

# MATANUSKA-SUSITNA BOROUGH

350 East Dahlia Avenue, Palmer, Alaska 99645 - 907-861-8683

BOROUGH MAYOR

Vern Halter

BOROUGH CLERK

Lonnie R. McKechnie, CMC

BOROUGH MANAGER

John Moosey

BOROUGH ATTORNEY

Nicholas Spiropoulos



Jim Sykes, District 1

Matthew Beck, District 2

George McKee, District 3

Ted Leonard, District 4

Dan Mayfield, District 5

Jesse Sumner, District 6

Tam Boeve, District 7

## MEETING MINUTES

ASSEMBLY CHAMBERS

350 EAST DAHLIA AVENUE, PALMER

ASSEMBLY SPECIAL MEETING

6:00 PM

TUESDAY, FEBRUARY 26, 2019

### **I. CALL TO ORDER**

The regular meeting of the Matanuska-Susitna Borough Assembly was held on Tuesday, February 26, 2019, at the Borough Assembly Chambers, 350 E. Dahlia Avenue, Palmer, Alaska. The meeting was called to order at 6 p.m. by Mayor Vern Halter.

### **II. ROLL CALL**

**Present:** 7 - Assemblymember Jim Sykes, Assemblymember Matthew Beck, Assemblymember George McKee, Assemblymember Ted Leonard, Assemblymember Dan Mayfield, Assemblymember Jesse Sumner, and Assemblymember Tam Boeve

### **III. APPROVAL OF AGENDA**

The agenda was approved as presented without objection.

### **IV. PLEDGE OF ALLEGIANCE**

The pledge of allegiance was led by Dr. Monica Goyette, School District Superintendent.

## **V. AUDIENCE PARTICIPATION**

The following person spoke to the need to be fiscally responsible with the budget and to concerns with the perceived lack of notice regarding changing community council boundaries: Mr. Brian Endle.

The following person spoke to the need to be fiscally responsible at the local level and to support the governors budget: Mr. Ron Johnson.

## **VI. ITEMS OF BUSINESS**

### **1. Discussion of the Impacts of the Governor's Proposed State Budget**

Mr. Moosey spoke to the impacts to the Borough and the School District regarding Governor Dunleavy's proposed budget.

Mr. Spiropoulos provided a presentation regarding debt reimbursement and funding for schools as mandated by the State Constitution.

Dr. Goyette reported on the impact of the governor's proposed budget to the School District.

[19-022](#)

Meeting Handouts

## VII. MAYOR, ASSEMBLY, AND STAFF COMMENT

Assemblymember Sumner opined that the Assembly should not reject Governor Dunleavy's budget right away. Spoke to concerns with disproportionate school debt reimbursement. Noted that per capita, the Borough has been cut less than other areas in the state. Stated that any additional spending will have to be funded by new revenue. Spoke to concerns of rejecting the Governor's proposed budget as presented. Opined that the Assembly should do a resolution that supports the Governor's budget cuts. Further opined that the Borough should raise revenue locally rather than having the State extract funds from us and only to give it back.

Assemblymember Sykes spoke to concerns with the long term impacts of Governor's proposed budget on the Borough. Stated that he would like to know all of the long-term risks. Stated that the Assembly needs to know revenue opportunities so that the budget can be strategically looked at. Opined that the Assembly does not need to condone or reject the budget in order to move forward. Noted that the Assembly and residents need to communicate with our legislators and the Governor in order to make our concerns clear. Opined that the budget is like a chess game.

Assemblymember McKee stated he does not know why the Assembly is even having this meeting because of the uncertainty of what will happen in Juneau with the budget. Stated that the Borough has to have a budget adopted by July 1. Noted that the legislature will not have their budget in place by that time. Spoke to concerns with excessive spending over the years. Stated that he would like to see what a sales tax revenue would bring into the Borough. Further stated that he would like to see information on revenue that could be generated if the senior and disabled vet property exemption was eliminated. Spoke to concerns with the number of Borough employees. Opined that Manager's proposed cost saving measures will not work. Opined that there need to be taxes instituted and cuts made to the Borough and the School District.

Assemblymember Boeve stated that she too would like more information regarding what revenue opportunities. Spoke to concerns with costs being shifted to the local level. Spoke to concerns that property tax payers are carrying the burden of the Borough's budget.

Assemblymember Mayfield spoke to concerns with Governor Dunleavy's cuts to funding for education, Alaska State Troopers, and Village Public Safety Officers. Stated his dismay that the Governor's budget included oil tax credits, permanent fund dividend make-up credits, and funding for a Denali Visitor's Center. Opined that the Governor has declared war on ideology over practicality.

Assemblymember Leonard thanked the Manager for providing a summary of where the budget is headed. Noted that the body will have to look at different ways to produce a balanced budget. Opined that the Governor started the budget discussion with what he felt needed to be funded. Noted that the proposed budget has just been released and will likely change before the end of session. Spoke to concerns that debt service reductions are not equitable across the state. Spoke to the unorganized areas within the State where the State absorbs all the costs and builds schools. Stated that he is hopeful that there will be funding going back into debt service. Opined that the Borough currently has an unsustainable budget. Spoke to the need to look at core functions and funding levels. Opined that no services need to be cut yet as the budget is still uncertain. Spoke in support of limiting consultants and travel as the Assembly looks at the budget.

Assemblymember Beck stated that he appreciates the positive tone of the discussion. Opined that the conversation has been productive. Opined that the preliminary meeting is great beginning to the budget process. Spoke to his appreciation for the presentations given this evening. Opined that Mr. Moosey is being realistic and keeping residents in mind. Spoke to his appreciation of the great advice provided by Mr. Spiropoulos. Opined that Dr. Goyette cares about the kids within the School District and their families. Noted that the Assembly has the ability to make things happen. Noted that he agrees with Assemblymember McKee that it is a shot in the dark because the Assembly does not know what will happen in Juneau. Noted that it is the Assembly's duty to make educated guesses and make adjustments when necessary. Noted that there are challenges ahead but he is optimistic.

Mayor Halter thanked staff and the School District for the presentations this evening. Related that he called the meeting to have a dialogue regarding the Governor's proposed budget. Noted that the proposed budget has Statewide impacts. Noted that when the bonds for the new schools were passed, Governor Dunleavy was on the School Board. Related that the split of 70/30 passed by the voters with good numbers. Spoke to concerns with the Governor reneging on school debt reimbursement. Spoke to his satisfaction to live in the Borough where residents have not been impacted by much of a recession. Sated that he is hopeful that the Governor's budget will not put the Borough into a recession. Noted that the body has a lot of issues to address. Stated that Legislators were very supportive to listening to the Borough's concerns when they were in Juneau. Requested that Ms. Heindel speak to budget deadlines.

Ms. Heindel advised that the budget has to be passed by the end of May to in order to facilitate the printing needs and deadlines for mailing out tax bills.

Mayor Halter stated that he is hopeful that the Legislators are able to adopt the budget in a timely fashion and that what is adopted is different than what was proposed. Thanked everyone for their attendance at the meeting.

#### **VIII. ADJOURNMENT**

The meeting adjourned at 7:30 p.m.