

MUNICIPALITY OF ANCHORAGE
ANCHORAGE ASSEMBLY

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

Minutes for Regular Meeting of December 18, 2007

1. CALL TO ORDER

The Assembly Meeting was a convened by Chair Coffey at 5:03 p.m. in 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, Dick Traini, Dan Sullivan, William Starr, Dan Coffey, Debbie Ossiander, Jennifer Johnston, Chris Birch, Paul Bauer, Sheila Selkregg and Matt Claman.

ABSENT: None.

3. PLEDGE OF ALLEGIANCE Assemblymember Sullivan led the pledge.

4. MINUTES OF PREVIOUS MEETINGS

4.A. Regular Meeting of October 23, 2007. **(Addendum)**

4.B. Regular Meeting of November 6, 2007. **(Addendum)**

Chair Coffey requested that both sets of Minutes be postponed to the Meeting of January 8th, to allow members time for review. There were no objections.

5. MAYOR'S REPORT

Mayor Begich thanked British Petroleum for their donation of \$840,000 to municipal libraries, including a \$540,000 contribution to the Mountain View Library construction and rehabilitation. Mayor Begich reported that newly completed Elmore Road was now open. Mr. Traini stated that he was already getting calls from constituents requesting a turn lane or double turn lanes off of Tudor Road. Mayor Begich responded that Elmore Road was a state project and the Municipality had recommended turn lanes off of Tudor Road to help with traffic. The city had adjusted the signal lights to help accommodate the turning vehicles. Mr. Traini requested the Administration submit a resolution supporting turn lanes. Mayor Begich concurred. Mr. Traini stated that he and Mr. Coffey appreciated the opening of the Tudor Road Fire Station. Mayor Begich stated that the fire station reconstruction had been completed fifty days earlier than scheduled, which saved the city money and got fire crews back to that location. Dr. Selkregg stated that traffic turning onto Elmore Road was backed up to the Native Hospital, but the traffic at the Lake Otis and Tudor intersection was light.

6. ASSEMBLY CHAIR'S REPORT

Chair Coffey distributed an unnumbered resolution for members to review, concerning contracting with outside consultants, which would be formally introduced on January 22nd. Ebony McClain-Owens and Cindy Alkire were recognized as newly appointed to the Women's Commission. Dan Fagan was recognized as newly appointed to the Public Safety Advisory Committee. Mr. Claman, Mr. Traini, Chair Coffey and Mayor Begich thanked Mr. Fagan for serving.

7. COMMITTEE REPORTS

Public Safety Committee Chair Matt Claman reported that there would be a committee meeting the following day that would include a report from the Fire Department about emergency medical services. In January Police Chief Heun would report on impacts of Mat-Su Valley traffic. To Chair Coffey, Mayor Begich responded that the Municipal Clerk's Office could offer notification of board and commission meetings, to inform members. Mr. Claman stated that he had already started the process.

Mr. Bauer reminded members that December 22nd was the deadline to submit topics for internal audits to Municipal Auditor Peter Raiskums.

Mr. Birch reported that the Legislative Committee had completed their review of the Mayor's Legislative Program and there had been a worksession on Friday, December 14th on the matter. He reported that he and Ms. Johnston had attended a Girdwood public meeting about concerns that needed to be addressed and he would present members with committee recommendations. He reported that the Merger Committee had presented Navigant's recommendation on the potential ML&P/Chugach merger and he would keep members informed with updates.

Ms. Johnston reported the Assembly and School Board had held their quarterly Joint Meeting on Friday, December 14th, to discuss the ASD Budget.

Ms. Ossiander reported there would not be Title 21 Committee Meetings for the next two weeks, as had been publicly noticed. The committee would resume meetings on the first Thursday in January and begin their review of Chapter 6. To Dr. Selkregg, Economic and Community Development Director Mary Jane Michael responded the consultant's draft of Title 21 would be ready in January.

Mr. Sullivan stated that the Ethics Committee had met that afternoon, December 18th, to consider the topic of political activity by Municipal Ethics Board Members and would present a written report in a day or two.

Chair Coffey reported that a proposed April-to-September Assembly Meeting schedule had been submitted by Municipal Clerk Barbara Gruenstein and would be on the January 22nd Agenda for consideration.

8. ADDENDUM TO AGENDA

Chair Coffey called for a motion and read the Addendum items. He called for additional items and AR 2007-283(S) and AR 2007-300 were added and assigned Agenda Numbers 9.B.1 and 9.B.9, respectively. A Draft Summary of the 2008 Legislative Program was also added to 11.D. With no additional items, he called for a vote to incorporate the Addendum items into the Consent Agenda.

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

AYES: Tesche, Traini, Sullivan, Starr, Coffey, Ossiander, Johnston, Birch, Bauer, Selkregg and Claman.
NAYES: None.

Chair Coffey called the Question on the Consent Agenda.

Mr. Tesche moved, to approve the Consent Agenda,
Mr. Traini seconded,

Chair Coffey 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 no items.

9.B. RESOLUTIONS FOR ACTION - OTHER

9.B.1. Resolution No. AR 2007-283, a resolution of the Anchorage Assembly adopting certain processes and procedures for the continuing **review and oversight of the various budgets** of the Municipality of Anchorage and the related operations of various municipal departments; Assembly Chair Coffey.

- a. Resolution No. AR 2007-283(S), a resolution of the Anchorage Municipal Assembly adopting process and procedures for the continuing review and oversight of the various budgets of the Municipality of Anchorage and the related operations of various municipal department; Assembly Chair Coffey. **(Laid on the Table)**

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

9.B.2. Resolution No. AR 2007-284, a resolution of the Municipality of Anchorage appropriating \$44,100 in private-party insurance recoveries to the Anchorage Fire Department, Anchorage Fire Department 2007 Operating Budget, General Government Areawide Fund (101), received as reimbursement for the contracted **repair of an ambulance** damaged in a vehicular accident.

- a. Assembly Memorandum No. AM 765-2007.

9.B.3. Resolution No. AR 2007-285, a resolution of the Municipality of Anchorage appropriating \$36,940 in reimbursed cost revenues received from the State of Alaska, Department of Natural Resources, to the Anchorage Fire Department, Anchorage Fire Department 2007 Operating Budget, Anchorage Fire Service Area Fund (131), for **wild fire deployment personnel services** performed in Calendar Year 2007.

- a. Assembly Memorandum No. AM 766-2007.

9.B.4. Resolution No. AR 2007-286, a resolution of the Municipality of Anchorage appropriating \$28,296 from the State of Alaska, Department of Transportation & Public Facilities; and appropriating \$520 as a contribution from the 2007 Anchorage Police Operating Budget, Anchorage Metropolitan Police Service Area Fund (151) to the State Categorical Grants Fund (231) Anchorage Police Department, for **seat belt violation enforcement**.

- a. Assembly Memorandum No. AM 767-2007.

9.B.5. Resolution No. AR 2007-287, a resolution of the Municipality of Anchorage appropriating \$21,994 from the State of Alaska, Department of Transportation & Public Facilities; and appropriating \$410 as a contribution from the 2007 Anchorage Police Operating Budget, Anchorage Metropolitan Police Service Area Fund (151) to the State Categorical Grants Fund (231) Anchorage Police Department, for **law enforcement equipment**.

- a. Assembly Memorandum No. AM 768-2007.

9.B.6. Resolution No. AR 2007-288, a resolution of the Municipality of Anchorage appropriating \$30,625 from the Department of Military and Veterans' Affairs, Division of Homeland Security and Emergency Management and contribution of \$610 from Anchorage Fire Service Area Operating Fund (131) Fire Department 2007 Operating Budget to the State Categorical Grants Fund (231) to support the

Municipality of Anchorage **Local Emergency Planning Committee (LEPC) activities**; Office of Emergency Management.

- a. Assembly Memorandum No. AM 769-2007.
- 9.B.7. **Resolution No. AR 2007-295**, a resolution of the Anchorage Municipal Assembly authorizing and directing the Mayor to initiate the petition process and make a report on a proposed special assessment district to be created as a **Business Improvement District serving Midtown**, in conformity with AMC Section 19.20.025 and 19.20.030; Assembly Chair Coffey and Assemblymember Traini.

The Administration requested this item be pulled for review on the Regular Agenda. (See item 10.B.7)

- 9.B.8. **Resolution No. AR 2007-281**, a resolution of the Anchorage Municipal Assembly approving a minor amendment to relocate an existing alcoholic beverages conditional use and License Number 4353 in the B-2B District, per AMC 21.15.030.G, for **Club Soraya**, located within the Anchorage Original Townsite, Block 24A, Lot 5; generally located on the northwest corner of West 4th Avenue and C Street (Downtown Community Council) (Case 2007-179); Planning Department. **(Addendum)**
- a. Assembly Memorandum No. AM 759-2007.
- 9.B.9. **Resolution No. AR 2007-300**, a resolution of the Anchorage Municipal Assembly supporting adoption of a **Clean Elections System** in Alaska; Assemblymembers Traini and Tesche. **(Laid on the Table)**
- a. Assembly Memorandum No. AM 793-2007.

Mr. Traini moved, *to introduce AR 2007-300*,
Mr. Tesche seconded,
and Dr. Selkregg was the concurring third.

Mr. Birch requested this item be pulled for review on the Regular Agenda. (See item 10.B.9)

9.C. BID AWARDS

- 9.C.1. **Assembly Memorandum No. AM 787-2007**, recommendation of award to ABB Inc for furnishing a **115kV Gas Insulated Switchgear (GIS)** to the Municipality of Anchorage, Municipal Light & Power Utility (ML&P), Engineering Division (ITB 27-B072) (\$1,978,000); Purchasing. **(Addendum)**

9.D. NEW BUSINESS

- 9.D.1. **Assembly Memorandum No. AM 764-2007, 2008/2009 Liquor License Renewals**: New Party Time Liquors #4377 – Package Store; Panhandle Bar #825, Romano's Trattoria #977, Snow Goose Restaurant & Brewery #4058, Sea Galley/Pepper Mill Restaurant #3599, Club Elixir #561, Bernie's Bungalow #4425, Flight Deck Bar/Arctic Inn #402, Buckaroo Club #815, AMF East 40 Bowl/Gold Room Lounge #2289, Board Room #4423 – Beverage Dispensary; Vallarta's #3827, Snow Goose Restaurant & Brewery #4059, Thai Town Restaurant #4378, Jack Sprat #1632, Shine's Sushi Restaurant #4345 – Restaurant/Eating Place (Eagle River, Girdwood, Sand Lake, Muldoon, Spenard, Downtown, Mountain View, Campbell Park, University Community Councils); Clerk's Office.
- 9.D.2. **Assembly Memorandum No. AM 777-2007, Public Safety Advisory Commission** appointment (Dan Fagan and Anthony Piper); Mayor's Office.
- 9.D.3. **Assembly Memorandum No. AM 778-2007, Women's Commission** appointments (Cindy Alkire, Jennifer Beathe, Ebony McClain-Owens, and Judy Tanuvasa); Mayor's Office.
- 9.D.4. **Assembly Memorandum No. AM 779-2007, Rabbit Creek View/Rabbit Creek Heights Limited Road Service Area Board of Supervisors** appointment (Cheri Howland); Mayor's Office.
- 9.D.5. **Assembly Memorandum No. AM 780-2007, Change Order No. 1 to Contract No. 27ASC097 to North Pacific Auctioneers Ltd.** for providing auctioneering services on an "as required" basis for the Municipality of Anchorage; Purchasing Department (\$38,120.88).
- 9.D.6. **Assembly Memorandum No. AM 781-2007, approval of operating grant with Girdwood Volunteer Fire & Rescue Inc.** providing fire operations for the Municipality of Anchorage, Anchorage Fire Department (AFD) (\$58,800); Purchasing.
- 9.D.7. **Assembly Memorandum No. AM 782-2007**, recommendation of award to the **Nelson Company LLC** (f.k.a. the Nelson Company) for providing leased space for a Special Response Vehicle Storage Warehouse Facility for the Municipality of Anchorage, Anchorage Police Department, Real Estate Services (RFP 27-P047) (\$771,120); Purchasing.
- 9.D.8. **Assembly Memorandum No. AM 783-2007**, cooperative purchase award to NC Machinery for furnishing **motor graders** to the Municipality of Anchorage, Maintenance & Operations Department, Fleet Services Division (\$637,933); Purchasing.
- 9.D.9. **Assembly Memorandum No. AM 784-2007, Amendment No. 2 to the professional services contract No. 270305 with Hattenburg Dilley & Linnell, LLC (HDL)** for capital improvement projects for the Municipality of Anchorage, Merrill Field Airport (\$423,126).
- 9.D.10. **Assembly Memorandum No. AM 785-2007, Change Order No. 1 to Purchase Order No. 270709 with Burke Watson, Inc.** to provide **financial consulting services** for the Municipality of Anchorage, Solid Waste Services (\$25,000); Purchasing.
- 9.D.11. **Assembly Memorandum No. AM 788-2007**, sole source award to the **Law Office of Gorton, Logue & Graper** to provide indigent defense counsel for the Municipality of Anchorage, Department of Law (\$885,000); Purchasing. **(Addendum)**

Mr. Traini requested this item be pulled for review on the Regular Agenda. (See item 10.D.11)

- 9.D.12. **Assembly Memorandum No. AM 789-2007**, proprietary purchase to Motorola, Inc. for providing **digital portable radios** to the Municipality of Anchorage, Municipal Light & Power Utility (ML&P) (\$685,979.80); Purchasing. **(Addendum)**

9.E. INFORMATION AND REPORTS

- 1 9.E.1. Information Memorandum No. AIM 107-2007, Notice of Pending Contract Amendments, **Kincaid Park**
2 **Access Road Improvements**, Project No. 05-17, Wilder Construction, Inc. and Chugach Electric
3 Association (CEA); Project Management & Engineering.
- 4 9.E.2. Information Memorandum No. AIM 108-2007, **contracts awarded between \$50,000 and \$500,000**
5 **through formal competitive processes** for the month of November 2007; Purchasing.
- 6 9.E.3. Information Memorandum No. AIM 110-2007, Notice of anticipated sole source contract with the State
7 of Alaska, E Street Corridor Improvements, Project No. 04-17, **Pacillo/Atwood Parking Garage**
8 **modifications**; Project Management & Engineering. (**Addendum**)
9
- 10 **9.F. ORDINANCES AND RESOLUTIONS FOR INTRODUCTION**
- 11 9.F.1. Ordinance No. AO 2007-174, an ordinance repealing and reenacting **Anchorage Municipal Code**
12 **Title 23** to adopt 2006 and other recent editions, and enacting local amendments of the following
13 codes: administrative; building; mechanical; plumbing; electrical; fire; fire protection service outside
14 service areas; energy conservation; existing buildings; Anchorage dangerous buildings; safety code
15 for elevators and escalators; safety standard for platform lifts and stairway chairlifts; residential; school
16 relocatables; mobile aircraft shelters; grading, excavation and fill; and fuel gas; Development Services.
17 (*Public Hearing 1-22-08*)
18 a. Assembly Memorandum No. AM 776-2007.
- 19 9.F.2. Resolution No. AR 2007-289, a resolution of the Municipality of Anchorage, Alaska, confirming and
20 levying assessments for the water special improvements within **Levy Upon Connection (LUC) Roll**
21 **07-W-1**, setting date of payment and providing for penalties and interest in the event of delinquency;
22 Anchorage Water & Wastewater Utility. (*Public Hearing 1-8-08*)
23 a. Assembly Memorandum No. AM 770-2007.
- 24 9.F.3. Resolution No. AR 2007-290, a resolution of the Municipality of Anchorage, Alaska, confirming and
25 levying assessments for the sewer special improvements within **Levy Upon Connection (LUC) Roll**
26 **07-S-2**, setting date of payment and providing for penalties and interest in the event of delinquency;
27 Anchorage Water & Wastewater Utility. (*Public Hearing 1-8-08*)
28 a. Assembly Memorandum No. AM 771-2007.
- 29 9.F.4. Resolution No. AR 2007-291, a resolution of the Municipality of Anchorage, Alaska, approving a water
30 main extension identified as the **Northern Communities Water Extension** and providing for
31 assessment of benefited properties at time of service connection; Anchorage Water & Wastewater
32 Utility. (*Public Hearing 1-8-08*)
33 a. Assembly Memorandum No. AM 772-2007.
- 34 9.F.5. Resolution No. AR 2007-292, a resolution of the Municipality of Anchorage, Alaska, approving the
35 **Northern Communities (Sanitary) Sewer Extension** and providing for assessment of benefited
36 properties at time of service connection; Anchorage Water & Wastewater Utility. (*Public Hearing 1-8-*
37 *08*)
38 a. Assembly Memorandum No. AM 773-2007.
- 39 9.F.6. Resolution No. AR 2007-293, a resolution of the Municipality of Anchorage appropriating \$673,553
40 from the Anchorage Fire Department, Anchorage Fire Service Area Capital Improvement Fund (431),
41 as a contribution to the Anchorage Fire Department, Anchorage Fire Service Area 2007 Operating
42 Budget Fund (131), to pay off an existing, third-party **emergency response fire apparatus**
43 **lease/purchase** obligation and properly account for all associated debt service payments. (*Public*
44 *Hearing 1-8-08*)
45 a. Assembly Memorandum No. AM 774-2007.
- 46 9.F.7. Resolution No. AR 2007-294, a resolution authorizing the Municipality of Anchorage, Public
47 Transportation Department, to enter into a Transfer of Responsibilities Agreement (TORA) in the
48 amount of \$157,494 with the State of Alaska, Department of Transportation and Public Facilities, and
49 appropriating these funds along with \$16,254 for required local matching funds from the Public
50 Transportation Department's 2008 Operating Budget, Areawide General Fund (101), to the State
51 Categorical Grants Fund (231) for summer landscaping and winter ice and snow removal at selected
52 bus stops within the Anchorage Area through a **Transit Enhancement Work Program**. (*Public*
53 *Hearing 1-8-08*)
54 a. Assembly Memorandum No. AM 775-2007.
- 55 9.F.8. Resolution No. AR 2007-297, a resolution of the Municipality of Anchorage appropriating \$258,145
56 from the State of Alaska, Division of Homeland Security and Emergency Management, under the **2007**
57 **Metropolitan Medical Response System (MMRS) Grant Program**, and a contribution of \$5,490
58 from the Areawide General Fund (101), Anchorage Fire Department 2007 Operating Budget, to the
59 State Categorical Grants Fund (231), Anchorage Fire Department, to support the deployment of an
60 electronic patient care reporting and tracking system, and related enhancements to existing bio-
61 surveillance, HAZMAT incident response, and emergency information management and notification
62 capabilities. (*Public Hearing 1-8-08*) (**Addendum**)
63 a. Assembly Memorandum No. AM 790-2007.
- 64 9.F.9. Resolution No. AR 2007-298, a resolution of the Municipality of Anchorage appropriating additional
65 room tax revenue of \$438,423 to the **Convention Center Operating Reserve Fund** (202) and
66 \$352,717 to the Office of Economic and Community Development Areawide General Fund (101) to
67 provide for payments under the professional services contract with the Anchorage Convention &
68 Visitors Bureau (ACVB) and the use agreement with CIVICVentures; Office of Management & Budget.
69 (*Public Hearing 1-8-08*) (**Addendum**)
70 a. Assembly Memorandum No. AM 791-2007.
- 71 9.F.10. Resolution No. AR 2007-299, a resolution of the Municipality of Anchorage appropriating \$855,082
72 from the Department of Military and Veterans' Affairs, Division of Homeland Security and Emergency
73 Management and contribution of \$18,200 from Chugiak Fire Service Area Operating Fund (104) Fire
74 Department 2007 Operating Budget to the Areawide General CIP Fund (401) Office of Emergency
75 Management for the purchase of **Interoperable Communications Equipment**. (*Public Hearing 1-8-*
76 *08*) (**Addendum**)
77 a. Assembly Memorandum No. AM 792-2007.
78

Chair Coffey called the Question on the remainder of the Consent Agenda.

and this motion, as amended, was passed.

AYES: Tesche, Traini, Sullivan, Starr, Coffey, Ossiander, Johnston, Birch, Bauer, Selkregg and Claman.

NAYES: None.

The amended Consent Agenda was approved and Chair Coffey 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 no items.

10.B. RESOLUTIONS FOR ACTION - OTHER

10.B.1. Resolution No. AR 2007-283, a resolution of the Anchorage Assembly adopting certain processes and procedures for the continuing **review and oversight of the various budgets** of the Municipality of Anchorage and the related operations of various municipal departments; Assembly Chair Coffey.

- a. Resolution No. AR 2007-283(S), a resolution of the Anchorage Municipal Assembly adopting process and procedures for the continuing review and oversight of the various budgets of the Municipality of Anchorage and the related operations of various municipal department; Assembly Chair Coffey. **(Laid on the Table)**

Mr. Claman moved, to approve AR 2007-283(S),
Dr. Selkregg seconded,

Ms. Ossiander assumed as Assembly Chair, to allow Mr. Coffey to speak to the resolution.

Mr. Coffey explained changes in the S-version included options from Chief Fiscal Officer Sharon Weddleton that needed to be discussed. Ms. Weddleton requested additional time to ensure the document would be of high quality.

Dr. Selkregg requested a Budget and Finance Committee response on the matter at the next meeting.

Mr. Starr moved, to amend AR 2007-283(S) on Page 1, Line 38 *by adding* to
Dr. Selkregg seconded, blank to read: 2) No later than "March 31," 2008, prior to the
and this was amended. 1st Quarter Budget review and the setting of the mill rate, the
Administration will adopt a new method for calculating the
vacancy factors by each department and shall submit the
same to the Assembly.;

To Mr. Sullivan, Mr. Coffey responded that budget revisions would begin in mid-April, following the Municipal Election.

Mr. Claman stated that a later date would allow more time to get accurate numbers. He recommended consideration of April 15th. He was interested in maintaining as much flexibility as possible.

Mr. Claman moved, to amend the Starr amendment, *by changing* the date to read:
Dr. Selkregg seconded, No later than "April 15," 2008...;
and this was amended.

Chair Coffey proposed to eliminate setting a date altogether.

Mr. Tesche moved, to amend the Starr amendment *by changing* to read: 2) ~~No~~
Dr. Selkregg seconded, ~~later than "March 31," 2008, p]~~ Prior to the 1st Quarter Budget
and this was approved without objection. review and the setting of the mill rate, the Administration will
adopt a new method for calculating the vacancy factors by
each department and shall submit the same to the Assembly.;

Mr. Claman moved, to amend AR 2007-283(S) on Page 2, Line 23 *by adding* to
Dr. Selkregg seconded, read: The Budget and Finance Committee shall provide a
"written" report to the Assembly at each of the budget reviews
required by this Resolution.;

To Mr. Starr, Mr. Claman responded that he would accept the committee's response to matters of this resolution, whether opinions or facts, for Assembly consideration. Mr. Starr supported the amendment. Dr. Selkregg responded the process included both a review of the facts and making a recommendation.

and this motion was approved without objection.

Mr. Claman moved, to amend AR 2007-283(S) on Page 2, Lines 25 to 27, *by*
Dr. Selkregg seconded, *changing* to read: 7) The Budget and Finance Committee
and this was approved without objection. shall be responsible for exploring the concept of
"marketization" with the Administration and various
departments with a view toward developing ~~[a number of]~~
pilot programs to promote efficient and effective services.;

Mr. Bauer moved, to amend AR 2007-283(S) on Page 1, Line 26 *by adding*
Mr. Sullivan seconded, Bauer Amendment 1, to read: "WHEREAS, during the fiscal
cycle, the Anchorage Assembly regularly takes action on
budgetary matters brought before the Assembly from the

Administration, and in fiscal year 2007, action items in excess of \$11 Million Dollars over the FY 2007 budget approved by the Assembly, were presented for additional Assembly approval without timely budget information; and;"

Mr. Bauer stated this addressed the process when the budgets were finalized and presented to the Assembly.

Mr. Coffey stated that it was important for the Assembly to be informed when additional grant or other sources of money were received. Mayor Begich responded it was common practice to inform the Assembly when additional funds were received after the budgets were finalized. Mr. Coffey stated the amendment would offer clarity.

Dr. Selkregg stated the information was always supplied and the proposed amendment did not include an accurate description.

Mr. Tesche stated that he did not support the language and he opposed the amendment.

Mr. Starr stated the S-version supported future changes, as opposed to reviewing line items. The merit of the Administration's cooperation had led to a testy, but successful process. He would not support the amendment.

Mr. Claman would not support the amendment.

Mr. Bauer stated that the Administration had not always provided budget information in a timely fashion. His intent was to recap what had been promised by the Administration, for clarity. He withdrew his amendment, with the concurrence of the second, Mr. Sullivan.

and the motion was withdrawn.

Mr. Bauer moved,
Mr. Sullivan seconded,

to amend AR 2007-283(S) *by adding* Bauer Amendment 2, to read: "1) Beginning in 2008, and thereafter during regular Assembly sessions on budgetary resolutions and action items brought on behalf of the Administration for action by the Assembly, the Administration shall provide the Assembly with timely information that clearly identifies whether the item is within budget and planned, or the item is outside the approved budget, or otherwise unplanned as compared to the approved budget.;"

Mr. Bauer stated this was to define the expectations of budget items being presented in a timely fashion.

Mr. Starr stated that he understood the amendment was to address the manner in which the Administration participated with the process. While he supported the intent, there could be more appropriate language used.

Mr. Claman stated this was already understood and it did not need to be repeated.

Mr. Starr stated that detailed reports with the 1st Quarter Budget Review would help clarify and outline the process. Mayor Begich responded that the Quarterly Report would include new budget amounts and corresponding items. Mr. Starr requested that the summary be a simple report.

To Mr. Claman, Mr. Bauer responded that it would not take too much more effort from the Administration to identify the changes and show the effects.

Mr. Sullivan stated that this amendment outlined the steps of the process and the effect on the budget. Budget transparency was always a good thing. Addressing a budget was a constant learning experience. It was important that the Administration felt comfortable and that the recommended details would be easy to follow. He would support the amendment.

Mayor Begich stated that the Administration would provide any and all information and maintained an open government process. A quarterly report would include details and the effects of additional funds.

To Mr. Coffey, Ms. Weddleton recommended comparing the original with the amended budget during quarterly reporting, so any additional items and the impact to the budget would be clear.

To Mr. Claman, Ms. Weddleton responded there was nothing in the second amendment that was not already included in the process, but the improved language may offer clarity.

Dr. Selkregg stated that the real issue was to understand the cumulative impacts of the changes.

and the amendment was passed unanimously, 11-0.

AYES: Tesche, Traini, Sullivan, Starr, Coffey, Ossiander, Johnston, Birch, Bauer, Selkregg and Claman.
NAYES: None.

Mr. Tesche stated that there were other words that could be used instead 'marketization' on Line 26. Mr. Coffey responded that other cities were using this term within the concept of 'managed competition,' when describing the private sector and the government working together for provision of services.

Ms. Johnston proposed to change 'marketization' to 'managed competition,' which would address the cost of services and opportunities of privatization with a thorough procurement process. Private and public bids would determine costs

1 of services. To Mr. Tesche, she responded the School District Committee would be considering this concept when
2 addressing the Anchorage School District budget.

3
4 Ms. Johnston moved,
5 Mr. Claman seconded,
6 and this was passed without objection.

to amend AR 2007-283(S) on Page 2, Lines 25 to 27, by
changing to read: 7) The Budget and Finance Committee
shall be responsible for exploring the concept of
7 ["marketization"] "managed competition" with the
8 Administration and various departments with a view toward
9 developing pilot programs to promote efficient and effective
10 services.

11
12 Dr. Selkregg stated that other things also addressed included establishing good criteria, the issues of retention and
13 secondary impacts of outsourcing work, the value of local hire and long term corporate interest.

14
15 Mr. Starr stated that this was a good concept to explore in cooperation with the Administration and departments. He
16 would support the amendment.

17
18 To Mr. Traini, Mr. Coffey responded the things being reviewed included services that would be offered locally. Mayor
19 Begich responded that labor union issues would need to be kept in mind, as privatization was addressed. It was an
20 interesting subject worth reviewing.

21
22 Dr. Selkregg supported the resolution. The Assembly could come back and refine things that would ensure success.

23
24 Mr. Tesche stated that this resolution sent an ominous message to employee unions that represent hundreds of hard-
25 working municipal employees. Labor contracts would be up for review the following year, and 'managed competition'
26 meant employees who were dedicated for their careers would be competing with the private sector. In the quest for
27 efficiencies with reduced costs of employee benefits, it would be easy to lose sight of what was most important, which
28 was a workforce that worked well and hard for the city. The Budget and Finance Committee could address all those
29 issues without the resolution before the Assembly that evening.

30
31 Mr. Sullivan called the Question.

32
33 Chair Coffey resumed as Assembly Chair.

34
35 Ms. Ossiander stated that there was not a predictable outcome for this matter. The Assembly simply wanted to
36 explore this direction. She supported Mr. Sullivan's calling the Question.

37
38 and the main motion, as amended, was approved, 9-2.

39
40 AYES: Sullivan, Starr, Coffey, Ossiander, Johnston, Birch, Bauer, Selkregg and Claman.

41
42 NAYES: Tesche and Traini.

43
44 10.B.7. Resolution No. AR 2007-295, a resolution of the Anchorage Municipal Assembly authorizing and
45 directing the Mayor to initiate the petition process and make a report on a proposed special
46 assessment district to be created as a **Business Improvement District serving Midtown**, in
47 conformity with AMC Section 19.20.025 and 19.20.030; Assembly Chair Coffey and Assemblymember
48 Traini.

49
50 Mr. Traini moved,
51 Mr. Claman seconded,

to approve AR 2007-295,

52 Deputy Municipal Manager Michael Abbott stated that while the Administration supported a Midtown Business
53 Improvement District (BID), there was concern whether this was the appropriate time. The resolution directed the
54 Administration to develop the BID, but it was predicted there was not enough participant support and he requested the
55 sponsors present a better prepared proposal before the Administration responded. Mayor Begich stated that when the
56 Downtown BID was forming, the residents and merchants had prepared an extensive community-wide response and
57 had participated in developing details of elements, service and costs. Midtown still needed to increase community
58 participation to achieve success. Mayor Begich stated that the Administration did not have funds appropriated for
59 forming a BID. If the process was not done correctly, rebalancing would be needed. He recommended waiting 120
60 days to get the needed response and involvement of the business community and to have a formalized plan with listed
61 services provided.

62
63 Dr. Selkregg concurred with Mayor Begich and stated that creating a BID was a lot of work. It was essential to
64 educate the individual property owners and to have them become involved.

65
66 Dr. Selkregg moved,
67 Mr. Tesche seconded,

to postpone AR 2007-295 for 120 days,

68
69 Chair Coffey called for objections and noted there were several. He called for additional discussion.

70
71 Mr. Sullivan stated that there were representatives from the district that could speak to the matter. TOM McGRATH
72 responded that a Midtown Plan was being developed and the district needed the city's support. About 750 property
73 owners had been identified showing 100% support, and were involved and prepared to move forward. A board had
74 identified the issues necessary to develop a BID and the next step required by Municipal Code was for the
75 Administration to initiate the petition process. Waiting 120 days would accomplish nothing.

76
77 To Mr. Sullivan, Mayor Begich responded that costs for a district-wide poll would be expensive and had not been
78 budgeted. There would be costs to conduct a petition and if it failed, it would require rebalancing. Mr. Sullivan stated

the district had completed what was required by code and was ready for the next step, which was requesting the Administration to conduct a district-wide poll. Municipal Attorney Jim Reeves responded the law would permit the Mayor to act, based on a resolution. Mr. Sullivan stated that it was the city's obligation to take the next step.

To Mr. Tesche, Mr. McGrath responded that the council preferred hand-delivering ballots and collecting signatures, which would increase success. By code, the Assembly directed the mayor to initiate the petition process, which once completed, would provide a mayor's report to the Assembly, which would then confirm the district's assessment rolls and boundaries and approve the BID by ordinance. Mr. Tesche stated that once a formal process began, it was important for it to succeed. Mr. McGrath responded that creating a BID would involve assessments and payment, with services received. Midtown had sufficient support and was prepared to begin a petition process which by code needed to be initiated by Assembly resolution. Mr. Tesche urged Mr. McGrath to circulate an informal petition and present it to the Assembly, to demonstrate community support. Mr. McGrath responded that all the steps in code had been followed and an informal petition was not required. Mr. Tesche stated that a petition showing community enthusiasm would help ensure Assembly support.

Mr. Birch moved, to call the Question on the main motion to
Mr. Sullivan seconded, approve AR 2007-295,

Chair Coffey stated the Assembly had the authority to initiate the process by approving the resolution.

Dr. Selkregg stated that she still had things to add that would be meaningful.

Mr. Claman stated that the Question being called was to postpone for 120 days.

Chair Coffey called for a vote on calling the Question.

and the motion to call the Question passed, 9-2.

AYES: Tesche, Traini, Sullivan, Starr, Coffey, Ossiander, Johnston, Birch and Bauer.

NAYES: Selkregg and Claman.

Chair Coffey called for a vote on the main motion.

and the main motion was passed, 7-4.

AYES: Traini, Sullivan, Starr, Coffey, Johnston, Birch and Bauer.

NAYES: Tesche, Ossiander, Selkregg and Claman.

Mr. Claman moved, for immediate reconsideration of AR 2007-295,

Chair Coffey stated that in order to move for immediate reconsideration, a member needed to be on the affirmative side.

Mayor Begich stated the Administration would proceed by preparing and sending out a petition statement, which was estimated to cost \$7,500 and was not a budgeted item.

Mr. Claman stated that there were clarifying questions that he had not had the opportunity to ask. He wanted to be heard.

Dr. Selkregg stated that the Downtown BID had been very difficult to do.

Mr. Sullivan called a Point of Order.

Dr. Selkregg stated that she wanted to be recognized and speak to the matter.

Mr. Sullivan again called a Point of Order and stated that the matter had been completed and he requested to move onto the next Agenda item.

Chair Coffey concurred and called for a motion on 10.B.9.

10.B.9. Resolution No. AR 2007-300, a resolution of the Anchorage Municipal Assembly supporting adoption of a **Clean Elections System** in Alaska; Assemblymembers Traini and Tesche. (**Laid on the Table**)
a. Assembly Memorandum No. AM 793-2007.

Mr. Traini moved, to approve AR 2007-300,
Mr. Tesche seconded,

Mr. Birch stated that he was concerned where this was headed and requested this be referred to the Elections Committee.

Mr. Birch moved, to refer AR 2007-300 to the Elections Committee,
Ms. Ossiander seconded,

Mr. Sullivan, Chair of the Elections Committee, supported the resolution being referred to the committee, which would give it a thorough investigation and vetting.

and this was approved,
with one objection from Mr. Tesche.

Ms. Osslander moved,
Mr. Starr seconded,

to amend AR 2007-231 on Page 1, beginning on Line 35, *by substituting* to read: **Section 3.** ~~[That starting at year 2007, each year the Solid Waste Disposal Fund will designate an amount from its general cash reserves to the Care and Closure restricted cash balance so that the accrued liability balance for Care and Closure that will be recorded by year end 2011 will be fully funded. This designation of general cash to the restricted cash fund will be made after reviewing the Solid Waste Disposal Fund's projected general cash needs and ensuring that sufficient cash is maintained to operate the utility in a prudent manner.]~~ "The Mayor shall submit for introduction, no later than February 26, an ordinance establishing in code a special account to secure

funds associated with care and closure of the Anchorage
Regional Landfill.;"

Ms. Ossiander stated that not having a special fund in the past to cover the (costs of) closure of existing landfills had been a disservice. She proposed to have this done in 2008, when there would be better financial information. She urged support for the amendment.

To Chair Coffey, Chief Fiscal Officer Sharon Weddleton responded that setting up a restricted account would not affect either the landfill liability or the unrestricted deficit for Solid Waste Services. It would split the operating cash into two groups, which would include the seed money that would start fully funding the liability. The operating cash would decrease to 45 days of operating cash, and what was leftover would go into the restricted account.

To Ms. Ossiander, Ms. Weddleton responded at the end of 2007 the city would review the year-end cash balance and calculate what balance was needed to maintain operating expenses for forty-five days. Whatever cash was leftover could be transferred into the restricted account. Beginning in 2008, that account would grow with excess cash. In 2007, the operating cash would decrease to a smaller number and whatever was leftover would be deposited into the restricted cash account, but that would be insufficient for what was needed for the landfill liability. Ms. Ossiander stated the liability was already on the books and there would be no revenues added for 2007, so the impact would remain the same. Ms. Weddleton responded that regardless of the impact, it was a step in the right direction. She may support signing the certification if the restricted account was in place. Ms. Ossiander stated that security would be provided with the resolution, with an ordinance to come at a date-specific to create a restricted fund that was fully funded. Ms. Weddleton concurred.

To Mr. Starr, Ms. Weddleton responded this was not setting a budget expenditure, but identifying money for an existing obligation. Mr. Starr supported the amendment to replace Section 3.

Ms. Ossiander stated that the future ordinance could have an acceptance date included.

To Chair Coffey, Ms. Weddleton responded that the ordinance could have a retroactive date to December, if accepted by the Assembly. Deputy Municipal Manager Michael Abbott stated the Administration had preferred to begin funding in 2007, but would abide by the will of the Assembly. He responded the amendment would not place the utility in any greater harm than currently existed. The level of services would not be reduced in the next two months, which could be addressed in the future ordinance.

Chair Coffey called for a vote on the motion to approve the amendment, substituting Section 3.

Dr. Selkregg stated that she just needed to look at the information before she asked her question. She understood the Assembly was not being asked to respond to the Administration's proposed curb-side recycling program. Ms. Ossiander concurred and responded that was a different ordinance.

Chair Coffey again called for a vote on the motion to amend.

and the motion passed unanimously, 11-0.

AYES: Tesche, Traini, Sullivan, Starr, Coffey, Ossiander, Johnston, Birch, Bauer, Selkregg and Claman.
NAYES: None.

and the motion, as amended, passed, 11-0.

AYES: Tesche, Traini, Sullivan, Starr, Coffey, Ossiander, Johnston, Birch, Bauer, Selkregg and Claman.
NAYES: None.

11.C. Resolution No. AR 2007-266, a resolution of the Anchorage Municipal Assembly adopting processes and procedures for the continuing **review of the various budgets** of the Municipality of Anchorage; Assembly Chair Coffey. (*Postponed from 11-27-07*)

Ms. Ossiander moved, *to postpone indefinitely* AR 2007-266,
Mr. Sullivan seconded,
and the motion was passed, 11-0.

AYES: Tesche, Traini, Sullivan, Starr, Coffey, Ossiander, Johnston, Birch, Bauer, Selkregg and Claman.
NAYES: None.

11.D. Resolution No. AR 2007-296, a resolution adopting the **2008 Legislative Program** for the Municipality of Anchorage; Office of the Mayor. (*Postponed from 12-11-07*)
a. Draft Summary 12/18/07, 2008 Legislative Program; Mayor Begich. (**Laid on the Table**)

Ms. Ossiander moved, *to approve* AR 2007-296,
Mr. Starr seconded,

To Ms. Ossiander, Deputy Municipal Manager Michael Abbott summarized the incorporated changes, based on Assembly recommendations identified in the new Draft Summary 12/18/07 2008 Legislative Program, which included only project lists and not narratives and project descriptions.

(Clerk's Note: The Draft Summary 12/18/07 2008 Legislative Program submitted by Mayor Begich is referred to in the following motion language as "the Draft Legislative Program.")

Ms. Ossiander moved, *to amend* the Draft Legislative Program, Page 11-1, #5,

1 Mr. Sullivan seconded,

*by deleting: [OBESITY PREVENTION & CONTROL
PROGRAM (\$250,000)];*

2
3
4 Ms. Ossiander stated that while she supported the program, she did not think it should be a function of government.

5
6 Mr. Sullivan concurred with Ms. Ossiander.

7
8 Mr. Claman stated that this was a 'wish list,' which did not mean this item would be high on the priority list. If the State
9 of Alaska chose to allocate funds, Anchorage should get its share and he preferred to keep it on the list.

10
11 Dr. Selkregg stated that obesity was a big concern in the state, for both adults and children. She concurred with Mr.
12 Claman, if there were resources available for this program or one for cancer treatment, it was important for Anchorage
13 to get its share.

14
15 Ms. Ossiander stated that she would not support a government program to get rid of cancer, either. It was not the role
16 of government. Mr. Sullivan concurred.

17
18 Chair Coffey stated that when programs like this were added, he was concerned that other, more important programs
19 would be undermined. He would prefer to support Clitheroe or the detoxification programs, which had impact to more
20 people and needed a higher priority.

21
22 To Mr. Tesche, Ms. Ossiander responded that in general, she preferred a government that was narrowly defined.

23
24 Dr. Selkregg stated the draft represented initiatives that the Assembly supported, but were not necessarily to be
25 implemented or administered by the Municipality of Anchorage. Chair Coffey responded that that was undetermined,
26 without reviewing the program descriptions. Dr. Selkregg stated that if there were state revenues available for these
27 programs, it would be appropriate to support the items.

28
29 Mr. Bauer stated that government accountability begins at the local level.

30
31 Mr. Claman stated a one-page description on the Obesity Prevention Program was in the blue book on Page 10-3.

32
33 Chair Coffey put the Question.

34
35 and this motion was passed, 7-4.

36
37 AYES: Traini, Sullivan, Starr, Coffey, Ossiander, Birch and Bauer.

38 NAYES: Tesche, Johnston, Selkregg and Claman.

39
40 Mr. Sullivan proposed to move Project Access from number one to three on the list of priorities because the
41 detoxification programs needed a higher priority in the city.

42
43 Mr. Sullivan moved,
44 Mr. Bauer seconded,
45 and this passed without objection, 11-0.

to amend the Draft Summary 12/18/07 2008 Legislative
Program, Page 11-1, *by changing the priorities* to read:
[2] "1." SECURE DETOX AND TREATMENT PILOT
PROJECT (\$1,989,000);
[3] "2." PRE-DEVELOPMENT FOR NEW DETOX AND
TREATMENT FACILITY (CLITHEROE
REPLACEMENT) (\$500,000);
[4] "3." PROJECT ACCESS (\$250,000);
"4." LOCAL AREA ON AGING DEMONSTRATION
PROJECT (\$100,000);
[6] "5." HOMELESSNESS MANAGEMENT INFORMATION
SYSTEM (\$80,000);

46
47
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55
56 To Mr. Traini, Chair Coffey responded the description of the Local Area on Aging Demonstration Project was found in
57 the blue book on Page 10-2. He questioned the grant request for \$5,750,000 for renovations to the Sullivan Arena
58 listed on Page 6-1. Mr. Abbott responded the deferred maintenance would be a portion of the \$5,750,000.

59
60 Ms. Johnston moved,
61 Mr. Birch seconded,

to amend the Draft Summary 12/18/07 2008 Legislative
Program, Page 9-1, *by adding to the priorities* to read:
"MT. HOOD ROAD (Aka: The Girdwood Airport Road) TO
THE STATE ALYESKA HIGHWAY (\$634,000);"

62
63
64
65 Ms. Johnston stated that she and Mr. Birch were addressing this issue, following a Girdwood Board of Supervisors
66 Meeting. It was a worthy cause to be added to the list capital improvement projects.

67
68 and this was approved, 9-2.

69
70 AYES: Sullivan, Starr, Coffey, Ossiander, Johnston, Birch, Bauer, Selkregg and Claman.

71 NAYES: Tesche and Traini.

72
73 To Mr. Sullivan, Mr. Abbott responded that the upgrades to the high school swimming pools were included on Page
74 10-1 under Parks and Recreation. The roof and other facility improvements were included with facility maintenance.

75
76 Chair Coffey called for a vote on the main motion.

77
78 and the main motion, as amended, was passed, 11-0.

AYES: Tesche, Traini, Sullivan, Starr, Coffey, Ossiander, Johnston, Birch, Bauer, Selkregg and Claman.
NAYES: None.

Mr. Birch requested that the final draft include page numbers. Mr. Abbott concurred and responded that the revised final document would be submitted to the State Legislature.

Chair Coffey requested that the document also include project narratives.

Mr. Birch also requested that the final draft include Legislative Committee responses and be posted electronically on the web. Mr. Abbott concurred.

Dr. Selkregg acknowledged and thanked the Legislative Committee for doing a great job.

12. APPEARANCE REQUESTS

- 12.A. **Ernie Hall & Susan Duck, Anchorage Fur Rendezvous**, to present a *thank you* plaque for support of the 2007 Rondy.

ERNIE HALL, President Elect of the Fur Rendezvous Board, SUSAN DUCK, Fur Rendezvous Executive Director and KERRY CARRIGAN, Rondy Board Secretary, appeared to thank the Assembly and the Administration for their support of Fur Rondy. Mr. Carrigan stated the Rondy had some great events and in 2008 were focusing on youth and Native events. AT&T was participating with installing computers downtown that would allow citizens to participate on the Fur Rondy Blog and he invited everyone to visit the new website. 2008 Native events would include a 4th Avenue Blanket Toss and the Running of the Reindeer downtown, along with the traditional Miners and Trappers Ball and the World Championship Sled Dog Race. Chair Coffey thanked the guests for their successful efforts of bringing Fur Rondy together. Mr. Traini thanked them for their work. Mr. Carrigan responded that Rondy had a 10-year plan and was promoting winter tourism. It was an important premier winter event and a great investment for Anchorage. To Mr. Tesche, Mr. Carrigan responded the Rondy and the ACVB were developing a working relationship for joint efforts of marketing and raising revenue and were optimistic about future development. To Dr. Selkregg, Mr. Carrigan responded the Rondy would also be supporting a snowboarding event with Rosey Fletcher on the C Street Hill. Mr. Hall announced the fireworks would be held on Saturday evening and there would be live television coverage on KTUU. Mayor Begich thanked the group for their efforts and the many new programs and stated the Administration would continue to support Fur Rendezvous efforts.

13. CONTINUED PUBLIC HEARINGS

- 13.A. Ordinance No. AO 2007-146, an ordinance amending Anchorage Municipal Code Section 26.70.040 and 26.80.050 to increase the **Solid Waste Services Refuse Collection and Disposal Rates**.
1. Assembly Memorandum No. AM 658-2007. (*Continued from 11-27-07*)

Chair Coffey read the ordinance title and opened Public Hearing.

CORY HINDS, Solid Waste and Recycling Advisory Commissioner, testified that the Assembly would be addressing Solid Waste Services (SWS) rate increases, automated trucks, recycling and waste diversion, station and location fees, free dump day and free passes. Mr. Hinds recommended rolling all of the issues together to be able to speed implementation of responsible waste management for Anchorage. The utility had increased operating costs and flat revenues with losses, which would continue. If the rate increase was not approved, the utility would continue to lose money and services would be cut.

Chair Coffey read the amendment that was to be proposed by the Administration. (*Clerk's Note: The Amendment read: "This ordinance shall be effective on April 1, 2008 provided the Administration submits the following three measures to the Assembly for the introduction on or before February 26, 2008: 1) An ordinance providing for establishment of a curbside recycling program in the Municipality; 2) An ordinance providing for variable rates, based on volume, for residential customers served by the Solid Waste Services Collections Utility; and 3) An ordinance providing for an additional charge associated with deposition of refuse at the CTF by commercial customers."*)

DONNA MEARS, Solid Waste and Recycling Advisory Commissioner and longtime recycling volunteer, testified that curbside recycling was only one issue being addressed and it may take time to address all the matters. The commission supported and strongly advised approval of the rate increases, to allow the utility to determine the budget, operations and services.

DON HANKS, owner of Freedom Refuse servicing Eagle River and Chugiak areas, stated that revenues from SWS would be used to fund the recycling agenda proposed to the city by his business competitor. In the refuse hauling business, the landfill bill was his largest expense and played a major role in a competitive refuse market. The city refuse utility was not regulated, but adding recycling would create an uneven competitive market and the Regulatory Commission of Alaska (RCA) did not regulate recycling. SWS capital improvement projects were complete and there was no debt, so the crisis did not make sense. He urged the Assembly to amend the ordinance, adding provisions to prevent SWS from funding anything other than what SWS currently requested. To Chair Coffey, Mr. Hanks responded the increased \$10 tipping fee needed to be approved by the RCA and was proposed to pay for the closure fund and increased expenses, which was not justified. He urged that a recycling agenda be brought before the Assembly and addressed separately. Chair Coffey concurred.

BOB MAYER, a SWS ratepayer, stated there were politics involved with the SWS and he urged the Assembly to carefully review the issues, including examining the SWS money owed to the city. The rate issue was not following the proper process and the RCA would never justify the utility rate increase. The Assembly had a responsibility to maintain a trusting relationship with the ratepayers. Ms. Ossiander stated that she had not supported AWWU becoming unregulated. Her intention was to address the justification of the utility rate increases. Mr. Mayer responded the Assembly needed to complete a revenue requirement study, a cost of service study and a rate of design study to determine if the rates were justified.

PETE KINEEN representing himself concurred with Mr. Mayer. The Assembly needed to follow a process to act as a regulatory commission. He responded the costs of a regulatory process needed to come from the utility that was being benefited. This was a serious business that needed to be correctly addressed, to determine that the rates were justified. He understood the flow of SWS money available and that all proposed recycling efforts had been rejected. The Assembly had the responsibility to look at the matter in depth. To Ms. Ossiander, he responded he had followed the SWS process over the years and in his opinion that the matter of recycling dealt with a stacked deck.

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

Ms. Ossiander moved, to approve AO 2007-146,
Mr. Claman seconded,

To Ms. Ossiander, Mayor Begich responded there was no accepted proposal from anyone on any recycling program of any kind.

Ms. Ossiander moved, to postpone AO 2007-146 until February 26, 2008; and to
Dr. Selkregg seconded, request the Administration submit the following three
and a friendly amendment was accepted, measures to the Assembly for introduction:

- "1) An ordinance providing for establishment for a curbside recycling program in the Municipality "to include an analysis of the cost to the consumer and the Municipality associated with such a program;"
- 2) An ordinance providing for variable rates, based on volume, for residential customers served by the Solid Waste Services Collections Utility; and
- 3) An ordinance providing for an additional charge associated with deposition of refuse at the Central Transfer Facility by commercial customers;"

Ms. Ossiander stated the Assembly needed to review the issues more thoroughly. She requested consideration of hiring a consultant to advise setting an appropriate rate increase amount and requesting clarity and future projections beyond the current adopted budget for this utility. The correct use of the Central Transfer Facility (CTF) also needed to be addressed. The process needed to include looking at the matter holistically and getting an external analysis of the rate increase. She urged support for the amendment.

Mr. Sullivan concurred. The Assembly was an acting regulatory commission at the local level and he did not claim to have enough experience or expertise to know whether or not a rate was the proper method, the ramifications or if it was being applied equally and fairly across the user base. He would support consideration of hiring an independent consultant to help with the analysis. He proposed to include a costs analysis summary with amendment number 1. Ms. Ossiander accepted this as a friendly amendment, along with the second, Dr. Selkregg. Mr. Sullivan stated that more information was needed and he supported postponing to February 26th.

To Mr. Claman, Mayor Begich responded that the Administration did not support postponing because there was no guarantee that anything would change. He urged consideration of committing to a rate increase by April 1st and the Administration would commit to bringing the three requests forward. If postponement occurred, the Administration would start the process of notifying haulers and others about the (*changes with the*) CTF. The amendment proposed by the Administration was a fair compromise for both sides.

Mr. Claman stated that SWS representatives had indicated the benefit of setting a rate increase date-certain. He would support the April 1st date, which would allow private carriers who needed notice to get their rate increase approved by the RCA.

Ms. Ossiander stated that there should be a delayed implementation date for a rate increase, but the rate increase still needed justification. A delay of two months would not be critical.

Chair Coffey stated the information from a private consultant should be available in the next two months. The matter could be addressed again later if the matter was not resolved during that period.

Ms. Ossiander stated that the RCA process required a minimum of 45 days and a two-month delay for an implementation date to about May 1st would be expected. A consultant could determine the correct dollar amount, which would be fair to all entities and keep the utility in a good financial position. An analysis by an independent consultant could begin immediately and a dollar amount could be approved with a delayed implementation date, so private industry could recoup their costs.

Mr. Claman stated there was a benefit of having a date-certain for a rate increase. He would support an effective date of May 1st, which would be after the Assembly received the recycling proposal and the financial analysis and would allow time to modify the plan and time for private industry to plan ahead.

To Chair Coffey, Ms. Weddleton responded that if a utility filed for a rate increase and subsequently the rates were changed to a lower rate, the utility would not need to go back to the RCA. Chair Coffey stated that an uncertainty remained. If a rate increased to more than what was set (*by the RCA*), the utility would either absorb the cost, amend the revenue requirements or file a new revenue requirement study. If the cost were decreased, the utility would either charge higher rates or the RCA could order the utility to file a new study.

Mr. Abbott stated that the amendment would initiate rate changes beginning at the first of the year and the Municipality would be obligated to reduce the utility's costs immediately, so the annual utility expenditures would be within limits of

the existing appropriation authority. The most likely change would be a reduction of services at the CTF, by requiring commercial loads to be hauled to the main landfill.

To Dr. Selkregg, Mayor Begich responded the Administration had provided justification for the rate increase multiple times and had presented the other issues, including the curbside program, to which there was a basic disagreement. If the ordinance was postponed, the Administration would send out notices that the CTF would be affected. Ms. Ossiander responded that a consultant could provide information on financial projections past 2009 and some analysis of the utility's needs and the accuracy of the rate increase, which would allow the utility to operate most appropriately. Dr. Selkregg supported the Administration's proposal.

To Chair Coffey, Ms. Weddleton responded that if a revenue study was completed, the figure would not be materially different than what was being proposed by the Administration. Chair Coffey stated the Assembly was not experienced with utility regulation and was dependent upon professionals. The least disruptive recommendation was the Administration's proposal, with the opportunity to further vet the matter in the future. He would not support the amendment. He called for a vote.

and the motion to amend, as amended, was approved, 6-5.

AYES: Sullivan, Starr, Ossiander, Johnston, Birch and Bauer.

NAYES: Tesche, Traini, Coffey, Selkregg and Claman.

and the main motion, as amended, was approved, 6-5.

AYES: Sullivan, Starr, Ossiander, Johnston, Birch and Bauer.

NAYES: Tesche, Traini, Coffey, Selkregg and Claman.

(Clerk's Note: Following completion of the Agenda, Ms. Johnston moved, seconded by Mr. Tesche, for immediate reconsideration of AO 2007-146 and Chair Coffey returned the body to item 13.A for consideration of that motion. See Agenda 18 for details of Assembly discussion and action.)

Ms. Johnston proposed to reconsider this matter because of Mayor Begich's offer to pay for one-half of the consulting fees. It was worthwhile to have an outside professional analysis on the rates and numbers. Mr. Tesche concurred.

To Mr. Claman, Chair Coffey responded the item could be reconsidered that evening and Ms. Johnston wanted to debate the particulars on January 8th, rather than that evening. The motion was to reconsider.

Dr. Selkregg supported reconsideration.

Chair Coffey stated that the budget that had money for special consultants. With the Mayor's offer, there would be additional resources.

Chair Coffey again ordered a Call the House to have members return to Chambers to participate with Assembly action.

Mr. Bauer questioned what a consultant would be able to do by January 8th. The private sector understood the matter would not be heard until February 26th. Mr. Sullivan concurred.

Chair Coffey again ordered a Call of the House to have members return to Chambers. *(All members returned to Chambers.)* Chair Coffey called for a vote on the motion for immediate reconsideration.

and the motion for immediate reconsideration was passed, 7-4.

AYES: Tesche, Traini, Coffey, Johnston, Birch, Selkregg and Claman.

NAYES: Sullivan, Starr, Ossiander and Bauer.

Mr. Sullivan moved, *to postpone* AO 2007-146 to January 8, 2008,
Mr. Traini seconded,
and this was approved without objection.

AYES: Tesche, Traini, Sullivan, Starr, Coffey, Ossiander, Johnston, Birch, Bauer, Selkregg and Claman.

NAYES: None.

13.B. Ordinance No. AO 2007-152, an ordinance submitting to the qualified voters of the Municipality of Anchorage at the Regular Municipal Election on April 1, 2008, a ballot proposition amending Home Rule Charters Article XI, Section 11.02, **Election Procedures**, to require a run-off election if no candidate for the Office of Mayor receives more than fifty percent (50%) of the votes cast for the office; Assemblymember Sullivan.

1. Information Memorandum No. AIM 109-2007. *(Carried Over from 11-27-07; Continued from 12-11-07)*

Chair Coffey read the ordinance title and opened Public Hearing.

JED WHITTAKER recommended the ordinance be amended to include instant runoff voting, which would save the Municipality the cost of a runoff election and save money. Instant runoff voting was used effectively in San Francisco. A voter was allowed a first choice and a second choice. If none of the first choices got 50%, then second choices were tallied up to achieve the 50%.

KEN JACOBUS testified that the Municipality should adopt instant runoff voting. Qualified voters needed to decide whether they want a 45% vote or a 50% vote. To Mr. Sullivan, Mr. Jacobus responded that runoff elections cost

1 money and generally had lower turnouts and instant runoff voting would resolve many of the other problems. Elected
2 officials, particular a mayor, should be elected with a majority vote. To Mr. Traini, Mr. Jacobus responded that a
3 governor, state senator or representative and all statewide offices should be elected by a majority vote. To Mr.
4 Tesche, Mr. Jacobus responded that the matter needed to be put on a ballot for the voters to decide. Mr. Tesche
5 stated that the ordinance did not pertain to instant runoff voting, but addressed a change to the voting requirement. To
6 Mr. Sullivan, he responded that state elections were generally decided by a majority vote. Dr. Selkregg stated that in
7 2003 over 50% of Anchorage voters had approved the 45% vote and questioned why that would be challenged. Mr.
8 Jacobus responded that was five years ago and things had changed. He urged that the voters decide.

9
10 MARY ANN PEASE, testifying on behalf of herself, supported letting the voters decide. An election as significant as
11 an Anchorage mayoral election should be decided by a majority of the voters. A 45% vote was not a clear majority.
12 The largest city in Alaska deserved to have a clear majority at 50%. Dr. Selkregg stated that there was an intentional
13 effort for Anchorage to be nonpartisan at the time the Charter was formed. Ms. Pease responded that it was a clear
14 argument that supported majority voting. Mr. Claman stated that voters were given a choice and had decided the
15 45%. Ms. Pease responded that voters had voted one way, but had previously voted another way before that. She
16 urged that the voters be allowed to decide again.

17
18 DAVID NEWTON supported a majority election. The 45% threshold had been falsely advertised as a method to avoid
19 runoff elections, saving the city tens of thousands of dollars.

20
21 *(Clerk's Note: Mr. Sullivan moved to continue Public Hearing after the break. There were no objections. Following*
22 *the 20-minute break, Chair Coffey returned the body to complete Public Hearing.)*
23

24 TOM McGRATH testified that Anchorage used to have 50%-plus-one voting and he supported having the Assembly
25 hold Public Hearing and discussing the merits of the issue. He supported the 50%-plus-one vote.

26
27 PATRICK FLATLY testified that when the city voted for the 45% he did not think it was fair and he supported a change.
28 People complained about the cost of a runoff election. He recommended having elections in the fall.

29
30 With additional public testimony, Chair Coffey closed Public Hearing and called for a motion.

31
32
33 Mr. Sullivan moved, to approve AO 2007-152,
34 Mr. Claman seconded,
35

36 Mr. Sullivan stated he had brought this forward because he had been upset with the process when it was approved to
37 be on the ballot in the 2003 Election. The noticed Public Hearing had not dealt with changing the mayoral percentage
38 and only after public testimony had ended, and after the public had been told there were no more amendments, there
39 had been a change to decrease the mayoral percentage. The Assembly had known the amendment was coming
40 forward and it had been a disingenuous process. He put this issue before the body months ago and had it vetted by
41 the Elections Committee. There had been an opportunity for Assemblymembers to study the matter and for the public
42 to comment on the matter. He felt that if process was not properly followed, it led to a tainted product. Repeating the
43 process now was better than what had occurred four years ago. Elections were decided by who got the most votes or
44 by establishing a majority-plus-one vote. Anything in-between was just an arbitrary number. The vast majority of state
45 and national elections were decided with the winner getting more than 50% of the vote, with the primary system
46 eliminating the weaker candidates. It had been argued that the cost of an election was used as an objection for not
47 having runoff elections. City elections generally had elections that met the 50% threshold, and [spastically]
48 "statistically" held runoff elections every six years. The cost of a runoff election was minimal, compared to the value of
49 knowing that a majority of voters selected winning candidates. In 2003 a majority of voters had not wanted the
50 candidate who was elected. He supported the 50% and supported a process that was better than what had happened
51 in 2003.

52
53 Ms. Ossiander stated that she while she agreed with the principle she was concerned with the costs of \$250,000 to
54 \$280,000 for runoff elections. Mr. Sullivan responded the Elections Committee had addressed instant runoff voting
55 and the city was not quite ready, with challenges of reprogramming the voting equipment. The concept of instant
56 runoff voting seemed to be difficult to explain to the public and seemed to be the biggest obstacle. Ms. Ossiander
57 stated that there were runoffs for every other mayoral election, which was expensive and was a consideration.

58
59 Dr. Selkregg stated that the numbers of voters returning to vote for runoff elections dropped by half, so there would be
60 fewer people involved.

61
62 Mr. Claman responded that a governor did not always achieve the 50% and the community would be well served by
63 keeping the number at a 45% threshold. An Assembly vote of 8 was required for the ordinance to pass. Chair Coffey
64 concurred.

65
66 Mr. Traini stated that San Francisco used an instant runoff election, but that city had a poor election record and did not
67 check voter citizenship.

68
69 Chair Coffey stated that if a runoff election cost \$250,000 and if the budget was \$430 million and if there was a runoff
70 (election) every six years, every other mayor's race, the cost as a percentage of the budget was .0096%.

71
72 Mr. Tesche stated that a proposition that would cost \$291,000 was outrageous to a person who could not afford their
73 mortgage payments.

74
75 Mr. Sullivan stated that the Elections Committee was presented with a proposal for Clean Elections, which would cost
76 the State of Alaska \$5,000,000 to give to candidates to run elections. It was a little hypocritical to say that local
77 election operations were prohibitive. Mr. Traini responded that the State of Alaska had over \$40 billion in their bank
78 account.

Dr. Selkregg stated that money was spent to prevent elected officials from giving away hundreds of millions of dollars.

Chair Coffey called for a vote.

and the main motion failed, [4-7] "7-4."

~~[AYES: Tesche, Traini, Selkregg and Claman.~~

~~NAYES: Sullivan, Starr, Coffey, Ossiander, Johnston, Birch and Bauer]~~

"AYES: Sullivan, Starr, Coffey, Ossiander, Johnston, Birch and Bauer.

NAYES: Tesche, Traini, Selkregg and Claman."

Chair Coffey reported that a super majority vote was needed and this matter would not be on the ballot. He returned the body to continue the Agenda, beginning with 11.A.

14. NEW PUBLIC HEARINGS

14.A. Resolution No. AR 2007-261, a resolution confirming and levying assessments for the water special improvements within **New Girdwood Lindblad Water Improvement District WID 1730**, setting date of payment and providing for penalties and interest in the event of delinquency; Anchorage Water & Wastewater Utility.

1. Assembly Memorandum No. AM 722-2007.

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

Mr. Birch moved, to approve AR 2007-261,
Ms. Johnston seconded,
and the motion was passed, 10-0.

AYES: Tesche, Sullivan, Starr, Coffey, Ossiander, Johnston, Birch, Bauer, Selkregg and Claman.

NAYES: None.

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

14.B. Resolution No. AR 2007-262, a resolution dissolving **Highland Water Special Assessment District 1077** and repealing Anchorage Ordinance AO 2003-147; Anchorage Water & Wastewater Utility.

1. Assembly Memorandum No. AM 723-2007.

Chair Coffey read the resolution title and opened Public Hearing.

ALFRED KEHL testified in favor of AR 2007-262, dissolving the special assessment and repealing AO 2003-147. This project had been proposed when the DOT was making road improvement. The property owners in the area had originally voted out the water portion and wanted to keep the sewer improvements. AWWU had indicated the water lines would be installed anyway and the residents would not have to pay into it until they hooked up and were using the utility. The costs were prohibitive and property owners had changed their minds and now wanted nothing.

With no additional public testimony, Chair Coffey closed Public Hearing and called for a motion.

To Dr. Selkregg, AWWU General Manager Mark Premo responded that Mr. Kehl was correct.

To Chair Coffey, Mr. Premo responded AWWU had no objection to dissolving the assessment.

Mr. Birch moved, to approve AR 2007-262,
Ms. Johnston seconded,
and the motion was passed, 9-0.

AYES: Tesche, Traini, Sullivan, Starr, Coffey, Johnston, Birch, Selkregg and Claman.

NAYES: None.

(Clerk's Note: Ms. Ossiander and Mr. Bauer were temporarily out of Chambers at the time of the vote.)

15. SPECIAL ORDERS

15.A. **NOTICE TO RESCIND:** Resolution No. AR 2003-223, a resolution of the Anchorage Municipal Assembly relating to the USA Patriot Act, the Bill of Rights, the Constitution of the State of Alaska, and the **civil liberties, peace, and security** of the citizens of our country.
(Amended and Approved 7-15-03; Immediate Reconsideration Failed 7-15-03; on 11-29-07, Mr. Sullivan Gave Notice to Rescind AR 2003-223; Postponed from 12-11-07)

Chair Coffey called for a motion.

Mr. Sullivan moved, to rescind AR 2003-223,
Mr. Bauer seconded,

Mr. Sullivan stated that since the resolution was first passed, a number of things had happened and more information had come forward that supported rescinding the resolution. Most importantly, the Patriot Act had been significantly amended since the resolution had been approved. The Administration had stated at the time of adoption the resolution did not have the force of law. The Police Chief had stated publicly that police cooperated with immigration officials when necessary, but interaction was limited. It was moot to have a resolution that did not reflect the policy of the city. The Assembly had the right to review past work when circumstances changed and it was appropriate to review this

1 matter. The term 'sanctuary city' had been used extensively, and was misused at times. Because of the changes to
2 the original Patriot Act, the resolution was no longer necessary.

3
4 To Mr. Traini, Municipal Attorney Jim Reeves stated that code provisions authorized an Assembly to review and repeal
5 previously approved resolutions.

6
7 To Mr. Claman, Barbara Brown responded that she had been involved with bringing this matter before the Assembly in
8 2003. She questioned rescinding civil liberties, peace and security, as the title was worded. That day the Congress
9 had approved items that strengthened the Freedom of Information Act. The concerns of the bill had been fixed, but
10 active concerns still remained. Mr. Claman stated that generally, actions like this across the nation had resulted in
11 Congress amending the Patriot Act and this resolution was actually a historical document and would not have any
12 impact on what the Municipality was currently doing. Mr. Claman stated that the document did not turn Anchorage into
13 a 'sanctuary city.' Rescinding resolutions should not be a habit practiced by the Assembly. Because Congress had
14 addressed the majority of concerns in the Patriot Act, he would oppose rescinding.

15
16 To Mr. Bauer, Ms. Brown stated that there had been changes with the Patriot Act, but not to the degree that people
17 wanted them and it was still viewed as problematic. Because there was no Public Hearing allowed with this matter, no
18 others had attended to testify. Mr. Bauer stated that the National Library Association could request legal advice on
19 their concerns of the Patriot Act, as amended.

20
21 Dr. Selkregg stated the Patriot Act had created great impacts, in terms of wiring tapping and people's civil rights. The
22 term Patriot Act created a sense that if you did not support it you were unpatriotic. The Assembly needed to be careful
23 about those structures and in many ways the Patriot Act was not healthy for many things in the country, but she would
24 not rescind and she urged the Assembly not to support rescinding.

25
26 To Mr. Tesche, Assembly Counsel Julia Tucker responded the Patriot Act had been created at a time of duress.
27 Under continued duress, the Patriot Act had been amended following constitutional challenges. Additional safeguard
28 provisions were added, but had only created additional constitutional challenges. A number of pending cases under
29 the New Act were continuing across the nation. Two independent legal challenges had determined safeguard
30 provisions under the new Act were incomplete and had been voided, including the ability to go to a court of federal
31 district court and get information without having a probable cause subpoena, dealing with internet providers. Mr.
32 Tesche stated there had been many changes to the original Patriot Act, which had determined certain sections of the
33 original act unconstitutional and any action by Congress had not necessarily taken away the litigation. Ms. Tucker
34 responded new litigation had been filed and under the new Act and new court decisions had come out based on the
35 new Act. When Congress rewrote the Act, it was not complete enough and that instigated new litigation under the
36 wording of the new Act and courts had made decision under the new Act. Mr. Tesche stated there had been no real
37 changes since 2003.

38
39 Mr. Bauer stated the Act was old and outdated and could not help with the definition of a 'sanctuary city,' a term that
40 originated from the Patriot Act. The State of Alaska was addressing the same provision with the same language.
41 Local police did not cooperate regularly with federal authorities.

42
43 Ms. Ossiander stated that one half of the resolution made sense and the other half did not. She had a problem if
44 police were not cooperating with federal authorities. It may be problematic when investigating gangs. She stated that
45 if authorities were concerned with what people were checking out of libraries, there was a problem in the country.

46
47 Mr. Tesche stated that the term 'sanctuary' in Black's Law Dictionary did not justify intimidating the Assembly into
48 rescinding previously approved resolution on civil liberties. The Assembly was not considering a new resolution, but
49 rescinding a resolution that was about four years old. Section 1 of the resolution reaffirmed Assembly support of the
50 United States government in its campaign against terrorism and affirmed its commitment that campaigns not be waged
51 at the expense of citizens' essential civil rights and liberties in the Constitution and the Bill of Rights. He would be a
52 NO-vote on rescinding.

53
54 Dr. Selkregg called the Question and there were no objections.

55
56 Chair Coffey ordered a Call of the House to have all members return to Chambers to vote.

57
58 and the motion to rescind was passed, 7-4.

59
60 AYES: Traini, Sullivan, Starr, Coffey, Ossiander, Birch and Bauer.

61 NAYES: Tesche, Johnston, Selkregg and Claman.

62
63 **16. UNFINISHED AGENDA** None.

64
65 **17. AUDIENCE PARTICIPATION** None.

66
67 **18. ASSEMBLY COMMENTS**

68
69 Chair Coffey recognized visiting Boy Scout Troop 268, including Scouts Kyle Willard, Garrett Hamilton, Nick Newberry,
70 Niall McQueen and Thomas Ek, with Scout Master Dan Willard and Assistant Scout Master Ray Newberry.
71 Participating Scouts not present included Kevin Easton, Peter Taufu, Ian Vinson and Wyatt Jones. The Scouts were
72 working on their community service and citizenship in the community merit badges. Dr. Selkregg thanks the young
73 men for participating.

74
75 Ms. Ossiander questioned if there would be objections if there was a contract to look at a rate cost analysis to try to
76 figure out the costs and who was available to complete the analysis sometime in the next month. Chair Coffey stated
77 this had to do with the Solid Waste Services matter and he called for a motion.

78

Mr. Sullivan recommended that the Assembly Leadership send a memorandum via email with an estimate of cost and time, so the Assembly did not have to debate it on the floor that evening.

Chair Coffey stated this could be recommended by Mayor Begich and Chief Fiscal Officer Sharon Weddleton. He understood the cost would be around \$20,000 and he had heard mention of two people who were both qualified and available. He stated that Mayor Begich had offered to pay for one-half of the costs of that service.

Ms. Johnston moved, *for immediate reconsideration of AO 2007-146,*
Mr. Tesche seconded,

Chair Coffey ordered a Call of the House to have members return to Chambers to vote on the matter.

(Clerk's Note: Chair Coffey returned the body to reconsider item 13.A, AO 2007-146.)

19. EXECUTIVE SESSIONS None.

20. ADJOURNMENT

Chair Coffey called for a motion to adjourn the meeting.

Mr. Sullivan moved, to adjourn the Regular Assembly Meeting,
Mr. Traini seconded,
and this motion was passed.

AYES: Tesche, Traini, Sullivan, Starr, Coffey, Ossiander, Johnston, Birch, Bauer, Selkregg and Claman.
NAYES: None.

The Regular Assembly Meeting was adjourned at 10:30 p.m.

See Archived Document for Signatures

ATTEST: DAN COFFEY, Assembly Chair

See Archived Document for Signatures

BARBARA GRUENSTEIN, Municipal Clerk
Date Minutes amended on Page 15, Line 47 and Page 16, Lines 5-8; Approved: January 8, 2008.
MC/BG

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