

1 **Denali Borough Assembly**
2 **Minutes of the Work Session, Public Hearing and Regular Meeting**
3 **McKinley Community Center,**
4 **Denali, Alaska**
5 **September 11, 2019**

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7
8 **WORK SESSION**

9 Presiding Officer Jared ZIMMERMAN called the work session to order at 6:10 PM.

10
11 **ORDINANCE 19-11 Version B: Alcohol and Marijuana Tax; and ORDINANCE 19-17**
12 **Version B: Overnight Accommodation Tax Increase**

13
14 Mayor Walker reviewed the forward funding budgetary requirement of the Denali Borough
15 and explained that because we budget according to a percentage of available reserve funds,
16 the need to forecast future revenue and plan accordingly is greater than for municipalities that
17 do not have this budget requirement.

18
19 Denali Borough School District Superintendent Dan Polta expressed his concerns regarding
20 possible changes in school funding from the State of Alaska. Mr. Polta stated that the Denali
21 Borough, along with the Denali Borough School District, need to anticipate and plan for a
22 larger percentage of local funding needed to support school operations, building
23 maintenance, and capital improvement projects.

24
25 The assembly discussed the following topics:

- 26
- 27 • If one or both tax ordinances should go to the ballot.
 - 28 • Support for and against year round residents contributing as tax payers in our borough.
 - 29 • The need to be proactive with revenue.
 - 30 • The tourism industry supports the borough through tax revenue and the borough
31 supports the tourism industry by funding local emergency services, the Denali
32 Chamber of Commerce, and providing a local solid waste facility.

33 Presiding Officer Jared ZIMMERMAN closed the work session.
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36 **PUBLIC HEARING**

37 Presiding Officer Jared ZIMMERMAN called the public hearing to order at 7:00 PM.
38

39 **ORDINANCE 19-11: Marijuana and Alcohol Tax**

40 Seven members of the public including Janet Powers, Ray Goble, Scott Reiland, Lisa
41 Kinser, Dave Coleman, Susan Nowland, and Abby Szarkowski spoke in opposition to
42 Ordinance 19.11: Marijuana and Alcohol Tax.

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2 Three members of the public including Lee Lightfoot, Erika Watson and Patsy Nordmark
3 spoke in favor of Ordinance 19-11: Marijuana and Alcohol Tax and diversifying borough
4 revenue.
5
6 David Tomeo expressed appreciation for the forward funding budgetary structure of the
7 Denali Borough and supports the idea of diversifying borough revenue.
8
9 Gordon Carlson and Steve Jones encouraged the assembly to send both tax proposals to
10 the ballot for the voters to decide.
11
12 Jeff King, Steve Jones and Lisa Kinser encouraged the assembly to look at other sources of
13 revenue.
14
15 **ORDINANCE 19-13: Accept and Appropriate Local Emergency Planning Committee**
16 **Grant Fund**
17 There was no public comment.
18
19 **ORDINANCE 19-16: Regulation of Adult Entertainment Businesses**
20 There was no public comment.
21
22 **ORDINANCE 19-17: Overnight Accommodation Tax Increase**
23 Seven members of the public including Alicia Maltby, Tennelle Wise, Bonnie Westlund, Tracy
24 Smith, Ralph Samuels, Tim Worthen, and Vanessa Juszczak spoke in opposition to ordinance
25 19-17.
26
27 Rose Keller encouraged the assembly to consider and base their decisions on the needs and
28 health of our communities.
29
30 Ann Langenberg-Miller encouraged the assembly to place both tax proposals on the ballot for
31 the voters to decide.
32
33 Steve Jones stated that there is no property tax in the Denali Borough which is a benefit to
34 businesses, especially overnight accommodation businesses.
35
36 Presiding Officer Jared ZIMMERMAN closed the public hearing.
37

38
39 **REGULAR MEETING**
40 Presiding Officer Jared ZIMMERMAN called the regular meeting to order at 8:46 PM.
41
42 **PLEDGE OF ALLEGIANCE**

1 Mayor Clay Walker led those present in the Pledge of Allegiance and moment of silence in
2 recognition of those injured and lost on September 11th, 2001.

3
4 **ROLL CALL**

5 Assembly members present: Jake HILL, Jill BOELSMA, Eileen HOLMES, Jared
6 ZIMMERMAN, David EVANS, Tallon SHREEVE, Joe CHATFIELD and Krista ZAPPONE.
7 Absent: Don DEBLAUW. Mayor Clay Walker was also present.

8
9 Jake HILL MOVED to excuse Mr. DEBLAUW. The motion was seconded. The VOTE by
10 show of hands was unanimous.

11
12 **PUBLIC COMMENTS**

13 McKinley Village resident Kris Capps thanked the assembly for the brush disposal program.

14
15 **AGENDA**

16 Jill BOELSMA MOVED to approve the meeting agenda as presented. The motion was
17 seconded. Jake HILL MOVED to amend the agenda by moving ORDINANCE 19-17 after
18 ORDINANCE 19-11. The motion was seconded. The VOTE to AMEND the agenda was
19 unanimous. The VOTE by show of hands to approve the amended agenda was unanimous.

20
21 **MINUTES**

22 **AUGUST 7, 2019 Work Session, Public Hearing and Regular Meeting Minutes**

23 Jill BOELSMA MOVED to approve the minutes of the August 7, 2019 work session, public
24 hearing, and regular meeting minutes as presented. The motion was seconded. The VOTE
25 by show of hands to approve was unanimous.

26
27 **REPORTS**

28 **JULY 2019 FINANCIAL REPORTS**

29 Jill BOELSMA MOVED to receive the July 2019 Financial Reports. The motion was
30 seconded. The VOTE by show of hands was unanimous.

31
32 **PLANNING COMMISSION REPORT**

33 Planning Commissioner Steve Jones reported that the planning commission started their
34 review of the Denali Borough Land Management Plan. The planning commission is also
35 continuing their review of local option zoning and conditional use permits as well as
36 researching a location for a regional airport within the borough.

37
38 **SCHOOL DISTRICT REPORT**

39 Superintendent Dan Polta verbally highlighted information provided in the attached written
40 report (attachment A).

41
42 **MAYOR REPORT**

43 Mayor Clay Walker verbally highlighted information provided in the attached written report
44 (attachment B).

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ASSEMBLY COMMENTS

Assembly members thanked those in attendance for the participation and stated that the implementation of any type of tax in the borough is a slow and deliberate process and it is beneficial to consider a variety of options.

COMMUNICATIONS AND APPEARANCES

Denali Borough audit planning letter from Kohler, Schmitt & Hutchison, PC

DRAFT ORDINANCES

There were no draft ordinances.

PENDING ORDINANCE

ORDINANCE 19-11: Marijuana and Alcohol Tax

Tallon SHREEVE MOVED to approve Ordinance 19-11. The motion was seconded.

Assembly members discussed the following:

- Considered the administrative burden a new tax could create.
- Placing both tax proposals on the ballot.
- The challenges that may arise by collecting tax from the sale of marijuana which is a cash business.

The roll call VOTE to approve Ordinance 19-11 passed with 5 “YES” votes and 3 “NO” votes as follows:

| | |
|-----------|-----|
| HOLMES | YES |
| HILL | YES |
| SHREEVE | YES |
| BOELSMA | NO |
| EVANS | YES |
| CHATFIELD | YES |
| ZAPPONE | NO |
| ZIMMERMAN | NO |

ORDINANCE 19-17: Overnight Accommodation Tax Increase

Jake HILL MOVED to approve Ordinance 19-17. The motion was seconded. Tallon SHREEVE MOVED to amend Ordinance 19-17 by changing the amount of tax levied on overnight accommodations from 8% to 7.5%. The motion was seconded. The VOTE to amend Ordinance 19-17 passed with ZIMMERMAN and EVANS opposed.

The roll call VOTE to approve Ordinance 19-17 as amended passed with 6 “YES” votes and 2 “NO” votes as follows:

| | |
|---------|-----|
| HILL | YES |
| EVANS | NO |
| HOLMES | YES |
| ZAPPONE | YES |

1 BOELSMA YES
2 SHREEVE NO
3 CHATFIELD YES
4 ZIMMERMAN YES
5

6 **ORDINANCE 19-13: Accept and Appropriate Local Emergency Planning Committee**
7 **Grant Funds**

8 David EVANS MOVED to approve Ordinance 19-13. The motion was seconded. The roll call
9 VOTE to approve Ordinance 19-13 was unanimous.

10
11 **ORDINANCE 19-16: Regulation of Adult Entertainment Businesses**

12 Jill BOELSMA MOVED to postpone indefinitely Ordinance 19-16. The motion was
13 seconded. Assembly members discussed the following:

- 14 • Concern that the language of the ordinance is too explicit and offensive.
- 15 • Concern that if the assembly does not act proactively, there will be nothing that can
16 be done if an objectionable business decides to open in one of our communities.
- 17 • This type of business activity could be addressed through a conditional use permit or
18 other zoning mechanism.
- 19 • Concern that human sex trafficking often stems from an adult entertainment business
20 and this ordinance could mitigate the risk for our borough.

21
22 The roll call VOTE to postpone indefinitely passed with 5 "YES" votes and 3 "NO" votes as
23 follows:

24 SHREEVE NO
25 HILL YES
26 CHATFIELD NO
27 BOELSMA YES
28 EVANS YES
29 HOLMES YES
30 ZAPPONE YES
31 ZIMMERMAN NO
32

33 **RESOLUTIONS**

34 There were no resolutions to consider.
35

36 **OTHER BUSINESS**

37 **PANGUINGUE CREEK HOME OWNERS ASSOCIATION MEMORANDUM OF**
38 **AGREEMENT**

39 Jill BOELSMA MOVED to approve the Panguingue Creek Home Owners Association
40 Memorandum of Agreement. The motion was seconded. The VOTE by show of hands to
41 approve was unanimous.
42

43 **HEALY AREA FLOODING UPDATE**

1 Emergency Planning Coordinator Chris Noel provided an update and reviewed a letter
2 submitted by residents of the Ranch Road area. Borough staff will continue to work with
3 community members on the issue of Dry Creek flooding to seek a reasonable and realistic
4 flood risk mitigation plan.

5
6 **LIQUOR LICENSE #242 DISPENSARY AND #243 PACKAGE STORE; CLEAR SKY
7 LODGE: TRANSFER OF OWNERSHIP**

8 Jake HILL MOVED to not protest license number 242 and 243. The motion was seconded.
9 The VOTE by show of hands was unanimous.

10
11 **MARIJUANA RETAIL STORE LICENSE 11382; DENALI CANNABIS CACHE: LICENSE
12 RENEWAL**

13 Jill BOELSMA MOVED to not protest license number 11382. The motion was seconded.
14 The VOTE by show of hands was unanimous.

15
16 **MARIJUANA RETAIL STORE LICENSE 20221; DENALI GRASS CO.: LICENSE
17 RENEWAL**

18 Jill BOELSMA MOVED to not-protest license 20221. The motion was seconded. The VOTE
19 by show of hands was unanimous.

20
21 **PUBLIC COMMENTS**

22 There were no public comments.

23
24 **ASSEMBLY COMMENTS**

25 Assembly members thanked those in attendance, in addition to the following comments:

26
27 Krista ZAPPONE expressed the importance of educating the community on the need for
28 additional borough revenue. Assembly member ZAPPONE stated that she would be
29 open to continue discussion and seek other ways of addressing concern for adult
30 entertainment businesses.

31
32 Jake HILL stated that this meeting was challenging for him as an assembly member and
33 he gets disheartened when members of the public offer comment and express concerns
34 but then leave the meeting before they can hear or see the rest of the conversation.

35
36 **TIME AND PLACE OF NEXT MEETING**

37 Wednesday, October 9, 2019 at the Tri-Valley Community Center, Healy, AK, starting at
38 6:00 PM.


39
40 **ADJOURN:**

41 Eileen HOLMES MOVED to adjourn. The motion was seconded. The meeting was
42 adjourned by unanimous voice vote at 10:39 PM.

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APPROVED: 

Jared Zimmerman, Presiding Officer

ATTEST: 

Amber Renshaw, Borough Clerk

Date Approved: Oct 9, 2019



Denali Borough School District

P.O. Box 280 • Healy, Alaska 99743 • (907) 683-2278 • FAX (907) 683-2514

Superintendent's Report Denali Borough Assembly Wednesday, September 11th, 2019

Dear Denali Borough Assembly and Mayor Walker,

Please accept this written report for the month of September.

1. Appreciation/Congratulations

- a. Thank you to Assistant Secretary of the Interior Ron Wallace who visited Tri-Valley on August 29th and met with and took questions from our students. Asst. Secretary Wallace was visiting Alaska and schedule changes due to weather/fire/etc. created this opportunity. And, thank you to Gretchen Striker for helping make this connection for our students.
- b. Thank you to our community volunteers and staff for the work and contributions to host this past weekend's soccer tournament at Tri-Valley.

2. Finances

- a. FY19 Audit – We received and are reviewing the draft audit report for FY19. This provides us a chance to review and respond to any issues of note in the report. The audit will be finalized after the State completes its report on the PERS/TRS systems and related liabilities.
- b. Pre-School Grant - Following BOD approval last month we submitted our formal acceptance of this state grant from DEED. The final processing will take ~30 days after which we can begin our implementation work. For this year, the intent of the grant and program is to formalize the voluntary activities we have been doing in Anderson and Cantwell, support pre-school story hour and activities with the TV Community Library and build our capacity to expand this in the future, hopefully with continued grant support.
- c. FY20 Enrollment – Enrollment for our schools is within our projections and we will continue monitor this through the count period (September 30th – October 25th). We continue to watch class sizes and grade level distributions relative to instructional need so we can adjust staffing assignments and levels as needed.
- d. FY20 Public Education Funding Lawsuit – No update.

Mission Statement

Nurturing, empowering and inspiring today's student to positively shape tomorrow's world.

3. Facilities

- a. Cantwell Roof Project – We signed the final close out documents for the Cantwell Roof Project. During this month's school board meeting, the board will consider their formal request to the Borough to transfer the funds approved in Ordinance 19-02 for the 20% local contribution to this capitol project.
- b. Tri-Valley Roof – Recent rains that fell after our repair efforts confirmed two things. First, much of the work done to seal the roof protrusions and open the drain channels was successful. Second, that other issues were contributing to a leak over the math/technology classroom (aka "Samantha's room). Deeper investigation revealed more significant damage to the roof systems in that area and created a low intensity leak that has persisted for many years. This caused damage to the roof structure which will need to be addressed and strengthened when we do the larger roof capitol project for Tri-Valley. A significant patching work was put in place to properly seal this area. Further a trench was cut in the insulating foam along the outer wall to allow water to drain out of the roof insulation and into the drainpipes. The patching of the roof over Samantha's Room seems to be holding. A small drip has continued over Kelly's Room (grade 4). This area is a bit harder to pinpoint given the sections of cut wall that remain in the area above the drop ceiling.
- c. Fire System Inspections - These were completed at all our sites. This year they identified the need to connect the systems in the kitchen hoods to our main alarm system.

4. Strategic Planning

- a. This week I sent invitations to staff members and core planning team members soliciting interest to serve on the mini-committees to draft updated results statements and action plans for strategies 1, 2, and 3. Not specific to the strategic plan, this message also include an invitation to help develop a proposal for a 4-day school week for the Board to consider. I am working with the chairpersons of these groups to identify the scope of the tasks ahead so they can begin their efforts.

5. Professional Development

- a. Next week a team from the district is attending the second annual School Safety and Wellness Summit in Anchorage.

6. Personnel

- a. Certified Staff
 - i. No updates
- b. Classified Staff
 - i. We accepted the resignation of Rebecca Potter, teaching assistant.
 - ii. We hired (pending BOD approval) Jennifer Graham and Dani Talerico for the open lunch/recess aide positions at Tri-Valley.

- c. Exempt Staff
 - i. No Updates
- d. Temporary Staff
 - i. I approved temporary TA hours at Anderson to provide start of the year support for our larger than anticipated K-5 multi-age class as they develop their school routines. We are monitoring this and other educational needs to determine if permanent action is warranted.

Sincerely,

Dan Polta
Denali Borough School District

DENALI BOROUGH

P.O. Box 480 • Healy, Alaska 99743

Phone: (907) 683-1330 • Fax: (907) 683-1340

Email: dbgovt@mtaonline.net

Website: www.denaliborough.org



Clay Walker, Mayor

September 2019 Mayor's Report to the Denali Borough Assembly

This report speaks primarily to non-agenda items. Agenda items will be discussed in meeting.

Dry Creek Flooding

- In response to the severe flooding, the borough issued an emergency declaration, which served three purposes:
 - Opening the potential use of Denali Borough Disaster Contingency Funds
 - Informing the State of the level of the severity of impacts to our community
 - Documenting the incident for future hazard mitigation.
- The immediate life and safety need was to help provide access to residents along Himalaya Drive, whose road had been completely washed out. The borough did utilize its' Disaster Funds to help create this bypass access. Unfortunately, subsequent flooding damaged the bypass route. Homeowners, who built the road, have since repaired the route.
- The larger, and longer term, project of mitigating the flooding by keeping Dry Creek within its upstream channel, will require a concerted effort with homeowners, DOT (whose roads are greatly affected by flooding), DNR, who manages the state land, and the Army Corps of Engineers, who regulates waterways.
- In a step toward crafting a new plan to address this need, the borough reached out to the DOT hydrologist, sharing the aerial imagery we captured during the flooding. While we plan to continue to work with the involved agencies, and residents, to address this issue, the scale and scope of this project will likely require state assistance, which we will be requesting.
- By way of background, beginning in 2006, there is a record of both flooding and a mitigation project, including a permit for construction of a berm, which was never completed.

Final FY20 State Budget

- In the second round of vetoes, Governor Dunleavy vetoed the re-capitalization of the Community Assistance Fund. As a result, every municipality in the state, including the Denali Borough and the City of Anderson, can expect a one third reduction in State funding next fiscal year. That equates to a roughly \$110,000 reduction to borough revenue.
- State funding for the Alaska Code Blue Project, which the borough has expressly supported this year, was also vetoed. This program helps provide essential equipment for rural emergency medical services (ems) throughout Alaska. The Denali Borough VFDs have regularly pursued – and received - funding from this program to keep ems equipment up to date.

November Elections

- The deadline to submit candidacy packets to have your name on the ballot for the November 5 borough election is September 12. Assembly seats up for election are seats C, D and H. School Board seats are seats A, E, and I. Packets are available at the borough office or for download through our website.

APPENDIX B

Alaska Municipal League Summer Legislative Conference (August 13-15, Soldotna, AK)

- At the Alaska Municipal Management Association meeting, the primary topics were networking and professional development within organizations.
- At the Alaska Conference of Mayors meeting, we traditionally go around the room and discuss happenings within our communities. In years past, the remarks have centered on the progress of large state funded capital improvement projects. This year, the focus was on partnerships and what cities and boroughs are doing for themselves to prepare for reduced state contributions.
- The conference included a legislative panel, attended by several state legislators. Senator Lisa Murkowski joined us and presented a federal update including progress in transportation funding and the PILT bill. The Senator also stressed the importance of full participation in the 2020 Census.
- AML's lobbyists and executive director foresee additional state efforts to shift costs from the state to municipalities, with focuses in the year ahead on both PERS, the state retirement system in which the borough participates, and the K-12 education funding formula.
- Nils Andreassen, the AML Executive Director, called the time we are in "a transformational period when the relationship between the state and local governments is redefined."

Other meetings attended since August Assembly meeting:

- United States Senator Dan Sullivan met with Ahtna leadership and shareholders in Cantwell, attended an open house hosted by Usibelli Coal Mine in Healy, and toured Clear Air Force Station all within the Denali Borough. I met with the Senator during his time in Healy on Saturday afternoon. We discussed the local economy and the many federal connections – from the funding/installation ownership of the Department of Interior (Denali NPS) and the Department of Defense (CAFS) to resource and energy production regulations. We also discussed the PILT bill, transportation funding, borough grant applications, and our emphasis on building partnerships with agencies. I appreciated the time and energy he devoted to the Denali Borough during his visit.
- I attended a public meeting hosted by the Interior Community Health Center (IHC) in their Healy clinic office on 8/22. Management wanted to share the news that Nurse Practitioner Peggy Westner will be moving away in September and that while the Center plans to hire a replacement, they also have a new Tele-Doc capability which can help serve our community when a practitioner is unavailable. Also, IHC hopes to begin offering some oral health services this next year.
- I submitted a written report to the Denali Borough School District Board, as their August meeting conflicted with AML conference.
- I met with the Assistant Secretary of the Interior Rob Wallace and other Department of Interior staff members when they came to Denali/Healy. They presented to, and held a question and answer with, Tri-Valley School's high school students. The students asked excellent questions, prompting the Assistant Secretary to remark that they were "tougher than the Senate confirmation hearings". Thanks to Superintendent Striker for steering them into the community.
- Denali National Park hosted a public meeting regarding the draft "Kantishna/Wonder Lake Area Plan: A Range of Proposals." I attended the standing room only meeting and submitted comments supporting meeting the basic needs in the area while encouraging NPS to consider enhanced recreational opportunities in the Entrance Area, as supported in the borough's Land Use and Economic Development Plan.
- Ahtna, Inc. President Michell Anderson led a history presentation to the public in Cantwell. Historian Bill Simeone presented an overview of the new book, "Ahtna: The People and Their History." This well attended event emphasized the connection between the people and the land and enumerated the many changes in the past 150 years.

Emergency Response Apparatus Grant Change

- Ordinance 19-07, passed by the Assembly this May, appropriated \$62,247 to the McKinley Volunteer Fire Department toward the purchase of a light rescue truck. Since that time, the Department has received a

used Brush Truck from the National Park Service. Based upon this acquisition, the department, through Chief DeCaro, has revised their equipment plan and requested a modification of their borough grant. The Department intends to utilize the grant monies toward both bringing the new truck up to department lighting and identification standards and to convert an existing truck into the light rescue vehicle requested through the addition of a new service body.

- The change of grant, which meets the original intent, has been administratively approved. The change **reduces** the reimbursable borough fifty percent match from the appropriated \$62,247 to **\$20,671**. Appropriated but de-committed funds will remain in the Emergency Response Apparatus Fund and be available in future years.

Anderson and Otto Lake Borough Lands Boundary Survey

- We have engaged Global Positioning Services, Inc. (GPS), who are conducting the separate Community Mapping Project, to move forward with the boundary survey of these prioritized borough lands. By subdividing these lands from the state, we take title to, and full ownership of, the land. Again, there is a savings since GPS is in the area doing survey work. The Anderson tracts total 827 acres and the Otto Lake tracts total 644 acres. Preliminary plats will be completed by December 2019, with final field work and submittals to DNR in July of 2020. The final plat submittal and recordation is to be completed by December 2020.
- Shortly, we plan to submit a request for survey instruction to DNR for the next area to be surveyed, from our priority list approved by the Planning Commission in 2017, the Healy/Panguingue tracts.

Federal Lands Access Program (FLAP)

- On August 27, the borough received notice that our proposal for the Bison Gulch Parking Area and Trail Enhancement has been approved. The FLAP Program Decisions Committee approved \$554,553 for the project from the 2019 Alaska Federal Lands Access Program.
- Equally, we understand that the State of Alaska Department of Transportation and Public Facilities were also approved for their request of a Planning and Environmental Linkage Study of the Parks Highway Corridor from Cantwell to Ferry. This project intends to engage the local communities in planning future projects of the Parks Highway Corridor and to perform the planning and environmental work necessary for such improvements

US Census Job Opportunities

- Census Field Supervisor, Debra Sandifer-Buksoontorn, is soliciting interest from potential census workers in the Healy area. She can be reached at 907.782.5143.

Happy September, happy change of seasons. As always, feel free to contact me or staff with any questions.

- Clay

