly Memorandum No. AM 768-2006.

Chair Sullivan read the ordinance title and opened Public Hearing. With no one to testify, he closed Public Hearing and called the Question.

Ms. Ossiander moved, to approve AO 2006-147,
Ms. Jennings seconded,
and this motion was passed, 9-0.

AYES: Tesche, Bauer, Fairclough, Sullivan, Ossiander, Birch, Stout, Traini and Jennings.

NAYES: None.

ABSENT: Shamberg, excused.

(Clerk's Note: Mr. Coffey was temporarily out of Chambers at the time of the vote.)

- 14.D. Ordinance No. AO 2006-141, an ordinance of the Municipality of Anchorage, Alaska, authorizing and providing for the borrowing from the State of Alaska Drinking Water Fund of an aggregate amount not to exceed \$31,857,600 for the purpose of financing a portion of the costs of various **AWWU 2006 Capital Improvement Budget (CIB) Water Improvements Projects** in the Municipality, and providing for related matters; Anchorage Water & Wastewater Utility.
1. Assembly Memorandum No. AM 750-2006.

Chair Sullivan read the ordinance title and opened Public Hearing. With no one to testify, he closed Public Hearing and called the Question.

Ms. Ossiander moved, to approve AO 2006-141,
Ms. Jennings seconded,

and this motion was passed, 9-0.

AYES: Tesche, Bauer, Fairclough, Sullivan, Ossiander, Birch, Stout, Traini and Jennings.

NAYES: None.

ABSENT: Shamberg, excused.

(Clerk's Note: Mr. Coffey was temporarily out of Chambers at the time of the vote.)

- 14.E. Ordinance No. AO 2006-142, an ordinance of the Municipality of Anchorage, Alaska, authorizing and providing for the borrowing from the State of Alaska Clean Water Fund of an aggregate amount not to exceed \$23,992,000 for the purpose of financing a portion of the costs of various **AWWU 2006 Capital Improvement Budget (CIB) Sewer Improvements Projects** in the municipality, and providing for related matters; Anchorage Water & Wastewater Utility.
1. Assembly Memorandum No. AM 751-2006.

Chair Sullivan read the ordinance title and opened Public Hearing. With no one to testify, he closed Public Hearing and called the Question.

Ms. Ossiander moved, to approve AO 2006-142,
Ms. Fairclough seconded,
and this motion was passed, 9-0.

AYES: Tesche, Bauer, Fairclough, Sullivan, Ossiander, Birch, Stout, Traini and Jennings.

NAYES: None.

ABSENT: Shamberg, excused.

(Clerk's Note: Mr. Coffey was temporarily out of Chambers at the time of the vote.)

- 14.F. Ordinance No. AO 2006-148, an ordinance authorizing a lease between the Municipality and Alaska Digitel, LLC of ground space for a community interest tower and support equipment on municipal property legally described as **Abbott Road Subdivision, Tract B** (per Plat 99-120), Anchorage Recording District, commonly referred to as the Water Reservoir Compound west of Service High School; Anchorage Water & Wastewater Utility.
1. Assembly Memorandum No. AM 774 -2006.

Chair Sullivan read the ordinance title and opened Public Hearing. With no one to testify, he closed Public Hearing and called the Question.

Ms. Fairclough moved, to approve AO 2006-148,
Ms. Jennings seconded,
and this motion was passed, 9-0.

AYES: Tesche, Bauer, Fairclough, Sullivan, Ossiander, Birch, Stout, Traini and Jennings.

NAYES: None.

ABSENT: Shamberg, excused.

(Clerk's Note: Mr. Coffey was temporarily out of Chambers at the time of the vote.)

- 14.G. Ordinance No. AO 2006-143, an ordinance of the Municipality of Anchorage amending Anchorage Municipal Code Section 11.60.200 to adjust **mandatory airport fees and charges**; Merrill Field Airport.
1. Assembly Memorandum No. AM 764-2006.

Chair Sullivan read the ordinance title and opened Public Hearing. With no one to testify, he closed Public Hearing and called the Question.

Ms. Ossiander moved, to approve AO 2006-143,
Ms. Jennings seconded,
and this motion was passed, 9-0.

AYES: Tesche, Bauer, Fairclough, Sullivan, Ossiander, Birch, Stout, Traini and Jennings.

NAYES: None.

ABSENT: Shamberg, excused.

(Clerk's Note: Mr. Coffey was temporarily out of Chambers at the time of the vote.)

- 14.H. Resolution No. AR 2006-270, a resolution of the Anchorage Municipal Assembly approving an alcoholic beverages conditional use in the B-3 (General Business District) for a recreational site alcohol use and license per AMC 21.40.180.D.8, for Dimond Bowl, LLC, dba **Dimond Bowl**, located on Dimond Industrial Subdivision, Block 2, Lot 5A; site address being 800 East Dimond Boulevard, Lease Space 3-023; generally located on the southwest corner of Dimond Boulevard and the Old Seward Highway (Planning Case 2006-137); Planning Department.
1. Assembly Memorandum No. AM 770-2006.

Chair Sullivan read the resolution title and opened Public Hearing. With no one to testify, he closed Public Hearing and called the Question.

Ms. Ossiander moved, to approve AR 2006-270,
Ms. Jennings seconded,

Ms. Ossiander stated that she had been contacted by constituents, with questions on this conditional use. One concern was with the proposed dollar figure for alcohol, compared to food. Deputy Municipal Manager Michael Abbott responded that the Administration had not done any additional review and they were endorsing the Planning and Zoning recommendation.

To Ms. Jennings, Police Chief Heun responded that there was no police activity in the record of this business.

To Chair Sullivan, Alicia Martin, owner of Dimond Bowl, responded that the proportions of food and alcohol were the same as they had offered when they had served alcohol before and had been determined by their leagues.

Mr. Birch stated that this was a bowling alley and would be an addition to the community.

To Ms. Jennings, Ms. Martin responded that she only served alcohol when the leagues were present, which were all over-21.

and this motion was passed, 9-0.

AYES: Tesche, Bauer, Fairclough, Sullivan, Ossiander, Birch, Stout, Traini and Jennings.

NAYES: None.

ABSENT: Shamberg, excused.

(Clerk's Note: Mr. Coffey was temporarily out of Chambers at the time of the vote.)

- 14.I. Ordinance No. AO 2006-144, an ordinance amending Anchorage Municipal Code Subsection 21.15.012, Table A, to correct the **maximum lot coverage** of all buildings in the R-2A, R-2D and R-2M Zoning Districts (Planning and Zoning Commission Case 2006-123); Planning Department.
1. Assembly Memorandum No. AM 765-2006.

Chair Sullivan read the ordinance title and opened Public Hearing. With no one to testify, he closed Public Hearing and called the Question.

Ms. Ossiander moved, to approve AO 2006-144,
Ms. Jennings seconded,
and this motion was passed, 9-0.

AYES: Tesche, Bauer, Fairclough, Sullivan, Ossiander, Birch, Stout, Traini and Jennings.

NAYES: None.

ABSENT: Shamberg, excused.

(Clerk's Note: Mr. Coffey was temporarily out of Chambers at the time of the vote.)

- 14.J. Resolution No. AR 2006-267, a resolution of the Municipality of Anchorage appropriating \$1,347,000 from the Alaska Department of Health and Social Services and a contribution of \$109,000 from the 2006 General Government Operating Budget, Department of Health and Human Services Areawide General Fund (101) to the State Categorical Grants Fund (231) for the **Child Care Licensing Program**; Health and Human Services.
1. Assembly Memorandum No. AM 762-2006.

Chair Sullivan read the resolution title and opened Public Hearing. With no one to testify, he closed Public Hearing and called the Question.

Ms. Ossiander moved, to approve AR 2006-267,
Ms. Jennings seconded,
and this motion was passed, 10-0.

AYES: Tesche, Bauer, Fairclough, Sullivan, Ossiander, Birch, Coffey, Stout, Traini and Jennings.

NAYES: None.

ABSENT: Shamberg, excused.

- 14.K. Resolution No. AR 2006-268, a resolution of the Municipality of Anchorage appropriating \$130,000 from the **Upper O'Malley Limited Road Service Area** (LRSA) Fund Balance (Fund 143) to the Upper O'Malley LRSA BY2006 Operating Budget (Fund 143) for year round road maintenance services and summer work projects; Maintenance & Operations Department.
1. Assembly Memorandum No. AM 763-2006.

Chair Sullivan read the resolution title and opened Public Hearing. With no one to testify, he closed Public Hearing and called the Question.

Ms. Ossiander moved, to approve AR 2006-268,
Ms. Jennings seconded,
and this motion was passed, 10-0.

AYES: Tesche, Bauer, Fairclough, Sullivan, Ossiander, Birch, Coffey, Stout, Traini and Jennings.

NAYES: None.

ABSENT: Shamberg, excused.

- 14.L. Resolution No. AR 2006-275, a resolution adopting the **Housing and Community Development 2007 Annual Action Plan** of the Municipality of Anchorage, which constitutes the application to the U.

S. Department of Housing and Urban Development (HUD) for the Community Development Block Grant (CDBG), the HOME Investment Partnerships Program (HOME), the American Dream Downpayment Initiative (ADDI) and the Emergency Shelter Grant (ESG). This resolution seeks to appropriate the annual entitlement grants from HUD, program income, and recaptured funds in the amount of \$1,941,992 of 2007 CDBG entitlement, \$90,000 of anticipated CDBG program income/recaptured funds, \$1,008,847 of 2007 HOME entitlement, \$25,488 of 2007 ADDI entitlement, and \$83,168 of 2007 ESG entitlement, and to appropriate said funds to the Federal Categorical Grants Fund (241); and to make CDBG program awards to Alaska Legal Services, Anchorage Literacy Project, Salvation Army, and Rural Alaska Community Action Program for CDBG public service projects; Department of Neighborhoods.

1. Assembly Memorandum No. AM 776-2006.

Chair Sullivan read the resolution title and opened Public Hearing. With no one to testify, he closed Public Hearing and called the Question.

Ms. Fairclough moved, to approve AR 2006-275,
Ms. Jennings seconded,

Ms. Ossiander thanked Department of Neighborhoods Director Carma Reed for her work on the action plan and for supplying updates on the homeless and low-income senior housing issues. Ms. Ossiander supported the plan.

and this motion was passed, 10-0.

AYES: Tesche, Bauer, Fairclough, Sullivan, Ossiander, Birch, Coffey, Stout, Traini and Jennings.

NAYES: None.

ABSENT: Shamberg, excused.

- 14.M. Ordinance No. AO 2006-139(S), an ordinance of the Anchorage Municipal Assembly designating certain real property under Chapter 12.35 and AS 29.45.050 as a deteriorated area located in **East Addition Subdivision Block 37**, Lots 1 of Acre Lt 2, 2 of Acre Lt 2, 3, 4 S16', 4 N2, 5, 6 S2 of Acre Lt 2, 7, 8, 9, 11, 12 N33', 12 S16', 13 of acre Lt 2, 14 of Acre Lt 2, 15 of Acre Lt 2, 16 of Acre Lt 2, 17, 18 of Acre Lt 2 and 19 and Block 37B, Lots TR A, 2A, 3A, 4A, 5A, 6B, 9, 10, 11A, 13A, 13B, 15A, 15B and 16; Assemblymember Tesche.

1. Assembly Memorandum No. AM 793-2006.

Chair Sullivan read the ordinance title. He declared a possible conflict of interest, due his association with property surrounding the McKinley Building, and stated that he would rely on the Assembly's advice. Ms. Ossiander assumed as Acting Chair and requested that Mr. Coffey put the Question.

Mr. Coffey put the Question, "Does Mr. Sullivan have a substantial financial interest in the matter before the Assembly?"

To Ms. Jennings, Mr. Sullivan responded that he was executor of the estate of his deceased brother, who had owned interest in the McKinley Building, prior to restoration by Mr. Marlow. The estate was still owed money. Mr. Marlow had indicated that payment of this debt would not come from this building, but from the development of surrounding properties.

To Mr. Coffey, Mr. Sullivan responded that he would be a participant, as the executor of an estate representing the heirs, his relatives, in the payment of the remaining debt. He had no personal financial interest in this matter, but there could be an appearance of a conflict. Mr. Coffey stated that approving that these properties were deteriorated would not result in any financial interest to Mr. Sullivan.

Mr. Tesche concurred with Mr. Coffey. Mr. Sullivan did not have a substantial financial interest in the matter.

Ms. Jennings disagreed. Mr. Sullivan had indicated that he had been told that payment was expected to be from the development of the surrounding properties. Mr. Sullivan responded that that had been suggested by Mr. Marlow.

Mr. Coffey asked an additional question to Mr. Sullivan, "Will you be able to put the public interest first and foremost in your mind over whatever private interest interests you may have?" Mr. Sullivan responded that he could, but stated the perception of a conflict of interest still remained and the Assembly had refused his participation when discussing and taking action on the McKinley Building in the past. Mr. Coffey stated that with that explanation, with the previous public impression and the vote of the body, he supported Mr. Sullivan having a conflict of interest.

Mr. Coffey questioned if the motion needed to be changed to reflect an appearance of a conflict of interest. Acting Chair Ossiander responded the discussion covered the matter and the Meeting Minutes would reflect Assembly debate. Mr. Coffey stated for the record that his action would reflect, not a substantial financial interest, but the appearance of a conflict. Acting Chair Ossiander put the Question on the motion to approve Mr. Sullivan's potential conflict.

and the motion passed, 8-1.

AYES: Bauer, Fairclough, Ossiander, Birch, Coffey, Stout, Traini and Jennings.

NAYES: Tesche.

ABSTAIN: Sullivan.

ABSENT: Shamberg, excused.

Acting Chair Ossiander excused Mr. Sullivan from participation in the matter. She opened Public Hearing.

MARK MARLOW testified that he had completed construction on the McKay Building and he was cleaning up the area surrounding his property, as a continuing effort to improve downtown Anchorage. Mr. Tesche distributed his proposed floor amendments. Mr. Marlow responded that the property descriptions were true and accurate, but the numbers listed in his booklet did not reflect any legal descriptions in the public record. To Mr. Tesche, Mr. Marlow responded that the properties would be sold within months, with tax exempt status, which would allow the new owners to pay for property improvements. Once the properties were restored at a higher value, they would be restored to the city tax rolls. There were three parcels that already had tax exempt status, listed in his booklet as numbers 17, 18 and 19. He had permission from the property owners to pursue deteriorated status for the area.

With no additional public testimony, Acting Chair Ossiander closed Public Hearing and called the Question.

Mr. Tesche moved, to approve AO 2006-139(S),
Mr. Coffey seconded,

Mr. Tesche requested that a copy of the booklet prepared by Mr. Marlow, including Mr. Marlow's photos, parcel numbers and descriptions, maps and appendices, be made an official part of the Assembly proceedings by including them with the Assembly Meeting Minutes. Acting Chair Ossiander called for objections and there were none.

Mr. Tesche moved, to amend AO 2006-139(S) on Page 1, Line 31 *by adding to*
Mr. Traini seconded, read: "WHEREAS, unsafe, unsanitary, and overcrowded
buildings are located on Parcels 3, 4, 5, 6, and 15. For
example, Parcel 3 contains an unoccupied duplex that is
under municipal orders to remain vacant until certain life-
safety improvements are made. Vacant homes on Parcels 4,
5, and 6 are uninhabitable and should be demolished. The
house on Parcel 14 is vacant and habitable only with
necessary upgrades. The building on Parcel 8 was torched,
and that Parcel is now vacant, overgrown with weeds and is
unsightly. Occupied structures in the area, including those on
Parcels 1, 4, 7, 10 and 16 result in excessive land coverage
and economically undesirable uses because existing
structures preclude consolidation of lots and construction of
larger, more economically viable commercial structures; and;
by adding WHEREAS, The Assembly also determines that
adjacent properties, including Parcels 1, 2, 7 9, 10, 11, 12,
13, 15, 17, 18 and 19 may be included within the deteriorated
area because new construction on these properties would
encourage, enhance, and accelerate improvement of the
deteriorated properties by allowing consolidation of existing
lots and construction of larger, more economically viable
commercial structures in the area;" and on Page 2, Line 8,
Section 2, *by changing to read:* Provided that they are
otherwise eligible under applicable law, properties within the
areas described in Section 1 may be considered [THE
PROPERTY DESCRIBED IN SECTION IS ELIGIBLE] for an
exemption from real property taxes,

To Ms. Fairclough, Municipal Attorney Jim Reeves responded that dedication of this area was ultimately a political decision for the Assembly. He responded that he had reviewed the Tesche Amendments and they were sufficient under the ordinance. Ms. Fairclough stated the Tesche Amendments were very subjective, based on information compiled by Mr. Marlow and not the property owners. The document was sufficient without the amendments.

Mr. Coffey stated that it would be difficult to make a determination of the status and condition without personally looking at the property and they would have to rely on the Marlow presentation.

Ms. Fairclough stated that her response was based on the description provided at the worksession by the Administration and from the Marlow presentation. Descriptions of "uninhabitable" and "should be demolished" were subjective and may not be the intent of the property owner. She described property on the list, which was currently being restored. Ms. Fairclough stated that the document would be fine without the amendment. Mr. Coffey responded that Mr. Marlow had indicated that he had authority from the property owners.

Mr. Tesche stated that the decision was based on the testimony and material before the Assembly. He stated that there was no question that Mr. Marlow had obtained concurrence from all property owners to declare the properties deteriorated. There would be further Assembly action required to obtain tax deferral on each property.

Ms. Jennings supported the Tesche Amendments because they clarified the Assembly's intent to improve unsafe, unsanitary and overcrowded properties in the area. The adjacent properties may also be included, because new construction would encourage, enhance and accelerate improvement in the area.

Acting Chair Ossiander put the Question on the Tesche Amendments.

and this motion was approved, 8-1.

AYES: Tesche, Bauer, Ossiander, Birch, Coffey, Stout, Traini and Jennings.

1 NAYES: Fairclough.
2 ABSTAIN: Sullivan.
3 ABSENT: Shamberg.

4
5 Mr. Coffey stated that this plan and the Tesche Amendments afforded the opportunity to view this matter in great
6 detail. Mr. Marlow was a developer who had a good track record. Mr. Coffey stated that he had looked at the subject
7 property and he supported the ordinance.

8
9 Mr. Traini stated that Mr. Marlow was a man of his word, who had turned the McKay Building into a wonderful addition
10 for downtown. He supported the ordinance.

11
12 Acting Chair Ossiander stated there were residential properties in the area which were in very good shape and it would
13 be difficult to support this in the long run. Clarity was needed to determine tax deferment. She opposed the ordinance.
14 She put the Question.

15
16 and the main motion, as amended, was passed, 8-1.

17
18 AYES: Tesche, Bauer, Fairclough, Birch, Coffey, Stout, Traini and Jennings.
19 NAYES: Ossiander,
20 ABSENT: Shamberg, excused.
21 ABSTAIN: Sullivan, with a conflict of interest.

22
23 **15. SPECIAL ORDERS** None.

24
25 **16. UNFINISHED AGENDA** None.

26
27 **17. AUDIENCE PARTICIPATION** None.

28
29 **18. ASSEMBLY COMMENTS** None.

30
31 **19. EXECUTIVE SESSIONS** None.

32
33 **20. ADJOURNMENT**

34
35 Acting Chair Ossiander called for a motion to adjourn the meeting.

36
37 Mr. Coffey moved, to adjourn the Regular Assembly Meeting,
38 Mr. Traini seconded,
39 and this motion was passed unanimously.

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41 The Regular Assembly Meeting was adjourned at 9:25 p.m.

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DAN SULLIVAN, Assembly Chair

50 ATTEST:

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57 _____
58 BARBARA GRUENSTEIN, Municipal Clerk
59 Date Minutes Amended (Page 7) and Approved: December 19, 2006.
60 MC/BG

61
62 (Copies of Approved Meeting Minutes are available from the Municipal Clerk's Office, 632 West 6th Avenue, Suite 250, Anchorage,
63 Alaska, (907)343-4505, or on the Municipal Web Site, www.muni.org ~Assembly~Minutes~year~month~day)
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66