MUNICIPALITY OF ANCHORAGE
ANCHORAGE ASSEMBLY

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

Minutes for Regular Meeting of February 26, 2008

1. CALL TO ORDER

The Regular Assembly Meeting was convened by Chair Coffey at 5:15 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 Ossiander led the pledge.

4. MINUTES OF PREVIOUS MEETINGS

4.A. <u>Regular Meeting – January 29, 2008</u>.

Ms. Ossiander moved, Ms. Johnston seconded,	to approve the Meeting Minutes of January 29, 2008,
Dr. Selkregg moved, Ms. Ossiander seconded, and this was approved without objection.	to amend the Meeting Minutes on Page 6, Line 56, *by adding* to read: Dr. Selkregg declared a "<u>potential</u>" conflict of interest because her brother owned RISE Alaska. And, on Line 65, *by deleting* to read: with Dr. Selkregg abstaining [~~, due to a conflict of interest~~].;

and the motion, as amended, was passed unanimously.

5. MAYOR'S REPORT

Mayor Begich reported the Dena'ina Civic and Convention Center construction was on time and on budget. He reported that municipal prosecutors were working with the U.S. Attorney's Office on issues of drugs, gangs and guns, giving real sentences with more stringent penalties, using the federal system. He reported that property tax appeals were down significantly from last year. Mayor Begich reported there had been a second Scofflaw impoundment, with the defendant paying delinquent fines of $2,412.

Mayor Begich introduced newly appointed and reappointed board and commission members, including Sam O'Connor to the Public Safety Advisory Commission; Patricia Louise Hooyer to the Heritage Land Bank Advisory Commission; Valerie Baffone to the Bidding Review Board, and; Wisteria Ward, Marjorie Chord, Rochette McGraw, Jewel Jones and Melissa Rodriguez to the Mt. View Community Recreation Center Advisory Commission.

6. ASSEMBLY CHAIR'S REPORT

Chair Coffey reported the new Chamber system was being tested that evening, with technical support staff present.

7. COMMITTEE REPORTS

Mr. Claman, Public Safety Committee Chair, reported the committee met on February 20th for a presentation from Fort Richardson and Municipal Police Officers, on working collaboratively with returning military troops. The committee would meet again on Wednesday, March 5th.

Mr. Birch reported Chugach Electric and Municipal Light and Power were continuing to discuss the merger and running their operations more efficiently.

Ms. Johnston reported the School Committee was reviewing the ASD Budget and would report to the Assembly.

Ms. Ossiander reported that revised Title 21 Chapters 4, 5, and 6 were being introduced that evening. Discussion of the economic impact analysis was scheduled for Thursday, March 20th and a worksession for the 21st.

Mr. Starr reported the Budget and Finance Committee would meet on March 5th from 11:00 to noon.

Mr. Traini, Vice Chair of the Western Municipal Conference, reported that twenty states participated in the Conference held Monday, February 25th. He would report on the meeting upon his return from Washington D.C.

8. ADDENDUM TO AGENDA

Chair Coffey called for a motion and read the Addendum items. He called for additional items and AR 2008-34, AR 2008-35, AR 2008-36, AO 2008-38 and AO 2008-39 were added and assigned Agenda numbers 9.B.4, 9.B.5, 9.B.6, 9.F.8 and 9.F.9, respectively. Darrel Hess was also added as an Appearance Request, item 12.B. There were no additional items and Chair Coffey called for a motion to incorporate the Addendum items.

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

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

Chair Coffey called for a motion on the Consent Agenda.

Dr. Selkregg 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 2008-28, a resolution of the Anchorage Municipal Assembly approving a minor amendment to temporarily relocate an existing alcoholic beverages conditional use and License Number 1187 in the Transition "T" District, per AMC 21.15.030.G, for the **Upper One Lounge**, located at 5000 West International Airport Road from Room SA2310 to Room LS2D22, Anchorage International Airport, T13N, R4W, Section 34; generally located at Stevens International Airport (Sand Lake Community Council) (Case 2008-031); Planning Department.
a. Assembly Memorandum No. AM 112-2008.

9.B.2. No. AR 2008-31, a resolution of the Anchorage Municipal Assembly in support of **Senate Bill 157**, an Act relating to Human Trafficking and Prostitution, introduced by the 25th Legislature of the State of Alaska; Assemblymember Tesche.
a. Assembly Memorandum No. AM 149-2008.

9.B.3. Resolution No. AR 2008-32, a resolution of the Anchorage Municipal Assembly authorizing the administration to negotiate security services contracts to provide for the presence of **armed personnel on duty** at Anchorage Municipal Assembly meetings; Assemblymembers Traini and Tesche. ***(Addendum)***

Mr. Tesche requested to be added as a cosponsor to AR 2008-32. Dr. Selkregg requested this item be pulled for review on the Regular Agenda. *(See item 10.B.3)*

9.B.4. Resolution No. AR 2008-34, a resolution of the Anchorage Municipal Assembly in support of the Alaska Municipal League's efforts requesting the 25th Legislature to pass Senate Bill No. 72 entitled "An Act Relating to the Community **Revenue Sharing Program**; and Providing For An Effective Date;" Assemblymembers Johnston and Traini. ***(Laid on the Table)***

Ms. Johnston moved, seconded by Ms. Ossiander, *to incorporate* into the Addendum.

9.B.5. Resolution No. AR 2008-35, a resolution of the Anchorage Municipal Assembly requesting the Municipal Assessor's Office to prepare recommended requirement for determining eligibility and application procedures in anticipation of amendments to Alaska Stature 29.45.050 and Municipal Code Chapter 12.15 allowing **property tax exemption** for property owned and occupied as the primary residence and permanent place of abode by the widow or widower of a member of the armed forces, killed in combat; Traini and Selkregg. ***(Laid on the Table)***

Mr. Traini moved, seconded by Mr. Tesche, *to incorporate* into the Addendum.

9.B.6. Resolution No. AR 2008-36, a resolution of the Anchorage Assembly and Mayor Mark Begich supporting the Kincaid Project Group's **Improvements to Kincaid Park**; Mayor's Office. ***(Laid on the Table)***

Ms. Ossiander moved, seconded by Mr. Sullivan, *to incorporate* into the Addendum.

9.C. BID AWARDS There were no items.

9.D. NEW BUSINESS

9.D.1. Assembly Memorandum No. AM 113-2008, **Campobello** #3545 – Transfer of Ownership of a Restaurant/Eating Place Liquor License and Application for a Restaurant Designation Permit (Midtown Community Council); Clerk's Office.

9.D.2. Assembly Memorandum No. AM 114-2008, **F Street Station** #762 – Transfer of Ownership of a Beverage Dispensary Liquor License (Downtown Community Council); Clerk's Office.

9.D.3. Assembly Memorandum No. AM 115-2008, **Red Robin Burger & Spirits** #4764 – Transfer of Location of a Beverage Dispensary Liquor License and Application for a Restaurant Designation Permit (Taku/Cambpell Community Council); Clerk's Office.

9.D.4. Assembly Memorandum No. AM 116-2008, **Uncle Joe's Pizza** #3847 – Transfer of Ownership of a Restaurant/Eating Place Liquor License and Application for a Restaurant Designation Permit (Downtown Community Council); Clerk's Office.

9.D.5. Assembly Memorandum No. AM 120-2008, **Bidding Review Board** appointments (Valerie Baffone and Paul Michelsohn); Mayor's Office.

The Administration requested this item be pulled for review on the Regular Agenda. *(See item 10.D.5)*

9.D.6. Assembly Memorandum No. AM 121-2008, **Emergency Medical Service Board** appointment (Gilbert Dickie); Mayor's Office.

9.D.7. Assembly Memorandum No. AM 122-2008, **Heritage Land Bank Advisory Commission** appointments (Anne Hays and Patricia Louise Hooyer); Mayor's Office.

9.D.8. Assembly Memorandum No. AM 123-2008, **Historic Preservation Commission** appointment (Aaron Liggett); Mayor's Office.

9.D.9. Assembly Memorandum No. AM 124-2008, **Investment Advisory Commission** appointments (Christine Smith and Matthew Stelmas); Mayor's Office.

The Administration requested this item be pulled for review on the Regular Agenda. *(See item 10.D.9)*

9.D.10. Assembly Memorandum No. AM 125-2008, **Mt. View Community Recreation Center Advisory Commission** appointments (Katch Bacheller, Marjorie Chord, Shawna Jordan, Rochette McGraw, Melissa Rodriguez, Xayvier Swenson, and Wisteria Ward); Mayor's Office.

9.D.11. Assembly Memorandum No. AM 126-2008, **Port Commission** appointment (Thaddeus Owens); Mayor's Office.

9.D.12. Assembly Memorandum No. AM 127-2008, **Public Safety Advisory Commission** appointment (Dwight O'Connor); Mayor's Office.

9.D.13. Assembly Memorandum No. AM 128-2008, request to name a new artificial turf stadium at Kincaid Park in honor of **ConocoPhillips**; Mayor's Office.

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

9.D.14. Assembly Memorandum No. AM 129-2008, proprietary 2-year lease agreement with the Corporation of St. Patrick's Parish of the Archdiocese of Anchorage providing land lease on Elmrich Subdivision # 1, Lot 3 and Tract B, Block 6, for the **continued operation of the Creekside Well and Reservoir** maintained by the Anchorage Water and Wastewater Utility (AWWU) a Public Corporate Authority of the Municipality of Anchorage (MOA) ($26,000).

9.D.15. Assembly Memorandum No. AM 130-2008, approval of contract with **Chugiak Fire & Rescue, Inc.** to provide fire, rescue and emergency medical services in the Chugiak Fire Service Area for the Municipality of Anchorage, Anchorage Fire Department (AFD) ($727,000); Purchasing.

Ms. Ossiander requested this item be pulled for review on the Regular Agenda. *(See item 10.D.15)*

9.D.16. Assembly Memorandum No. AM 131-2008, Change Order No. 4 to Purchase Order No. 240444 for **wildfire fuel load hazard mitigation** with the State of Alaska, Department of Natural Resources, Division of Forestry and the Municipality of Anchorage, Anchorage Fire Department (AFD) ($300,000); Purchasing.

9.D.17. Assembly Memorandum No. AM 132-2008, proprietary purchase of software maintenance support agreement from **BIO-key International, Inc.** for the Municipality of Anchorage, Anchorage Police Department (APD) ($226,429.40); Purchasing.

9.D.18. Assembly Memorandum No. AM 133-2008, Change Order No. 3 to Purchase Order 250033 with **Premera Blue Cross Blue Shield of Alaska** (Premera) for providing third party administration and preferred provider services and LifeWise for individual and aggregate stop loss administration to the Municipality of Anchorage; Employee Relations Department ($2,273,762).

Ms. Ossiander requested this item be pulled for review on the Regular Agenda. *(See item 10.D.18)*

9.D.19. Assembly Memorandum No. AM 134-2008, Change Order No. 2 to Purchase Order No. 260840 for providing life and disability insurance with **Standard Insurance**; and Change Order No. 2 to Purchase Order No. 260939 for providing individual and aggregate medical stop loss insurance with Sun Life for the Municipality of Anchorage, Employee Relations Department ($2,120,605); Purchasing.

9.D.20. Assembly Memorandum No. AM 135-2008, proprietary purchase of computer software maintenance from **SirsiDynix Corporation** for the Municipality of Anchorage, Department of Economic and Community Development, Loussac Library ($61,541.30); Purchasing.

9.D.21. Assembly Memorandum No. AM 136-2008, proprietary purchase of tape services from **Midwest Tape LLC** for the Municipality of Anchorage, Office of Economic & Community Development, Anchorage Public Libraries ($50,000); Purchasing.

9.D.22. Assembly Memorandum No. AM 137-2008, proprietary purchase of computer software upgrade and maintenance support services from **Oracle Corporation** for the Municipality of Anchorage, Municipal Light & Power (ML&P) ($81,778.51); Purchasing.

9.D.23. Assembly Memorandum No. AM 138-2008, Amendment No. 2 to Utility Relocation Agreement with General Communications, Inc. for **Pintail Street at Huffman Road Intersection Improvements**, Project No. 02-04 ($17,119); Project Management & Engineering.

9.D.24. Assembly Memorandum No. AM 139-2008, Utility Relocation Agreement with Alaska Communications Systems (ACS) for **76th Avenue/Spruce Street/72nd Avenue Upgrade and 80th Avenue Upgrade**, Project Nos. 03-01 and 03-03 ($648,000); Project Management & Engineering.
9.D.25. Assembly Memorandum No. AM 140-2008, Utility Relocation Agreement with Enstar Natural Gas Company (Enstar) for **76th Avenue/Spruce Street/72nd Avenue Upgrade and 80th Avenue Upgrade**, Project Nos. 03-01 and 03-03 ($316,400); Project Management & Engineering.
9.D.26. Assembly Memorandum No. AM 141-2008, Utility Relocation Agreement with General Communications Inc. (GCI) for **76th Avenue/Spruce Street/72nd Avenue Upgrade and 80th Avenue Upgrade**, Project Nos. 03-01 and 03-03 ($168,000); Project Management & Engineering.
9.D.27. Assembly Memorandum No. AM 142-2008, Utility Relocation Agreement with Chugach Electric Association, Inc. (CEA) for **76th Avenue/Spruce Street/72nd Avenue Upgrade and 80th Avenue Upgrade**, Project Nos. 03-01 and 03-03 ($84,000); Project Management & Engineering.
9.D.28. Assembly Memorandum No. AM 143-2008, Utility Relocation Agreement with Chugach Electric Association (CEA) for **Town & Country Estates Subdivision RID**, Project No. 04-08 ($82,000); Project Management & Engineering.
9.D.29. Assembly Memorandum No. AM 144-2008, Utility Relocation Agreement with Enstar Natural Gas Company for **Town & Country Estates Subdivision RID**, Project No. 04-08 ($75,000); Project Management & Engineering.
9.D.30. Assembly Memorandum No. AM 145-2008, Utility Relocation Agreement with Enstar Natural Gas Company for **48th Avenue/Boniface Parkway Extension, Tudor Road to Elmore Road**, Project No. 05-30 ($61,000); Project Management & Engineering.
9.D.31. Assembly Memorandum No. AM 146-2008, Amendment No. 7 to the contract with North Star Paving, Inc., **84th Avenue (Lake Otis Parkway to Spruce Street) and Spruce Street (76th Avenue to 88th Avenue) Upgrade**, Project Nos. 02-02 & 02-08 ($217,333); Project Management & Engineering.
9.D.32. Assembly Memorandum No. AM 147-2008, Amendment No. 5 to professional services contract with USKH, Inc., for professional engineering services for the **Lake Otis Parkway Surface Rehabilitation, 68th Avenue to Abbott Road**, Project No. 03-15 ($20,000); Project Management & Engineering.
9.D.33. Assembly Memorandum No. AM 148-2008, approval of Amendment No. 4 to Contract PO 26PWK070 with **Hattenburg Dilley & Linnell LLC** for professional engineering and design services on an "as required" basis for the Municipality of Anchorage, Traffic Department ($600,000); Purchasing.
9.D.34. Assembly Memorandum No. AM 150-2008, cooperative purchase award to The Blomfield Company for furnishing **traffic marking paint and beads** to the Municipality of Anchorage, Traffic Department ($182,619.30); Purchasing. ***(Addendum)***
9.D.35. Assembly Memorandum No. AM 152-2008, Amendment No. 5 to Purchase Order No. 241366 to **KPMG LLP** to perform the 2007 Independent Financial Statement Audit, Federal Single Audit, and State Single Audit for the Municipality of Anchorage, Anchorage Assembly (NTE $265,000). ***(Addendum)***

9.E. INFORMATION AND REPORTS

9.E.1. Information Memorandum No. AIM 14-2008, **Government Finance Officers Association Certificate of Achievement Award**; Controller.

Dr. Selkregg requested this item be pulled for review on the Regular Agenda. *(See item 10.E.1)*

9.E.2. Information Memorandum No. AIM 15-2008, 2007 Fourth Quarter Summary Report of **AWWU Awards**.
9.E3. Information Memorandum No. AIM 16-2008, **contracts awarded between $50,000 and $500,000 through formal competitive processes** for the month of January 2008; Purchasing.

9.F. ORDINANCES AND RESOLUTIONS FOR INTRODUCTION

9.F.1. Ordinance No. AO 2008-30, an ordinance determining and approving the total amount of the **annual operating budget of the Anchorage School District** for its fiscal year 2008-2009 and determining and appropriating the portion of the Assembly approved budget amount to be made available from local sources. *(Public Hearing 3-25-08) (To be Submitted on March 3, 2008, Pursuant to AMC 6.10.050 C.)*
a. Assembly Memorandum No. AM 70-2008.
9.F.2. Ordinance No. AO 2008-35, an ordinance amending anchorage Municipal Code of Ordinances Sections 21.40.150 B-2A central Business District Core, 21.40.160 B-2B Central Business District, Intermediate, and 21.40.170 B-2C Central Business District, Periphery, to amend the maximum number of **amenity points** that may be accumulated for a single amenity and to add and adjust point values for design amenities and bonus point tables (Planning Case No. 2008-024). *(Public Hearing 3-18-08)*
9.F.3. Ordinance No. AO 2008-36, an ordinance of the Anchorage Municipal Assembly to provisionally adopt new **Chapters 21.04, Zoning Districts; 21.05, Use Regulations; and 21.06, Dimensional Standards and Measurements**, amending Anchorage Municipal Code Title 21 subject to concurrent final passage and approval of all provisionally adopted chapters of Title 21; Planning Department. *(Public Hearing 3-18-08)*
a. Assembly Memorandum No. AM 71-2008.
9.F.4. Ordinance No. AO 2008-37, an ordinance amending Anchorage Municipal Code Section 4.50.020, **Bidding Review Board**, to change the member representing a water utility commission to a member from the Anchorage Water and Wastewater Utility Authority Board of Directors; Mayor's Office. *(Public Hearing 3-18-08)*
a. Assembly Memorandum No. AM 117-2008.
9.F.5. Resolution No. AR 2008-29, a resolution of the Municipality of Anchorage appropriating $8,779 to the Areawide General CIP Fund (401), $9,209 to the Anchorage Fire Service Area CIP Fund (431), $78,140 to the Anchorage Roads and Drainage Service Area CIP Fund (441), $4,572 to the Anchorage Parks and Recreation Service Area CIP Fund (461), and $1,646 to the Public

Transportation CIP Fund (485) of General Obligation Series "C" bond premium for the payment of **bond issuance costs**; Finance. *(Public Hearing 3-18-08)*

a. Assembly Memorandum No. AM 118-2008.

9.F.6. Resolution No. AR 2008-30, a resolution of the Municipality of Anchorage accepting and appropriating $296,754 as a federal pass-through grant from the Alaska Department of Fish and Game Southeast Sustainable Salmon Fund to the Areawide General CIP Fund (Fund 401), Office of Economic and Community Development, for the **Campbell Creek Fish and Streambank Rehabilitation Project, Phase 2**. *(Public Hearing 3-18-08)*

a. Assembly Memorandum No. AM 119-2008.

9.F.7. Resolution No. AR 2008-33, a resolution appropriating a grant in the amount of $113,440 from the State of Alaska, Division of Alaska State Troopers and appropriating $2,390 as a contribution from the Department of Law 2008 Operating Budget Fund (101) to the State Categorical Fund (231) for administering the **Anti-Gang Initiative Program**. *(Public Hearing 3-18-08)* ***(Addendum)***

a. Assembly Memorandum No. AM 151-2008.

9.F.8. Ordinance No. AO 2008-38, an ordinance authorizing a non-exclusive utility easement to ACS Cable Systems across HLB parcels 4-033A, 4-033B and 4-034 for installation of a **fiber optic cable** and related facilities; Heritage Land Bank. ***(Laid on the Table)***

a. Assembly Memorandum No. 154-2008.

Ms. Ossiander moved, seconded by Mr. Sullivan *to incorporate* into the Addendum with Public Hearing set for March 18, 2008.

9.F.9. Ordinance No. AO 2008-39, an ordinance enacting the "**Parks & Trails Legacy Act of 2008**" and amending Anchorage Municipal Code to enact a new Chapter 25.85; Assemblymembers Tesche and Selkregg. ***(Laid on the Table)***

Mr. Tesche moved, seconded by Mr. Sullivan and Mr. Traini was the concurring third, *to incorporate* into the Addendum, with Public Hearing set for March 25, 2008.

Dr. Selkregg requested to be added as a cosponsor.

Chair Coffey called for a vote on the remainder of the Consent Agenda.

and this motion, as amended, was passed, without objection.

AYES: Tesche, Traini, Sullivan, Starr, Coffey, Ossiander, Johnston, Birch, Bauer, Selkregg and Claman.
NAYS: 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.3. Resolution No. AR 2008-32, a resolution of the Anchorage Municipal Assembly authorizing the administration to negotiate security services contracts to provide for the presence of **armed personnel** on duty at Anchorage Municipal Assembly meetings; Assemblymembers Traini and Tesche. ***(Addendum)*** *(Clerk's Note: Mr. Tesche had previously requested to be added as a cosponsor.)*

Mr. Traini moved, to approve AR 2008-32,
Mr. Claman seconded,

Dr. Selkregg stated this merited discussion. Carrying guns in public meetings would contribute to a troubled atmosphere and was not appropriate. With random and violent behavior in the community, she would support it, but the overall availability of guns needed to be reevaluated.

Mr. Bauer stated there had been threats to officials in the past. Municipal Manager Michael Abbott responded encounters included people being upset with the vehicle impound business, the Municipal Assessor's Office or the Mayor's Office. Mr. Bauer stated the Kirkwood incident was cited in the resolution, where police officers and officials were killed. Mr. Abbott responded that physical security enhancements to restrict access were deemed cost-prohibitive.

To Mr. Claman, Mr. Traini responded the cost of training workers to be qualified to carry arms would be included with the security contract. Mr. Abbott responded that it was the city's intent to fund the service without a budget increase.

Chair Coffey stated that he and Vice Chair Ossiander had discussed the Assembly's sharing costs for security at Assembly Meetings.

To Mr. Claman, Mr. Traini responded the Administration would decide which guards would be armed. He supported armed security guards at City Hall and Assembly Meetings. Police Chief Heun responded the APD's concern was that the guards be trained, understand the response to resistance continuum and when they should and should not use lethal force.

Mr. Traini stated that Security Officer Lieutenant Otis Wright was at high alert when certain individuals entered City Hall. Assembly Chamber Security Officer Captain Bruce Thomas responded that Mr. Traini had been confronted by an angry man about two years ago. Mr. Traini stated that without armed security the Assembly would be at risk. The matter needed to be dealt with before someone was dead.

Dr. Selkregg stated that she had grown up in the community and people had not brought guns to public places. She was disappointed that this problem was before the Assembly. Chief Heun responded that having armed guards was appropriate with today's society. He preferred the Assembly using armed security guards instead of police officers, who needed to be out on the streets.

Mr. Sullivan moved, *to refer* AR 2008-32 to the Public Safety Committee,
Dr. Selkregg seconded,

Mr. Sullivan stated there were questions of costs with changing the security contract. All additional questions could be referred to the Public Safety Committee, which could make a recommendation to the Assembly.

Mr. Traini opposed sending the matter to the Public Safety Committee. There had been enough discussion and it needed to be approved that evening.

Mr. Claman supported referring the matter to the Public Safety Committee, which could discuss the matter on March 5th or March 19th.

Mr. Tesche opposed referring the matter to the Public Safety Committee. This was a straight-forward proposition that had been debated and no additional information needed to be reviewed. The security of Assemblymembers was important and the decision could be made that evening.

Mr. Bauer supported referring the resolution to the Public Safety Committee. There was time to discuss associated costs and liabilities.

and this motion was passed, 7-4.

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

Mr. Sullivan stated that the committee could also review the evaluations, analysis and recommendations, referenced by Chief Heun, as part of the process. Mr. Claman responded that he would inform members when the matter was scheduled.

10.C. BID AWARDS No items were pulled for review.

10.D. NEW BUSINESS

10.D.5. Assembly Memorandum No. AM 120-2008, **Bidding Review Board** appointments (Valerie Baffone and Paul Michelsohn); Mayor's Office.

Mr. Claman moved, to approve AM 120-2008,
Ms. Johnston seconded,

Deputy Municipal Manager Heather Handyside requested that a typographical correction be made to the spelling of Valerie Baffone's name. *(Clerk's Note: The title had been corrected prior to the meeting.)*

and the motion was approved without objection, 11-0.

10.D.9. Assembly Memorandum No. AM 124-2008, **Investment Advisory Commission** appointments ([~~Christine~~] Catherine Smith and Matthew Stelmas); Mayor's Office.

Ms. Ossiander moved, to approve AM 124-2008,
Ms. Johnston seconded,

Deputy Municipal Manager Heather Handyside requested a typographical correction be made to the spelling of Catherine Smith's name. Chair Coffey concurred and there were no objections.

and the motion, as amended, was approved without objection, 11-0.

10.D.13. Assembly Memorandum No. AM 128-2008, request to name a new artificial turf stadium at Kincaid Park in honor of **ConocoPhillips**; Mayor's Office.

Mr. Bauer moved, to approve AM 128-2008,
Mr. Claman seconded,

Mr. Bauer stated two appointments from the Mayor and two appointments from the Assembly Chair would *(form a panel to)* address a park naming. Chair Coffey responded that someone from the Clerk's Office would attend the meeting. Mr. Bauer stated that this was the first meeting and it was important that the process was followed with the new criteria and purpose.

Mr. Claman stated that he had invited the Parks and Recreation Commission to attend and participate.

and the motion was passed, 11-0.

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

NAYS: None.

10.D.15. Assembly Memorandum No. AM 130-2008, approval of contract with **Chugiak Fire & Rescue, Inc.** to provide fire, rescue and emergency medical services in the Chugiak Fire Service Area for the Municipality of Anchorage, Anchorage Fire Department (AFD) ($727,000); Purchasing.

Ms. Ossiander moved, to approve AM 130-2008,
Mr. Starr seconded,

Ms. Ossiander stated that she and Mr. Starr were pleased that this was on the Agenda, to legitimize the structure the city had with the Chugiak Volunteer Fire Department.

Ms. Ossiander moved, to amend AM 130-2008 on Page 1, Lines 9 and 10, *by substituting* to read: [~~The corporation is to participate in mutual aid operations with the Anchorage Fire Department to provide fire protection services in the Chugiak Service Area.~~] "The corporation is to provide fire protection services in the Chugiak Service Area and to participate in mutual aid operations with the Anchorage Fire Department.;"
Mr. Starr seconded,
and this was approved without objection.

Ms. Ossiander moved, to amend AM 130-2008 on Page 1, Line 28, *by changing* to read: Based on the above information and attached Departmental Memorandum, it is recommended that the approval of award be granted for budget year 2008 in the amount of $715,000 [~~per year~~] for the Fire and Rescue operations and an amount [~~not to exceed~~ "estimated at" $12,000 [~~per year~~] "based on actual expenditures" for EMS operations.;
Mr. Starr seconded,

Ms. Ossiander stated this was to clarify the contract language, to reflect the actual expenditures for EMS operations.

To Mr. Claman, Municipal Manager Michael Abbott responded that the Administration accepted both amendments.

and this was passed without objection.

Mr. Starr stated that he appreciated the cooperation and efforts of the Administration, both Fire Chiefs and the Board of Supervisors, for reviewing the budget and integrating the new language, which he fully supported.

Ms. Ossiander thanked Chief Craig Goodrich, Chief Steve Poggi and Deputy Chief Michelle Weston with the Anchorage Fire Department for their efforts.

and the main motion, as amended, was approved, 11-0.

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

10.D.18. Assembly Memorandum No. AM 133-2008, Change Order No. 3 to Purchase Order 250033 with **Premera Blue Cross Blue Shield of Alaska** (Premera) for providing third party administration and preferred provider services and LifeWise for individual and aggregate stop loss administration to the Municipality of Anchorage; Employee Relations Department ($2,273,762).

Ms. Ossiander moved, to approve AM 133-2008,
Ms. Johnston seconded,

Mr. Claman declared a potential conflict of interest because his law firm represented LifeWise Insurance Company, a subsidiary, which was in litigation in federal court. Given his attorney-client relationship with the party it would be inappropriate for him to participate. Chair Coffey called for discussion.

To Ms. Ossiander, Mr. Claman responded that LifeWise was a subsidiary of Premera.

To Chair Coffey, Mr. Claman responded that this was a financial conflict of interest. He was an employee of the firm, was active in the case and the company paid for his services. Chair Coffey ruled that Mr. Claman had a financial conflict of interest and ordered that he not participate. There were no objections.

Ms. Ossiander stated that benefits and health insurance were a major component of city services. A significant change towards preventative care had increased the third-party administration fees by 17% and 87%, respectively, with use of LifeWise and Sunlife. A request for proposal *(RFP)* could compare providers. A review to determine if the expenditure of preventative health care would bring an appreciable decline in overall claims would be released in September.

Mr. Starr urged support. The budget process had vetted and addressed personnel cost increases across the board. Chief Fiscal Officer Sharon Weddleton responded that it was not anticipated that there would be more appropriation for the health insurance and that it would involve fund balance.

To Chair Coffey, Employee Relations Director David Otto responded the additional costs would be absorbed. The budget had anticipated a 9% cost increase to health insurance, which turned out to be a 5% increase. Chair Coffey stated that this was an increased cost and the city would be reviewing methodology and means, but was contractually bound to the changes. Mayor Begich responded the Administration would not be asking for more money.

Ms. Ossiander stated that additional costs would be reviewed in September.

Dr. Selkregg stated that the overall costs were less than anticipated.

and the motion was passed, 10-0,
with Mr. Claman abstaining, due to a conflict of interest.

10.E. INFORMATION AND REPORTS

10.E.1. Information Memorandum No. AIM 14-2008, **Government Finance Officers Association Certificate of Achievement Award**; Controller.

Mr. Birch moved, to accept AIM 14-2008,
Mr. Sullivan seconded,

Dr. Selkregg recognized the Controllers' staff, who had received the Government Finance Officers Association Certificate of Achievement Award, the highest recognition received for governmental accounting and financial reporting. On behalf of Chief Fiscal Officer Sharon Weddleton, Mayor Begich thanked Dr. Selkregg and Assembly for the recognition.

and this was approved without objection, 11-0.

Mr. Traini moved, to Change the Order of the Day to take up 13.A and
Mr. Sullivan seconded, and New Public Hearings,
and this was approved without objection.

Chair Coffey stated that AO 2008-1, Agenda item 15, needed to be dealt with that evening and would be taken up time-certain at 9:55 p.m., debate would be limited to one hour and the vote would be at 10:55 p.m. There were no objections.

10.F. ORDINANCES AND RESOLUTIONS FOR INTRODUCTION No items were pulled for review.

11. OLD BUSINESS AND UNFINISHED ACTION ON PUBLIC HEARING ITEMS

11.A. Assembly Memorandum No. AM 72-2008, **AWWU Board of Directors** appointment (Fred Boness); Mayor's Office. *(Postponed from 2-12-08)*

Ms. Ossiander moved, to approve AM 72-2008,
Ms. Johnston seconded,
and this motion was passed, 9-0.

AYES: Tesche, Sullivan, Starr, Coffey, Ossiander, Johnston, Birch, Bauer and Claman.
NAYS: None.
(Clerk's Note: Dr. Selkregg and Mr. Traini were temporarily out of Chambers at the time of the vote.)

11.B. Assembly Memorandum No. AM 69-2008, recommendation of award to Western Peterbilt Inc. for furnishing **automated side loader refuse collection trucks** to the Municipality of Anchorage, Solid Waste Services (SWS) (ITB 27-B081) ($742,949.97); Purchasing. *(Postponed from 1-29-08)*

Mr. Starr moved, to approve AM 69-2008,
Mr. Sullivan seconded,

Mr. Starr stated he would not support approval because there were too many questions. He wanted to review more options and more discussion was needed.

Municipal Manager Michael Abbott endorsed the program and the equipment and urged support. Mr. Claman supported the purchase. Using automated equipment was what modern cities were doing. It reduced worker compensation claims and it was efficient for garbage collection. He urged support.

To Ms. Johnston, Purchasing Officer Bart Mauldin responded if the matter failed that evening, he could not predict whether the vendor would want a new request for proposal.

Dr. Selkregg stated that the Assembly had been told that this was the truck to get. The Assembly was getting good advice from well-trained people and she would support it.

and this motion was passed, 8-3.

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

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

Mr. Claman moved, *for immediate reconsideration* of AM 69-2008,
Dr. Selkregg seconded,
and this motion failed, 2-9.

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

(Clerk's Note: At 9:55 p.m. Chair Coffey returned the body to Agenda Item 15, Special Orders to complete AR 2008-1, to be taken up time-certain at 9:55 p.m.)

11.C. Resolution No. AR 2007-291, a resolution of the Municipality of Anchorage, Alaska, approving a water main extension identified as the **Northern Communities Water Extension** and providing for assessment of benefited properties at time of service connection; Anchorage Water & Wastewater Utility.

1. Assembly Memorandum No. AM 772-2007.
2. Resolution No. AR 2007-291(S), a resolution of the Municipality of Anchorage, Alaska, approving a water main extension identified as the Northern Communities Water Extension and providing for assessment of benefited properties at time of service connection; Anchorage Water & Wastewater Utility.
3. Assembly Memorandum No. AM 772-2007(A).

(Public Hearing was Closed 1-08-08; Action Postponed from 1-08-08)

Chair Coffey read the resolution title and called for a motion.

Ms. Ossiander moved, to approve AR 2007-291(S),
Mr. Starr seconded,

Ms. Ossiander stated the S-version included updated property assessments reflecting the taking for the right-of-way. To Dr. Selkregg, she responded the sheet showed an update of property owners who would be affected.

and this motion was passed, 10-0.

AYES: Traini, Sullivan, Starr, Coffey, Ossiander, Johnston, Birch, Bauer, Selkregg and Claman.
NAYS: None.
(Clerk's Note: Mr. Tesche was temporarily out of Chambers at the time of the vote.)

11.D. Resolution No. AR 2007-292, a resolution of the Municipality of Anchorage, Alaska, approving the **Northern Communities (Sanitary) Sewer Extension** and providing for assessment of benefited properties at time of service connection; Anchorage Water & Wastewater Utility.

1. Assembly Memorandum No. AM 773-2007.
2. Resolution No. AR 2007-292(S), a resolution of the Municipality of Anchorage, Alaska, approving the Northern Communities (Sanitary) Sewer Extension and providing for assessment of benefited properties at time of service connection; Anchorage Water & Wastewater Utility.
3. Assembly Memorandum No. AM 773-2007(A).

(Public Hearing was Closed 1-08-08; Action Postponed from 1-08-08)

Chair Coffey read the resolution title and stated that Public Hearing was closed. He called for a motion.

Ms. Ossiander moved, to approve AR 2007-292(S),
Mr. Starr seconded,

Ms. Ossiander stated this was the same issue as the updated water assessment, with an updated S-version.

Mr. Starr stated this document had been modified because the Department of Transportation was reclaiming their land, so there would be less square footage to be assessed. He urged support.

To Dr. Selkregg, Anchorage Water and Wastewater General Manager Mark Premo responded the property owners understood this was an estimate. The rules of assessment would apply when the property owners actually hooked up to the line. He responded that all information would be communicated to property owners.

Mr. Starr stated these assessments were expensive for the lots. Basic infrastructure expectations and watershed issues needed to be discussed by the community. The property owners were stepping up, but it was not cheap.

and this motion was passed, 9-0.

AYES: Sullivan, Starr, Coffey, Ossiander, Johnston, Birch, Bauer, Selkregg and Claman.
NAYS: None.
(Clerk's Note: Mr. Tesche and Mr. Traini were temporarily out of Chambers at the time of the vote.)

11.E. Ordinance No. AO 2007-154, an ordinance of the Anchorage Municipal Assembly amending Anchorage Municipal Code Chapter 21.70, **Mobile Home Parks**, relating to dimensional requirements for additions to mobile homes, including accessory buildings, and minimum set back from other mobile homes, including their additions and accessory buildings; Assemblymembers Ossiander and Starr.

1. Assembly Memorandum No. AM 691-2007.
2. Ordinance No. AO 2007-154(S), an ordinance of the Anchorage Municipal Assembly amending Anchorage Municipal Code Chapter 21.70, Mobile Home Parks, relating to dimensional requirements for additions to mobile homes, including accessory buildings, and minimum set back from other mobile homes, including their additions and accessory buildings; Assemblymember Ossiander.

(Public Hearing was Closed 1-8-08; Amended 1-08-08; Action Postponed from 1-8-08)

Ms. Ossiander moved, to approve AO 2007-154(S),
Dr. Selkregg seconded,

Ms. Ossiander thanked Anchorage Fire Chief Goodrich for helping her arrange a meeting of representatives from various departments to discuss current code issues with mobile home parks. The S-version simplified the problem by eliminating code language on prohibition of size of existing additions and allowing possible use of pitched roofs. She urged support.

and this motion was passed, 9-0.

AYES: Sullivan, Starr, Coffey, Ossiander, Johnston, Birch, Bauer, Selkregg and Claman.
NAYS: None.
(Clerk's Note: Mr. Tesche and Mr. Traini were temporarily out of Chambers at the time of the vote.)

(Clerk's Note: Chair Coffey returned to the Regular Agenda schedule to take up 14.D.)

11.F. 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.
1. Assembly Memorandum No. 793-2007.
(Referred to Assembly Elections Committee on 12-18-07; Action Postponed from 12-18-07 & 2-12-08)

(Clerk's Note: At 9:55 p.m. Chair Coffey returned the body to complete AR 2008-1, to be taken up time-certain and AR 2007-300 was Carried Over to March 18, 2008.)

12. APPEARANCE REQUESTS

12.A. **Aaron Selbig**, regarding municipal ethics issues in current city election. ***(Addendum)***

(Clerk's Note: Aaron Selbig did not appear.)

12.B. Darrel W. Hess, reporting to the Assembly on the Anchorage Police Department's CAP Team. ***(Laid on the Table)***

DARREL W. HESS, Chair, and SHARON SHIMHAR, Vice Chair of the Fairview Community Council, reported on the Community Action Policing *(CAP)* Team. The Fairview Community was working with the Anchorage Police Department *(APD)* to resolve public safety issues in Fairview. This policing approach was an essential part of Fairview's revitalization and more resources were needed for this unit to be applied to other problem sections of the city.

Mr. Hess thanked the APD for their participation in the Fairview effort, which had succeeded with community involvement. He thanked APD Sergeant Denny Allan, who patrolled Fairview, was well respected and had made a huge difference in the area. On behalf of the city, Mayor Begich presented to Sergeant Allen a Mayor's Award for Service, honoring him for his extraordinary dedication and outstanding efforts to improve the quality of life for the residents of Fairview and in all of Anchorage.

13. CONTINUED PUBLIC HEARINGS

13.A. Ordinance No. AO 2007-105, an ordinance amending Anchorage Municipal Code Chapter 15.70 to clarify Definitions, **noise permit conditions**, and add a new section for measurements of noise; amending Section 14.60.030 to increase fines; and repealing Anchorage Municipal Code of Regulations Chapter 15.70; Health and Human Services.
1. Assembly Memorandum No. AM 451-2007.
(Carried Over from 11-6-07; Continued from 11-13-07)

To Chair Coffey, Municipal Manager Michael Abbott responded the Administration recommended postponing AO 2007-105 indefinitely. Ms. Ossiander stated that that was the Assembly's intent. Chair Coffey opened Continued Public Hearing. There was no one to testify and he closed Public Hearing and called for a motion.

Dr. Selkregg moved, *to postpone indefinitely* AO 2007-105,
Mr. Sullivan seconded,

To Mr. Claman, Mr. Abbott responded that for three years the Administration had tried to address industrial-related noise concerns adjacent to a residential neighborhood, but had found that changing Code would not resolve the matter.

Mr. Sullivan stated that while there were still some concerns, the ordinance was not the solution. Good enforcement and compliance from the industry seemed to have abated most of the problem.

Dr. Selkregg stated that she supported using good agreements to solve things, without making new laws.

and this motion was passed, 11-0.

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

14. NEW PUBLIC HEARINGS

14.A. Ordinance No. AO 2008-32, an ordinance authorizing Amendment #3 revision to Port of Anchorage Terminal Tariff No. 6 to add a **Railroad Cars Tariff Rate** effective March 1, 2008.
1. Assembly Memorandum No. AM 87-2008.

Chair Coffey read the ordinance title and opened Public Hearing. There was no one to testify and he closed Public Hearing and called for a motion.

Dr. Selkregg moved, to approve AO 2008-32,
Mr. Traini seconded,

Dr. Selkregg supported the ordinance.

and this motion was passed, 11-0.

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

14.B. Ordinance No. AO 2008-33, an ordinance amending Anchorage Municipal Code Section 4.50.030A. to change the terms of the **Budget Advisory Commission**; Mayor's Office.
1. Assembly Memorandum No. AM 105-2008.

Chair Coffey read the ordinance title and opened Public Hearing. There was no one to testify and he closed Public Hearing and called for a motion.

Dr. Selkregg moved, to approve AO 2008-33,
Mr. Starr seconded,

Dr. Selkregg stated this was a bookkeeping matter and she urged a YES-vote.

Mr. Starr thanked the Administration for recognizing the need to change the terms of the commission and he urged approval.

and this motion was passed, 11-0.

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

14.C. Resolution No. AR 2008-25, a resolution ratifying a three year & four month collective bargaining agreement between the Municipality of Anchorage and the **International Brotherhood of Teamsters, Local 959**; Employee Relations.
1. Assembly Memorandum No. AM 98-2008.

Chair Coffey read the resolution title.

Mr. Traini stated that the Assembly had previously addressed his potential conflict and the Chair had ruled that he was to vote on this issue. To Chair Coffey, Mr. Traini responded his son was the Teamsters 959 Executive Director and that he had no financial interest. Chair Coffey questioned whether Mr. Traini's personal interest was of such a nature that he would not be able to act in the public interest and put aside any personal interest. Mr. Traini responded NO. Chair Coffey ruled that Mr. Traini had no conflict and ordered that he participate in the matter. There were no objections.

Mr. Sullivan disclosed a possible conflict of interest because he had worked full time and part time for the union for about fifteen years. Chair Coffey questioned whether he had any financial or personal interest in the matter. Mr. Sullivan responded NO. Chair Coffey ruled that Mr. Sullivan did not have a conflict of interest and there were no objections.

Ms. Ossiander stated that she had previously disclosed a potential conflict of interest, because she was married to a Longshoreman, who was affiliated with the Teamsters Union, but would not be financially affected by the outcome of this matter. She stated that she could put the public interest before her personal interest. There were no objections.

(Clerk's Note: Ms. Ossiander assumed the Chair to allow Mr. Coffey to address the matter.)

Mr. Coffey stated that until 1968 he had been a member of the Teamsters Union. Acting Chair Ossiander ruled that Mr. Coffey did not have a conflict and ordered that he participate. There were no objections.

(Clerk's Note: Chair Coffey resumed as Chair.)

Ms. Ossiander disclosed that she had once worked as a Teamster, as a respiratory therapist at Alaska Hospital over twenty years ago. Chair Coffey stated that was a long time ago.

Chair Coffey opened Public Hearing.

KEN COLEMAN, Teamster's Principal Officer, and TIM MORGAN, on the negotiation team, testified they were present to answer any questions. To Dr. Selkregg, Mr. Coleman explained the changes to the amended contract. Dr. Selkregg requested those present in the audience stand to show their support. *(Clerk's Note: 30-40 union workers stood.)* Mr. Coleman responded he had negotiated for the Union in good faith and it was a good contract for both the employees and the city. To Mr. Tesche, Mr. Coleman responded the union represented 120 Municipal employees. The union had supported the contract, 58 to 19, and it was a fair contract. Mr. Traini thanked them for negotiating the contract within the Assembly's guidelines.

SCOTT WILKE, a People Mover driver, testified to the importance of his job and that he was unhappy with the contract.

CHRISTOPHER HUNTSFER questioned whether the contract had taken cost of living into consideration. Chair Coffey stated the contract included adjustments for the cost of inflation.

LARRY BENSON, with the American Postal Union, testified in support of the contract.

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

Dr. Selkregg moved, Mr. Claman seconded,	to approve AR 2008-25,

Dr. Selkregg stated that the contract was a good deal for both parties. Public jobs were the backbone of the economy. The city's job was to work on economic development to have good jobs and good money coming into the town. She urged support for the contract.

Mayor Begich concurred with Dr. Selkregg and thanked the Union for the contract and the workers for all they did in the city. The Administration supported longer contracts, but the Assembly wanted shorter terms. The contract recognized and rewarded employees that worked hard. He was proud of the workers and he supported the contract.

Mr. Tesche disagreed with many who thought that city spending was out of control and that they needed to be tougher on expenditures and costs. Mayor Begich responded that union employees did an exceptional job and had taken responsibility for part of the healthcare costs. The money spent was money invested with these employees. A majority of the community supported union workers and the city needed to create a stable workforce for them.

Mr. Birch stated he supported the contract and appreciated the Administration's efforts to renegotiate the contract. Issues like 45 days of vacation time were the types of issues that were addressed. Internal Auditor Peter Raiskums responded that he had completed a review of the agreement, which conformed to the Assembly's guidelines.

Mr. Claman supported the contract. Worker longevity was crucial for long term success of city operations and for workers to continue to work with the city.

Mr. Sullivan stated that a longer term contract would provide more stability and would not have to be negotiated as often, but a longer term would make it more difficult for the next Administration to set parameters. The contract stayed within the rate of inflation and the Consumer Price Index, which the union contracts had exceeded for years. The contract supported the Assembly's requirements and he would support it.

Mr. Traini supported the union workers present that evening. He supported organized labor and Assemblymembers needed to be constantly reminded who built Anchorage. He urged support of the contract.

Chair Coffey stated that Assembly had passed AR 2007-84 to set parameters by which contracts would be negotiated. The money to pay for the contracts came from taxpayers. While Union workers wanted to maximize their wages and benefits, the taxpayers also had increasing costs of living. Solutions were still needed for addressing healthcare. The unions needed to follow the parameters set by the resolution and if an agreement could not be reached, the resolution needed to be changed.

Mr. Claman stated it was proper for the city to provide a decent quality of life with healthcare to employees and to set an example for other employers.

Dr. Selkregg stated the city needed to set the standards that attracted real investment to start revitalizing the economy. She would support the contract, which set a minimum standard.

and this motion was passed, 11-0.

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

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

Mr. Tesche seconded, Mr. Traini seconded, and this motion failed unanimously, 0-11.	*for immediate reconsideration* of AR 2008-25,

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

Ms. Ossiander moved, Mr. Traini seconded, and there was no objection.	to Change the Order of the Day to take up 11.C, 11.D. and 11.E.,

(Clerk's Note: Chair Coffey moved the body to take up 11.C.)

14.D. Resolution No. AR 2008-27, a resolution of the Anchorage Municipal Assembly approving an alcoholic beverages conditional use in the B-3 (General Business) District for a beverage dispensary tourism use and license per AMC 21.40.180 D.8, for Denali Lodging LLC, dba Denali Hotel Suites, dba **Embassy Suites Hotel - Anchorage, Alaska**; located at 600 East Benson Boulevard, within Tract A, Highline Subdivision, Addition #1; generally located on the south side of Benson Boulevard between New Seward Highway and Denali Street (Midtown Community Council) (Case 2008-030); Planning Department.

1. Assembly Memorandum No. AM 111-2008.

Chair Coffey read the resolution title and opened Public Hearing.

RANDY SANTULI, representing Stonebridge Companies, operator of Embassy Suites Hotel, and Project Manager BILL ROBINSON, testified the hotel was scheduled to open about June 15, 2008. To Mr. Traini, Mr. Robinson responded the company would replace the curb cut and tie Patterson *(Street)* into the adjacent property. Mr. Traini stated that the road being closed had caused a decrease of business traffic in the area and he urged that the road be opened as soon as possible. Mr. Robinson stated they were committed to do so. Ms. Ossiander stated that the Planning Department had included a description of complimentary beer, wine and mixed drinks in the evening. Mr. Santuli responded that the service was consistent with other Embassy Suites Hotels. There would be an evening hospitality reception, with complimentary snacks, hors d'ourves, beer, wine and mixed drinks for registered guests, generally controlled on a two-drink limit per person. Homewood Suites also offered an evening hospitality of beer and wine and had met the requirements of the Alcohol Beverage Control Board. To Mr. Starr, Chair Coffey responded that investigators from the ABC Board would respond to demands of compliance issues. There was a law in the state on using free or reduced-priced alcohol as a marketing device, and the matter needed to be approved by the ABC Board. Mr. Santuli concurred and responded they would comply with every regulation.

There was no additional public testimony and Chair Coffey closed Public Hearing and called for a motion.

Dr. Selkregg stated that guests may prefer to have a drink in the evening in the hotel rather than outside the hotel. She would support this *(conditional use)*.

Mr. Traini stated this was a good location in his Midtown District, which was developing and Embassy Suites Hotel was part of that development.

Mr. Claman supported the matter, which was an example of positive development in that area of the community that had been rundown. He looked forward to having them in business.

and this motion was passed, 11-0.

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

14.E. Resolution No. AR 2008-19, a resolution appropriating a $1,150,000 contribution from the Maintenance and Operations Department Areawide Service Area Fund (Fund 101) approved in the BP2008 General Government Operating Budget to the Areawide Service Area Capital Improvement Fund (Fund 401) for **major municipal facility upgrades and repairs**; Maintenance and Operations Department.

1. Assembly Memorandum No. AM 83-2008.

Chair Coffey read the resolution title and opened Public Hearing. There was no one to testify and he closed Public Hearing and called for a motion.

Ms. Ossiander moved, to approve AR 2009-19,
Mr. Birch seconded,
and this motion was passed, 11-0.

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

14.F. Ordinance No. AO 2008-24, an ordinance authorizing a **shared common access easement** across municipal property located within the East 150 Feet of Lot 32, Section 28, T13N, R3W, S.M., Tax # 008-033-35 to consolidate driveway access to and from Tudor Road to benefit three properties (East 150 Feet of Lot 32, Section 28, T13N, R3W, S.M., Tax # 008-033-35; Lot 31, Section 28, T13N, R3W, S.M., Tax # 008-033-37; and Lot 33A, Section 28, T13N R3W S.M., Tax # 008-033-62), near the Tudor Road and Lake Otis Parkway intersection; Project Management & Engineering.

1. Assembly Memorandum No. AM 68-2008.

Chair Coffey read the ordinance title and opened Public Hearing. There was no one to testify and he closed Public Hearing and called for a motion.

Mr. Traini moved, to approve AO 2008-24,
Mr. Sullivan seconded,

Mr. Sullivan stated there had been much negotiation involving this parcel and he was pleased that it was coming to fruition, with the access off Tudor Road that the property owner wanted. The solution was amenable to everyone.

and this motion was passed, 11-0.

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

14.G. Ordinance No. AO 2008-14, an ordinance amending Anchorage Municipal Code Section 19.40.100 to authorize a **new funding program for roads** incorporated into Anchorage Road & Drainage Service

Area (ARDSA) from a Limited Road Service Area (LRSA) or Road Service Area (RSA); Project Management & Engineering.

Chair Coffey read the ordinance title and opened Public Hearing. Ms. Ossiander stated that it was her intent to postpone the matter, to allow for a worksession. There was no one to testify and Chair Coffey called for a motion.

Ms. Ossiander moved, *to postpone* AO 2008-14 to March 25, with a worksession
Ms. Johnston seconded, on March 21, 2008, from 11:00 a.m. to noon,
and this motion passed without objection.

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

14.H. Ordinance No. AO 2008-34, an ordinance enacting "Our Parks and Trails, A Legacy for the Future" Act of 2008, amending Anchorage Municipal Code Title 6 to establish the **Parks & Trails Legacy Fund**, provide for an annual budget, and a procedure for appropriations of voter approved capital projects; Assemblymembers Tesche, Traini and Selkregg.
1. Assembly Memorandum No. AM 100-2008.

Mr. Tesche stated he would be introducing a new document on March 18^{th} that would include input from the Parks and Recreation Advisory Board. Municipal Attorney Jim Reeves responded the title had been changed. Chair Coffey stated that Public Hearing would first be opened because this had been publicly noticed. He opened Public Hearing. There was no one to testify and he closed Public Hearing and called for a motion

Mr. Tesche moved, *to postpone indefinitely* AO 2008-34,
Mr. Traini seconded,
and this passed without objection.

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

(Clerk's Note: Mr. Tesche later in the meeting introduced AO 2008-39 to replace AO 2008-34. See Agenda 9.F.9 for details.)

14.I. Ordinance No. AO 2008-10, an ordinance of the Anchorage Municipal Assembly amending the zoning map and providing for the rezoning of **Lots 45, 49A, 49B, 49C and 52, T13N, R3W, Section 33**, from R-2A to R-3 SL; generally located on the south side and east end of East 49^{th} Court, east of Lake Otis Parkway (Campbell Park Community Council) (Planning and Zoning Cased 2007-087); Assemblymember Traini.
1. Assembly Memorandum No. AM 42-2008.

Chair Coffey read the ordinance title and opened Public Hearing.

RICHARD MICHAEL, petitioner and General Manager of Pura Vida, LLC, described the proposed residential development project, located off Lake Otis, in close proximity to the U-Med District in the transit corridor. It promoted neighborhood revitalization, homeownership and used an innovative high quality design. It followed the goals of Comprehensive Plan. He urged for support of the project.

Mr. Sullivan disclosed that he had met with the applicants to review the proposal and discuss the design parameters and traffic implications in the U-Med area. Mr. Michael responded that Providence Hospital and the surrounding neighbors were in support. A letter of support from the hospital was included in Assemblymembers' packets.

Mr. Traini disclosed that he had also met with the applicants. He questioned if they had seen reduction in traffic on Lake Otis since the opening of Elmore Road. Mr. Michael responded he had noticed a least a 50% decrease. Traffic associated with the project would be on 49^{th} Court.

To Dr. Selkregg, STEVE AGNI Development Manager representing the petitioner, responded their project at 49^{th} Court had been approved for access to Lake Otis. There was covered parking and additional parking to meet code requirements. Mr. Agni responded the park area was in addition to the Title 21 requirements. Dr. Selkregg stated that while this was a good development, it challenged the Assembly to do something that normally was not done.

To Ms. Johnston, Mr. Michael responded the proposed building height was no more than thirty-five feet and the natural topography of the property was twelve feet below the surrounding topography. The existing residential units were 22 feet in height and would be removed upon development.

To Mr. Claman, Mr. Michael responded there was a middle turn lane on Lake Otis for access to 49^{th} Court.

Mr. Bauer disclosed that he also had an informational telephonic conversation with the developers.

To Mr. Traini, Mr. Agni responded they had sought to meet with the community council, which had not replied to their request.

Mr. Birch commended the developers for their well thought-out project, which appeared to be well situated and in line with the requirements for the high demand area and for reasonably priced housing.

Mr. Claman disclosed that he had talked with the developers twice on the phone, but had not met them in person.

Ms. Ossiander stated that there was a sense that this development was spot zoning. The developer had ignored a request from the P&Z to come up with an alternative and was using a public right-of-way for a park. Mr. Agni responded that spot zoning occurred when a particular project did not conform to a comprehensive plan or a plan of change implemented by the Municipality, but this area encouraged more than eight dwelling units per acre. The development would be 12.5 dwelling units per acre, which conformed to the Comprehensive Plan. They differed with the Planning staff. The project would keep the street right-of-way as a public domain and was proposing improvements, including a bike path, landscaping and other amenities. The Traffic Department had no opposition to traffic on 49th Court. MARK IVY, Project Designer, responded that decreasing the number of units would decrease the number of amenities that had been added to attract the target price and market of seniors and young professionals, but the developer would be amenable to the Assembly's request of a lower number *(of units)*. Ms. Ossiander stated it looked like a quality development, but it was surrounded by single-family homes.

Mr. Traini stated that this development was a lot better than what P&Z was asking them to build and would benefit the neighborhood.

Dr. Selkregg stated that the P&Z had recommended that the developer work with the Administration to make adjustments. It would easier to support if this were not three-story buildings for that area. MARK IVY, Project Designer, responded the other alternative would be a larger square footage, which would not attract their target market, would not add to the revitalization of the area and would not be feasible.

PAUL BENSON testified that including the community council *(in the process)* was important to the neighborhood. To Dr. Selkregg, he responded he was a resident of Fairview. Mr. Claman responded that Assemblymembers had received an email from the local community council that indicated they were opposed to it.

There was no additional public testimony and Chair Coffey closed Public Hearing and called for a motion.

Mr. Traini moved, to approve AO 2008-10,
Dr. Selkregg seconded,

To Ms. Ossiander, Planning Administrator Jerry Weaver responded the site plan had shown the public right-of-way being used as open space with a bike trail. Mr. Agni responded that the special limitations submitted to the Planning Department indicated the site plan would be developed and there would be an administrative site plan review. The developer would not object to clarifying the access issue. Mr. Weaver responded the Planning Department wanted to limit access to Laurel Street and wanted compliance with what was submitted to the department and the commission, including the architectural rendering and the conceptual site plan. An amendment could be added to Section 2.

Dr. Selkregg stated she would support adding the additional conditions. The applicants had testified that the access would be off Lake Otis. Mr Agni responded the Laurel access shown on the site plan was a secondary, emergency vehicle access.

To Chair Coffey, Mr. Agni responded that the access on Laurel would not be available for ordinary vehicle access.

To Mr. Traini, Mr. Michael responded they accepted the conditions.

To Mr. Sullivan, Mr. Michael responded the emergency access on Laurel would be identical to the Highland emergency access.

Chair Coffey requested that Ms. Ossiander prepare the amendment language with the Administration.

(Clerk's Note: Chair Coffey called for a short recess to allow Ms. Ossiander to prepare an amendment. He allowed Mr. Tesche to introduce a new ordinance, replacing AO 2008-39. See 9.F.9 for related details.)

Ms. Ossiander moved, to amend AO 2008-10 on Page 1, Section 2, beginning on Line 41, *by adding* to read:
Dr. Selkregg seconded,

Section 2. The zoning map amendment described in Section 1 shall be subject to the following special limitations:

"F. There shall be no direct vehicle access to Laurel Street from the property other than fire and emergency access.

G. The development shall require an administrative site plan review by the Planning Department for compliance with the concept site plan presented to the Planning and Zoning Commission dated 10-29-07.;"

Dr. Selkregg stated that these two items were left out unintentionally and the amendments were what the commission had recommended. Mr. Traini concurred.

and this was passed without objection.

To Chair Coffey, Assembly Council Julia Tucker responded that if the Assembly was going forward with approval of an amendment with restrictions that were not at least as restrictive as what was recommended by the P&Z, then the Assembly needed to include an explicit waiver of that section on the record and recommended language "notwithstanding the provisions of AMC 21.20.120."

Ms. Ossiander moved, *to remand* AO 2008-10 back to P&Z,
Dr. Selkregg seconded,

Mr. Claman stated that the sequence of the Gleason decision *(the Wal-Mart case)* included having P&Z vote it either up or down and having it come to the Assembly. If the Assembly wanted to approve the ordinance with substantial changes, the Assembly needed to send it back to P&Z. He did not think the proposed changes were substantial and the Assembly could consider it. The Assembly needed to make a specific finding to determine if the changes were substantial *(substantially different from what was submitted to P&Z)*.

Dr. Selkregg stated that Mr. Traini's intent was to include the amendments, which brought it in line with P&Z. It did not need to be remanded back to P&Z.

Mr. Birch supported the amendments. The Assembly needed to listen to the public, make a finding and make a decision. The Assembly needed to move forward with the matter. He opposed the motion to remand to the P&Z.

Mr. Traini stated the amendments addressed the use of Laurel and the site plan review. He opposed sending the matter back to P&Z.

Ms. Ossiander stated there would be attempts to fix the concerns with a new ordinance that would be addressed at the next Assembly Meeting.

and the motion to remand failed, 0-11.

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

Chair Coffey called for discussion on Mr. Claman's recommendation of including a finding. Mr. Tesche recommended taking up the matter before the vote. If the finding was sufficiently clear on the record, it was not necessary to include the language in the text of the ordinance. Mr. Claman responded that a stand-alone finding was sufficient and it needed to precede the vote on the main motion. Mr. Reeves concurred with the separate finding, acted upon before the main motion. He stated that he concurred with Ms. Tucker, to include a notwithstanding provision in the ordinance.

Mr. Claman stated for the record, the finding was that the proposal as amended was a variance at some degree from what was originally presented to the P&Z and the change was not significant for purposes of Assembly consideration of the rezone. To Chair Coffey, Mr. Claman responded the finding did not need to be written, but needed to be reflected in the minutes. Mr. Reeves, Mr. Tesche and Chair Coffey concurred that the finding could be oral.

Mr. Sullivan moved, Mr. Traini seconded, and this was passed without objection.	to amend AO 2008-10 on Page 2, Line 15, *by adding* to read: "**Section 5.** The Assembly finds that this ordinance amending the zoning map does not materially change the ordinance that was considered by the Planning and Zoning Commission.;"
Mr. Sullivan moved, Ms. Ossiander seconded, and a friendly amendment was made,	to amend AO 2008-10 on Page 1, Line 16, *by changing* to read: ~~[THE ANCHORAGE ASSEMBLY ORDAINS]~~ "NOTWITHSTANDING ANY LIMITATION THAT MIGHT OTHERWISE APPLY **UNDER AMC 21.20.120**, THE ANCHORAGE ASSEMBLY ORDAINS:

Mr. Tesche stated that specific reference to a provision in Title 21 was needed. Mr. Sullivan concurred and made a friendly amendment. This was accepted by Ms. Ossiander, who urged unanimous approval.

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

Ms. Ossiander stated that she had reviewed Title 21 for over four years and densities in neighborhoods continually came up. The project appeared to be an extremely attractive and well-designed property that would fill a significant need in Midtown. But, there had not been much discussion on the differing density with the surrounding neighborhood, which was single-family residential that was not too dense. For that reason, she would not support the rezone.

Dr. Selkregg stated that she had originally supported the rezone and she concurred with the issue of developments being compatible with the surrounding area. The staff report and the comments from P&Z referred to an average of eight units per acre, which was the mandated number per acre. The Comprehensive Plan also referenced quality neighborhoods close to areas where people were working and addressed the importance of quality neighborhoods near transportation corridors, but quality neighborhoods were not being produced. The Assembly's intent was for the community to build quality neighborhoods. She urged Mr. Ivy to join the Title 21 Committee to assist with revisions to allow for good development. She would support the rezone.

Mr. Traini stated that he had looked at this property every day for the past 27 years. This area needed redevelopment and this project would do that. It would bring affordable housing and more density along the transit corridors. He wanted to see this approved and he would vote for it.

Mr. Tesche stated the proposal was supported by the two district Assemblymembers; the designer Mr. Ivy had an excellent reputation, and; this neighborhood needed to be on the mend. He complimented the project design and stated that he would support the rezone.

Chair Coffey stated that he had looked closely at the area and there were nice homes and some old properties. There would be difficult choices to make as density increased. A high quality, first-class development would have impacts to adjacent properties. With the Comprehensive Plan, the transit-supported corridor or the demands of the hospital and institutions in the district, the Assembly needed to approve this high-quality development. There was a legitimate concern for those in the area, but not sufficient to warrant a denial of the rezone. For all those reasons, he would support the rezone.

(Clerk's Note: Ms. Ossiander assumed as Chair to allow Mr. Coffey to address a potential conflict of interest.)

Mr. Coffey disclosed that he had met with Mr. Agni to get information on the matter. He and Mr. Agni each owned one-eighth of the Alaska Aces *(Hockey Team)*, but the matter before the Assembly had nothing to do with the Aces. He would be able to vote for the public interest with this matter. The question was whether there was a personal conflict. Acting Chair Ossiander asked Mr. Coffey if there was anything in the partnership with Mr. Agni that was related to his economic interests in this project. Mr. Coffey responded NO, that Mr. Agni did this type of work and the Aces was a totally separate thing. Acting Chair Ossiander called for discussion.

To Mr. Sullivan, Mr. Agni responded that he represented the petitioner and was not an owner in the project. Mr. Sullivan stated that there was not a direct conflict of interest.

Acting Chair Ossiander ruled that Mr. Coffey did not have a conflict of interest and ordered that he participate. There were no objections. Mr. Coffey reassumed as Chair and called for a vote on the main motion.

and the main motion, as amended, was passed, 10-1.

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

(Clerk's Note: By a previously approved motion to Change the Order of the Day, Chair Coffey moved the body to complete Old Business items, Agenda 11, to be able to return to take up Special Orders, time-certain 9:55 p.m.)

15. SPECIAL ORDERS

15.A. Resolution No. AR 2008-1, a resolution of the Anchorage Municipal Assembly approving an alcoholic beverages conditional use in the B-3 (General Business) District for a duplicate beverage dispensary use per AMC 21.40.180 D.8, for Debco, Inc., **Fantasies on 5th**, located at 1911 E. 5th Avenue, within Fantasies Subdivision, Lot 1, and Fourth Addition, Block 26C, Lots 4, 5 and 6; generally located between East 4th and East 5th Avenues, on the east side of Sitka Street (Mountain View Community Council) (Case 2008-013); Planning Department. *(Approved 2-12-08; Vetoed 2-19-08)*

Mr. Birch moved, *to Override* the Mayor's Veto on AR 2008-1,
Mr. Sullivan seconded,

Chair Coffey called for discussion.

Mr. Birch stated that Assemblymembers were all talked out and had received no new information. When this license was before the Assembly in December there had been no comment from the Mayor or anybody else. There were no alarm bells from the Anchorage Police Department *(APD)* outside the norm. The Assembly needed to move forward. Mr. Tesche stated this matter had been voted on without debate. The underlying concerns of adult entertainment and how strip clubs operated and allowing increased sales of alcohol at the location needed to be addressed. The Assembly was on record supporting State legislation to increase criminal penalties for human or sex-oriented trafficking. To his question, APD Chief Heun responded the Police Report on Fantasies showed a total of 211 calls for service on the premises in 2006 and in 234 in 2007. Calls initiated by the management were 27% in 2006 and 28% in 2007. The APD responded to all calls. This establishment involved two businesses, co-located at the same address. With the age grouping of the clientele, the police responded more often to that location than other places. Chief Heun responded that when alcohol was served to this type of clientele, police service increased. Chief Fiscal Officer Sharon Weddleton responded that the Office of Management and Budget had calculated police cost at $500.00 per call. Mr. Tesche stated that AMC 8.80 listed that amount as excessive use of police services. Costs had been calculated to be $84,000.00 a year and included the calculated increased costs to the municipality if the license was approved. Chief Heun responded the department had expertise with human trafficking and was involved with the Department of Justice Task Force. APD Sergeant Kathy Lacey, with the Human Trafficking Task Force, responded there was information that related strip clubs and alcohol to human trafficking, in particular sex-trafficking. Any time there was alcohol and a sex industry where women were taking off their clothes, there was a correlation to possible recruitment of victims.

Mr. Claman stated that he had asked the APD to provide statistics on the other strip clubs in town, including the Bush Company, the Crazy Horse and PJ's. There were more calls to Fantasies than to all other clubs combined. Chief Heun responded there were two enterprises co-located at that address and APD did not differentiate whether the calls came from Club Elixir or Fantasies. The younger clientele dealt with the APD more often. A non-adult strip club had far less regulation than a place with a beverage dispensary *(license)*.

Mr. Traini thanked the APD for the additional information. The report indicated there were 21 attempts by patrons under-21 to buy alcohol. Chief Heun responded that a premise with a full beverage dispensary license had a lot more to lose if under-21 patrons were served. The APD had been told that drugs were confiscated, but drugs were not turned into police. When APD retrieved drugs, reports were made and drugs were put into evidence. APD had had conversations with the owner and club security on the expectations. Sergeant Lacey responded that Fantasies was in conversation with the military, but was still off-limits.

To Dr. Selkregg, Chief Heun responded that there was no human trafficking investigation currently underway for Fantasies. There were more APD vice calls when there were strippers. Dr. Selkregg stated there was a total of 525 vice calls for Fantasies over three years, compared to 227, 109 and 158 vice calls from the other clubs. Chief Heun responded that with more alcohol served to more people, APD would be called more. Sergeant Lacey responded that the military was still deliberating on the off-limits status of Fantasies. The club's security guards being armed, drugs and the strip club were still concerns of the military.

Ms. Ossiander stated Fantasies had been a topic for a long time. Many restrictions were in place for strip clubs that served alcohol that differed from under-age strip clubs. The Assembly had imposed a physical separation for lap dances, which was upheld in court. Her desire was to get rid of under-age strip clubs, which would benefit the city. Strip clubs were legal and the vote on the Fantasies issue had to do with providing more regulation. The high number of calls was because the under-age strip club was right next to an alcohol establishment.

Mr. Sullivan stated this matter had to do with a conditional use permit, which involved land use issues for the business. Chief Heun responded the space occupied by Fantasies, currently a non-alcoholic club, would be allowed to dispense alcohol and would eliminate the teen strip club at that location. Mr. Sullivan stated that constituents saw the majority of the problem as the mix of age groups, not just people from the over-21 club. Chief Heun responded that problems with Club Elixir should not be discounted and it was a bad mix with the strip club. Mr. Sullivan stated that it was difficult to separate the calls from Fantasies and Club Elixir. Club Elixir had no violations and the Assembly had approved the liquor license renewal without discussion. The problems were from a mix of the two different age groups. Club Elixir was a stand-alone club with a valuable liquor license at risk and there would be a change at that location, which may not be perfect, but it would be better. Sergeant Lacey responded the APD did not have evidence of human trafficking at Fantasies or Club Elixir.

To Mr. Bauer, Sergeant Lacey responded the APD had recently concluded a case that involved evidence of human trafficking at another club. The APD had worked with the FBI on the federal case and included evidence of five individuals who testified that they were recruited from strip clubs in Anchorage. There had not been municipal laws on human trafficking until recently and there had been only one arrest. Mr. Bauer stated that the Immigration and Customs Enforcement *(ICE)* had made five arrests in three years. Sergeant Lacey responded that human trafficking often involved labor issues, which would not come to the attention of the APD. She responded that perpetrators looked for vulnerable victims to recruit. Chief Heun responded the APD report had tracked the calls for services, but had not included the arrests. The 11 arrests reported had been made on-scene, concurrent with the calls for service.

To Mr. Claman, Chair Coffey responded the issue before the Assembly was whether to override the veto, not to address issuing a one-year conditional use permit. Mr. Claman stated that the answer to that question may affect the vote to override the veto. Planning Department Administrator Jerry Weaver responded that under 21.50.160.D, the Assembly had authority to impose time limitations on conditional use permits.

Chair Coffey stated the APD handout listed 411 total calls for 2006 and 2007, with 259 not pertaining to the business. Chief Heun responded that he was not familiar with the report. Chair Coffey stated the numbers were not the same as the other APD report. Chair Coffey, Chief Heun, Dr. Selkregg and Mr. Bauer concurred the documents were different. Mr. Claman concluded the report was from Fantasies. Dr. Selkregg stated the Fantasies report did not reflect what the APD had intended.

Mr. Traini stated the problem was a teen strip club being next to an adult club. The Clerk's Office indicated Fantasies' license would expire February 10, 2008. Ms. Hartman responded that the Clerk's Office should have a copy of her application, which went from year to year, and should expire in March. The previous license had been dated March to October, but she had been told that it was good *(for a year)*. She responded they currently had a teen club license. Mr. Tesche stated the military wanted the teen club to stop and approving the liquor license would keep Fantasies on that bad list. Ms. Hartman responded that the police were there and knew about it. The club had been told by the APD to quit calling them with the insignificant things. So, the club destroyed the confiscated drugs. Now the APD told them it was against the law and now they called in all drug-related cases.

To Dr. Selkregg, Chief Heun responded this was not police policy and he wanted the APD officer's name who told her not to contact police. Dr. Selkregg stated that there was a sense that teen strip clubs were not desirable and a way to improve the outcome was to get rid of them. If the Assembly was unhappy with teen strip clubs, the Assembly needed to address the matter. It was fuzzy thinking to double the size of an adult entertainment club that had liquor. She had previously supported the conditional use permit, but she had been contacted by citizens with great concern about expanding Fantasies. She had not known it was costing the city over $160,000 a year for police enforcement at this location, which was paid for by taxpayers. The reasons for the military black-listing Fantasies included drug operations, violence and security officers having guns. Those were legitimate concerns. The Fairview Community Council had expressed concern. She would support the Mayor's veto because there was new information. This was not a stellar establishment and they were before the Assembly because they lost the Supreme Court Case and needed another avenue to increase revenues.

To Mr. Traini, Municipal Licensing Clerk Jacqueline Duke responded that Fantasies' license for a teen strip club had expired on February 11, 2008. Ms. Hartman responded that the dates of renewal went from March to March. The one most recently issued should expire in March. They had never received the license in 2007.

Mr. Sullivan stated that he had amended code to include establishments like this under adult establishment laws. This involved expression of free speech, which was protected by the Supreme Court. While community standards and licensing could be addressed, teen strip clubs could not be eliminated by ordinance.

Mr. Claman stated that the courts consistently stated that strip clubs needed to be tolerated, which was inconsistent with 90 or 95% of the community, which would rather not have them. Fantasies had more police calls than the other strip clubs in town. Strip clubs needed to be tolerated, but the number of calls was too many. The military had black-listed the club and he would not vote to override the veto. It was appropriate for the Assembly to consider a one-year conditional use permit, so the Assembly could reevaluate things.

Mr. Tesche noted that the resolution approved by the Assembly indicated that the applicant would conform to the plans and narrative submitted with the conditional use application. This narrative stated that the applicant would provide entertainment or environmental conditions in the facility that would meet the definitions of indecent material or adult entertainment as set forth in AMC 8.05.420, "Minors Disseminating Indecent Material," or AMC 10.40.050, "Adult

Oriented Establishments." He further noted that the resolution stated, "Failure to comply with the conditions of this conditional use permit shall constitute grounds for its modification or revocation." Mr. Tesche asked Mr. Reeves if he had looked at these sections and Mr. Reeves responded that he had. Mr. Tesche asked if the city was following the law.

At 10:55 *(p.m.)* Mr. Birch called for Order of the Day. Chair Coffey stated that there was an Order of the Day and he would honor what he had previously ruled, which was to allow one hour for the matter. He wanted to complete the matter before adjournment at 11:00. Mr. Tesche objected.

Mayor Begich requested that Mr. Reeves be allowed to respond to Mr. Tesche's one question.

Chair Coffey concurred.

Mr. Reeves responded YES.

Chair Coffey called for a vote.

and the motion to Override the veto passed, 8-3.

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

Mr. Sullivan moved, to extend the Regular Assembly Meeting strictly to
Mr. Bauer seconded, take up Audience Participation, Agenda item 17,
and this was approved without objection.

16. UNFINISHED AGENDA None.

17. AUDIENCE PARTICIPATION

STEVE CLAIRY testified that he had been denied an appearance request to speak to the Assembly on Clean Elections. Chair Coffey responded that appearance requests were not allowed for items already on the Agenda.

LOIS SWANBERG thanked Mr. Tesche for including public testimony *(on the Fantasies issue)*. The vote was not in the public interest. The Assembly was making a big mistake. Anchorage had a serious crime rate and this would not help one bit. Mr. Sullivan stated that eliminating the teen strip club from being next to that bar was a good thing. Ms. Schaumburg stated there would still be a license down there.

18. ASSEMBLY COMMENTS

Ms. Johnston announced the birth of her new grandson, Lauchlin Ross Johnston, who will be enrolled in the Anchorage School District in five or six years.

19. EXECUTIVE SESSIONS There were none.

20. ADJOURNMENT

Mr. Bauer moved, to adjourn the Regular Assembly Meeting,
Mr. Sullivan seconded.

Chair Coffey adjourned the Assembly Meeting at 11:05 p.m.

DAN COFFEY, Assembly Chair

ATTEST:

BARBARA GRUENSTEIN, Municipal Clerk
Date Minutes Approved: April 15, 2008.
MC/BG

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