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**Minutes of the Public Hearing
Denali Borough Assembly
Tri-Valley Community Center
December 14, 2016**

CALL TO ORDER: The public hearing was called to order by Presiding Officer Jared Zimmerman at 6:05 p.m.

ROLL CALL: Assembly members present: Jared ZIMMERMAN, Paddy TATUM, Don DEBLAUW, Joe CHATFIELD, Jill BOELSMA, Krista ZAPPONE and David EVANS. Absent: Tallon SHREEVE and Patrick KELLY.

ORDINANCE 16-12, Version A: An ordinance amending Denali Borough Code of Ordinances Title 4, Real Property Acquisition, Management and Disposal

There were no public comments.

ORDINANCE 16-13, Version B: An ordinance amending Denali Borough Code, Chapter 3.21, titled Management of Grants

There were no public comments.

ADJOURNMENT: The public hearing was adjourned at 6:09 p.m.

APPROVED: _____
Jared Zimmerman, Presiding Officer

ATTEST: _____ Date Approved: _____
Gail Pieknik, Borough Clerk

**Minutes of the Regular Meeting
Denali Borough Assembly
Tri-Valley Community Center
December 14, 2016**

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7 CALL TO ORDER: Presiding Officer Jared Zimmerman called the regular meeting to order at 6:09
8 PM. Mayor Clay Walker led those present in the Pledge of Allegiance.
9

10 OATH OF OFFICE

11 Amber Renshaw, Denali Borough Deputy Clerk, administered the oath of office to David Evans and
12 Don DeBlauw, Assembly Seats D and H, respectively.
13

14 ROLL CALL

15 Assembly members present: Don DEBLAUW, Joe CHATFIELD, Paddy TATUM, David EVANS,
16 Jared ZIMMERMAN, Jill BOELSMA and Krista ZAPPONE. Absent: Tallon SHREEVE and Patrick
17 KELLY. Mayor Clay Walker was also present.
18

19 David EVANS MOVED to excuse Tallon Shreeve and Patrick Kelly. The motion was seconded. The
20 vote by show of hands was unanimous.
21

22 SELECTION OF PRESIDING OFFICER:

23 David EVANS MOVED to nominate Jared Zimmerman as Presiding Officer. The motion was
24 seconded. The VOTE by show of hands was unanimous.
25

26 SELECTION OF DEPUTY PRESIDING OFFICER:

27 Jill BOELSMA MOVED to nominate Krista Zappone as Deputy Presiding Officer. The motion was
28 seconded. The VOTE by show of hands was unanimous.
29

30 PUBLIC COMMENTS

31 Shawn Burton, Denali Chamber of Commerce Vice President, updated the assembly on Chamber
32 activities including the Halloween Pumpkin Patch and Trunk or Treat events, a search for a new
33 chamber director, an updated website, and exploration into ways the Chamber may function as more
34 of a visitor's bureau.
35

36 AGENDA

37 David EVANS MOVED to approve the meeting agenda as presented. The motion was seconded.
38 The VOTE by show of hands to approve the agenda was unanimous.
39

40 MINUTES

41 November 02, 2016 Denali Borough Assembly Public Hearing and Regular Meeting
42

43 David EVANS MOVED to approve the minutes of the November 02, 2016 public hearing and regular
44 meeting as presented. The motion was seconded. The VOTE by show of hands was unanimous.
45

46 November 10, 2016 Canvass Committee Meeting
47

1 Jill BOELSMA MOVED to approve the minutes of the November 10, 2016 Denali Borough Canvass
2 Committee meeting as presented. The motion was seconded. The VOTE by show of hands was
3 unanimous.

4
5 REPORTS

6 October 2016 Financial Report

7
8 David EVANS MOVED to receive the October 2016 financial report. The motion was seconded. The
9 VOTE by show of hands was unanimous.

10
11 SCHOOL DISTRICT REPORT

12 Denali Borough School District (DBSD) Superintendent Dan Polta
13 Superintendent Polta highlighted events included in a written report, specifically drawing attention to
14 the DBSD's draft Strategic Plan, which was approved at the School Board's November meeting. The
15 next phase of the strategic planning process is to form action teams, which will outline plans to
16 achieve identified strategies.

17
18 The Cantwell Sprinkler Project punch list work is finishing up, and a monitor system is
19 expected to be turned on December 19. In November there was an issue with frozen feeder lines,
20 which were repaired. A request for proposals for design work for the Cantwell School Roof has been
21 prepared, and will be released in January. The Denali PEAK office suffered a sewage flood, and
22 found that the office was not insured. The office is now insured, and all clean-up has been dealt with.
23 The Tri-Valley Coal Boiler Tie-In is providing heat to the elementary wing, and has decreased fuel oil
24 consumption.

25
26 Superintendent Polta reported that the DBSD audit is complete, with a good outcome. The DBSD
27 Fiscal Year (FY) 2017 budget was revised at the November board meeting to align more with current
28 funding and expenses. The final enrollment figures were lower than budgeted, which may result in
29 the school district needing to turn some funds back to the borough. School district administration is
30 now developing the FY 2018 budget under two different scenarios – one under expected funding
31 levels, and another assuming a ten percent decrease in funding. Both scenarios maintain a focus on
32 the strategic plan, and keeping services appropriate to that plan.

33
34 MAYOR REPORT

35 Mayor Clay Walker congratulated DBSD on their clean audit, returning assembly members Tallon
36 Shreeve, David Evans, and Don DeBlauw on their re-election, and verbally highlighted activity
37 included in a written report, including the following:

- 38
39
- 40 • Mayor Walker attended the Alaska Municipal League (AML) conference in November, where
41 he attended sessions on legislative updates, state fiscal crisis, the opioid epidemic, AML
42 services, criminal justice reform, municipal budgeting, and the Public Employees Retirement
43 System. During the conference business meeting, the number one priority was to urge the
44 state legislature to take the necessary steps to close the state's fiscal gap and to adopt a
45 sustainable fiscal plan.
 - 46 • In February, AML will hold their annual legislative fly-in. Mayor Walker asked assembly
47 members to notify the borough office before the next meeting if they would like to attend.
 - 48 • The Municipal Advisory Gasline Project Review Board met recently to craft language on their
annual report, which summarizes the Payment In Lieu of Taxes (PILT) framework agreed

1 upon, lists unresolved issues around the PILT, and raises questions regarding the tax
2 structure of a wholly state-owned pipeline.

- 3 • The planning commission has a vacant seat from the northern district.
- 4 • The Native Village of Cantwell has renewed their lease of the borough building used for
5 recycling.

6
7 FINANCE COMMITTEE REPORT

8 Krista Zappone, Finance Committee member, reported that the committee had a meeting just prior
9 to tonight's meeting, where investment activity was reviewed, Garry Hutchison was present to
10 discuss roles of the committee and provide suggestions on how to monitor and review financial
11 activity of the borough, and language was finalized regarding the solid waste fund to be forwarded to
12 the assembly in ordinance form. At the meeting Assembly Presiding Officer Jared Zimmerman
13 reappointed Krista Zappone, Jill Boelsma, and David Evans to the committee, and designated Mr.
14 Evans as committee chair.

15
16 PLANNING COMMISSION REPORT

17 Kesslyn Tench, Planning Commission Chair, drew attention to a memo from the planning
18 commission that was in the meeting packet supporting suggestions from Agnew Beck regarding next
19 steps for land planning, requesting direction from the assembly as to the role of the planning
20 commission in the process, and expressing support to move forward with the land exchange with the
21 City of Anderson. Recent work of the commission has focus on recommendations for lands to be
22 surveyed to be included in the Mayor's annual work plan, and Title 9 – Subdivisions.

23
24 PLANNING COMMISSION SEAT APPOINTMENTS:

25 Mayor Clay Walker appointed Kesslyn Tench to planning commission Seat C and Mark Menke to
26 planning commission seat D.

27
28 Jill BOELSMA MOVED to confirm the appointment of Kesslyn Tench to planning commission Seat C
29 and Mark Menke to planning commission Seat D. The motion was seconded. The VOTE by show of
30 hands was unanimous.

31
32 ASSEMBLY COMMENTS

33 Assembly members thanked those in the audience for attending the meeting, and thanked Mayor
34 Walker and Superintendent Polta for providing written reports in addition to verbal highlights.

35
36 David EVANS thanked Garry Hutchison and Laurie Gieck for attending the finance committee
37 meeting.

38
39 COMMUNICATION AND APPEARANCES

40 Rob Graham, Tri-Valley Volunteer Fire Department (TVVFD) Fire Chief, to discuss EMS
41 Communications and Tri-Valley Community Center building

42
43 Rob Graham, TVVFD Fire Chief, provided assembly members with a letter discussing air quality
44 in the Tri-Valley Community Center Building, specifically addressing mold and carbon monoxide
45 concerns. A consultant visited the building after concerns were raised by tenants of the building,
46 and found no detectable problems with either concern. The building was found to have an issue
47 with coal smoke, and options are being considered to keep coal smoke out of the building.
48

1 Mr. Graham spoke regarding emergency dispatch communications, cautioning the assembly to
2 consider the impacts of acting upon a 911 surcharge without the issue going to the people on a
3 ballot. The surcharge was included on a ballot in 2008 and failed. Mr. Graham spoke in support
4 of a 911 surcharge, but stressed the importance of following due process if pursuing the idea.

5
6 Garry Hutchison, CPA, Kohler, Schmitt & Hutchison, to discuss the Draft Denali Borough Fiscal
7 Year 2016 Financial Statement

8
9 Mr. Hutchison reviewed the following in the annual financial statement and audit report:

10
11 Page 4 – *Management Discussion and Analysis*: The management discussion and analysis
12 provides a narrative for the numbers included in the financial statement.

13
14 Page 14 - *Statement of Net Position*: This is a presentation of the financial statement as if the
15 borough were a business. The State of Alaska calculations of municipalities' pension
16 liabilities are what caused the audit delay last year. The liability is the Denali Borough's
17 allocation of the unfunded liability for the State of Alaska pension system, and does not
18 include the State's portion. Overall, this statement is a picture of solvency.

19
20 Page 15 – *Statement of Activities*: A change in net position of \$73,094 means the borough
21 has enough revenues coming in to cover the costs of depreciation, resulting in a positive
22 change in net position.

23
24 Page 16 – *Governmental Funds Balance Sheet*: The most important number on the balance
25 sheet is the unassigned fund balance of \$1,870,521, which is available for budgeting in the
26 next fiscal year. This statement shows that there is \$23,992 available to the general fund
27 from the earnings of the Permanent Investment Fund. This amount is one half the earnings
28 of the fund for FY 2016. The general fund and fund accounts are healthy, even though the
29 state is experiencing a budget crisis.

30
31 Page 18 – *General Fund Statement of Revenues, Expenditures, and Changes in Fund*
32 *Balances*: This statement shows a strong year for the general fund, with strong overnight
33 accommodations tax revenue.

34
35 Page 20 – *Proprietary Funds Statement of Net Position Proprietary Funds*: This statement
36 shows the Solid Waste fund has an unrestricted amount of \$959,239, and that \$254,900 has
37 been accumulated for landfill closure care. For the first year, the solid waste fund is in the
38 black. The land enterprise fund is not taking in revenue sufficient to cover expenses.

39
40 Pages 49-50 – *Schedule of Revenues, Expenditures and Changes in Fund Balance Budget*
41 *and Actual – General Fund*: This statement shows detailed variances in budgeted line items,
42 as well as an overall favorable variance of \$548,179.

43
44 Mr. Hutchison presented a graphical representation of state pension information after a change
45 in their allocation method. As a result, much less is allocated to the state, and much more to the
46 municipalities. In two years, the health allocation of retirement benefits will be shown on the
47 borough statements, as well.

1 A point of discussion that followed was related to the solid waste depreciation schedule, and the
2 idea that, each year, an amount equal to depreciation recorded for equipment could be
3 deposited into the solid waste equipment fund to cover replacement costs.

4
5 Presiding Officer Jared Zimmerman called for a ten minute recess at 7:39 PM. The meeting
6 resumed at 8:05 PM.

7
8
9 PENDING ORDINANCES

10 ORDINANCE 16-12, Version A: An ordinance amending Denali Borough Code of Ordinances Title
11 4, Real Property Acquisition, Management and Disposal

12
13 David EVANS MOVED to amend by substitution Ordinance 16-12, Version B for Version A. The
14 motion was seconded. Changes made were intended to include more definitions, to streamline and
15 identify processes. The VOTE by show of hands was unanimous.

16
17 David EVANS MOVED to postpone Ordinance 16-12 to the next meeting, and to request legal
18 counsel review of the document. The motion was seconded. The VOTE by show of hands was
19 unanimous.

20
21 ORDINANCE 16-13, Version B: An ordinance amending Denali Borough Code, Chapter 3.21, titled
22 Management of Grants

23
24 David EVANS MOVED to adopt Ordinance 16-13. The motion was seconded. Discussion that
25 followed focused on antidiscrimination language, and language regarding faith-based organizations.
26 The roll call VOTE to adopt Ordinance 16-13 was 6 – 1 as follows: Yes – Joe CHATFIELD, David
27 EVANS, Jared ZIMMERMAN, Krista ZAPPONE, Jill BOELSMA, Paddy TATUM, No – Don
28 DEBLAUW. The motion passed.

29
30 RESOLUTIONS

31 RESOLUTION 16-18: A resolution extending appreciation and gratitude to Teri Lewis for the time
32 and energy she dedicated to the Denali Borough

33
34 David EVANS MOVED to approve Resolution 16-18. The motion was seconded. Joe
35 CHATFIELD read the resolution into the record. The roll call VOTE was unanimous.

36
37 RESOLUTION 16-19: A resolution establishing Denali Borough State of Alaska Capital Budget
38 Requests for Fiscal Year 2018

39
40 David EVANS MOVED to approve Resolution 16-19. The motion was seconded. David EVANS
41 MOVED to amend Resolution 16-19 by inserting, “Healy is also a gateway community to Denali
42 National Park, which attracts over 400,000 visitors annually. A transfer station, available to
43 residents and the visiting public, is a long identified basic need.” The VOTE by show of hands on
44 the amendment was unanimous.

45
46 Points of discussion that followed include the appropriateness of making legislative requests
47 during the state budget crisis, a recommendation from Representative Dave Talerico to forward

1 the request, the borough commitment contained in the request to contribute half the funds
2 required, and other possible sources of funding.
3 The roll call VOTE was 6 - 1, as follows: Yes – Don DEBLAUW, David EVANS, Jared ZIMMERMAN,
4 Krista ZAPPONE, Jill BOELSMA, Paddy TATUM, No – Joe CHATFIELD. The motion passed.

5
6 RESOLUTION 16-20: A resolution authorizing the mayor to work toward a land exchange with
7 the City of Anderson in order to facilitate the continued operation of the Denali Borough Regional
8 Septage Facility

9
10 Jill BOELSMA MOVED to approve Resolution 16-20. The motion was seconded. Mayor Walker
11 noted that land in the proposed exchange were identified in 2006 and 2007, that basic tracts are the
12 same but the acreage has changed, and that an actual transfer of land will be presented to the
13 assembly in ordinance form. The roll call VOTE was unanimous.

14
15 OTHER BUSINESS

16 Liquor License Approval:

17 Business Name: Skyline Lodge
18 License Number: 5155
19 Location: Mile 91 Denali Park Road
20 Designated Licensee: Gregory Lahaie, President

21
22 Jill BOELSMA MOVED to approve the above listed liquor license. The motion was seconded. It was
23 noted there have been no comments or complaints regarding the business. The VOTE by show of
24 hands was unanimous.

25
26 Feedback from the planning commission regarding next steps for land use planning

27
28 Discussion centered around a letter to the planning commission and the assembly from Chris Beck
29 of Agnew::Beck, regarding suggested next steps for the borough to follow to facilitate land planning.
30 Points of discussion included the planning commission's stated support of ideas presented, if public
31 meetings would be held by consultants or borough officials, how land planning would be structured,
32 if a request for proposals should be developed, and the borough's recent positive experience with
33 Agnew::Beck.

34
35 Jill BOELSMA MOVED to solicit a proposal and engaging Agnew::Beck to pursue steps 1 and 2 as
36 described in a letter from Agnew::Beck. The motion was seconded. The VOTE by show of hands
37 was unanimous.

38
39 A point of discussion that followed was the need to update the planning commission after the
40 January meeting, and to determine roles of the planning commission and Agnew::Beck in the
41 process.

42
43 Clear View Monofill application to Alaska Department of Environmental Conservation (ADEC)

44 Presiding Officer Jared Zimmerman invited Donna Mears, Design Engineer for Clear View Monofill,
45 to update the assembly on the landfill application. Ms. Mears informed the assembly that, after the
46 October assembly meeting, she discovered that an application revision would require a new public
47 comment period, which prevents the need for an ordinance regarding a proposed landfill to be
48 considered at this meeting. This delay presents an opportunity for Central Recycling to work more

1 closely with the borough and its citizens to find a solution that will work for all. Ms. Mears stated that
2 it is her understanding that the landfill application presented to the Department of Conservation will
3 serve as the application to the borough, as well. Central Recycling desires recycling disposal
4 facilities along the road system, but there is not existing infrastructure in place. Central Recycling
5 would like to collaborate with the borough regarding required information on fee structures and
6 evaluation criteria. Ms. Mears pointed out that the proposed Healy solid waste transfer station may
7 provide an opportunity for Central Recycling to partner with the borough.
8

9 Ms. Mears spoke to questions raised at the October assembly meeting regarding the proximity and
10 number of wells near the proposed Monofill site, stating that the half mile radius buffer is well within
11 the boundaries of the site. Central Recycling used several methods to find addresses to send notice
12 of the proposed project, including Department of Natural Resources records, business license
13 information from the State of Alaska, and a purchased mailing list. Central Recycling has been
14 including the City of Anderson in information distribution.
15

16 Points of further discussion included how the proposed facility could be part of a state-wide waste
17 management plan, the unclear sequence of application approvals by the state, borough, and
18 railroad, the need for assembly action by ordinance, and the role of borough legal counsel in
19 reviewing the application.
20

21 Healy Transfer Station Best Estimate Fiscal Statement per Resolution 15-06

22 Mayor Clay Walker drew attention to an estimation of construction and operating expenses for a
23 Healy solid waste transfer station located at Milepost 253 of the George Parks Highway, as was
24 requested by the assembly in Resolution 15-06. Mayor Walker stated that there was an
25 understanding, when the borough assumed solid waste powers, that there would be a transfer
26 station located in Healy.
27

28 PUBLIC COMMENTS

29 Chris Noel, Emergency Services and Special Projects Coordinator, thanked the assembly for
30 adopting Ordinance 16-13, thanked Rob Graham for his comments regarding emergency
31 communications, and thanked Teri Lewis for her service to the borough. Mr. Noel commented that it
32 has been a pleasure to work with Ms. Lewis, and that it is clear that she has made a huge
33 contribution to her community.
34

35 ASSEMBLY COMMENTS

36 Assembly members thanked those in the audience for their attendance.
37

38 Joe CHATFIELD thanked Teri Lewis for her service to the borough, and commented that he did
39 not believe the borough should be asking the state for project funding.
40

41 Dave EVANS wished all present happy holidays, and commented that the borough's solid waste
42 revenue stream could suffer if there is a new Monofill.
43

44 Jared ZIMMERMAN commented that he is glad Ordinance 16-19 was adopted by the assembly,
45 as grants do good work in the community. Mr. Zimmerman further commented that he had
46 reservations last year when no capital project funds were requested, and that the borough's
47 proposal to contribute half the project expense is a good way to go about requesting funds.
48

1 Krista ZAPPONE commented that members of the assembly represent the borough as a whole.
2 Jill BOELSMA thanked Jared Zimmerman and Krista Zappone for serving as presiding officer
3 and deputy presiding officer, and thanked staff for the meal provided for the meeting. Ms.
4 Boelsma encouraged those present to participate in the Christmas bird count, the longest
5 running citizen science project, and wished all a happy solstice.
6

7 Don DEBLAUW commented that the assembly works together to represent the people of the
8 borough, and thanked staff for the meal provided for the meeting.
9

10 Paddy TATUM thanked staff for the meal provided for the meeting.
11

12 NEXT ASSEMBLY MEETING

13 The next regular meeting will be held on Wednesday, January 11, 2017 in Cantwell at the
14 Cantwell School; Public Hearing 6:00 PM with the Regular Meeting following the public hearing.
15

16 ADJOURN: The meeting was adjourned at 9:42 PM.
17
18
19
20

21 APPROVED: _____
22 Jared Zimmerman, Presiding Officer
23
24
25
26

27 ATTEST: _____ Date Approved: _____
28 Gail Pieknik, Borough Clerk