

Minutes of the Public Hearing
Denali Borough Assembly
Anderson School
August 13, 2014

CALL TO ORDER: The public hearing was called to order by Presiding Officer Rusty Lasell at 6:06 PM.

ROLL CALL: Assembly members present: Jill BOELSMA, Jared ZIMMERMAN, Kimberly BURROWS, Rick WEIBEL and Rusty LASELL. Absent: David TALERICO, Don DEBLAUW, Paddy TATUM, and David EVANS.

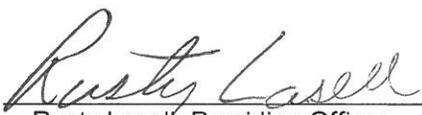
ORDINANCE 14-06, Version C: An ordinance amending Article XI of the Denali Borough Charter, titled Taxation, Section 11.02, titled Tax Procedures and the Denali Borough Code of Ordinances by adding Chapter 3.50, establishing a 3% seasonal general sales and services tax within the Denali Borough

Chip Morris, Anderson resident and owner of Alpine Plumbing and Heating, spoke in opposition to Ordinance 14-06, questioning whether there isn't already enough revenue coming into the borough with current taxation, and stating that if there is no deficit, he sees no reason to lay the groundwork for additional tax.

ORDINANCE 14-07: An ordinance amending the Denali Borough Code of Ordinances, Chapter 9.10 titled Subdivisions.

There were no comments.

ADJOURNMENT: The public hearing was adjourned at 6:09 PM.

APPROVED: 
Rusty Lasell, Presiding Officer

ATTEST: 
Gail Pieknik, Borough Clerk Date Approved: September 10, 2014

**Minutes of the Regular Meeting
Denali Borough Assembly
Anderson School
August 13, 2014**

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7 ROLL CALL

8 Assembly members present: Jill BOELSMA, Kimber BURROWS, Jared ZIMMERMAN, Rick
9 WEIBEL, and Rusty LASELL, Paddy TATUM and Don DEBLAUW. Absent: David TALERICO.
10 Mayor Clay Walker was also present. David EVANS arrived at 6:26 pm.

11
12 Borough Clerk Gail Pieknik informed the assembly that David EVANS would arrive to the meeting
13 late.

14
15 Kimber BURROWS MOVED to excuse Mr. Talerico. Rick WEIBEL seconded. The VOTE by show of
16 hands was unanimous.

17
18 PUBLIC COMMENTS

19 Susan Braun, Stampede Road resident, spoke in support of draft Ordinance 14-08 regarding early
20 bar closing as a way to make the roads safer for early morning commuters.

21
22 Noah Schieber, Healy resident, spoke in support of draft Ordinance 14-08, and provided the Clerk
23 with a petition containing 148 Denali Borough resident signatures in support of same.

24
25 Tyler Dynes, Ferry resident, spoke in support of draft Ordinance 14-08, stating that it would be
26 beneficial to allow bar patrons an opportunity to make it home before commuters are leaving for
27 work.

28
29 Julie Morris, Anderson resident, commented on confusion regarding Ordinance 14-06. There are
30 several versions presented, and it is unclear if the tax is seasonal or general.

31
32 Hannah Ragland, Panguingue Creek Subdivision resident, spoke in support of draft Ordinance 14-
33 08. Ms. Ragland also commented on recent activity of the Denali Citizens Council, including a well-
34 attended wildlife forum regarding the wolves of Denali, and a public meeting regarding borehole
35 drilling in the Yanert Valley area. Ms. Ragland stated that it is good to see that the Usibelli
36 exploration license is focusing on an area on the East side of the Nenana River, which is not near a
37 residential area.

38
39 Dorothy DeBlauw, Kobe Road resident, spoke in support of draft Ordinance 14-08.

40
41 AGENDA

42 Jill BOELSMA MOVED to approve the agenda as presented. Rick WEIBEL seconded. The VOTE by
43 show of hands was unanimous.

44
45 MINUTES

46 July 09, 2014 Public Hearing and Regular Meeting

47 Rick WEIBEL MOVED to approve the July 09, 2014 public hearing and regular meeting minutes as
48 presented. Jill BOELSMA seconded. The VOTE by show of hands was unanimous.

1
2 REPORTS

3 June 2014 Financial Reports

4 Rick WEIBEL MOVED to receive the June 2014 financial report. Don DEBLAUW seconded. Mayor
5 Clay Walker noted that it has been a strong visitor season, and that overnight accommodations tax
6 revenue exceeded the figure budgeted for Fiscal Year (FY) 2014, coming in over \$3 million. Total
7 revenue for FY2014 exceeded \$4 million. The VOTE by show of hands to receive the financial report
8 was unanimous.

9
10 Healy Transportation and Pedestrian Safety Project Ad hoc Committee Report

11 Committee Chair Kimber Burrows reported that the Transportation Committee had its first regular
12 meeting on August 11. Alaska Department of Transportation representatives attended to answer
13 questions on a variety of topics. The Committee selected officers and discussed strategies for
14 gathering public input. The specific focus of the Committee is the Healy area at present. The next
15 work session will be on August 25 at 6:30 pm in Healy.

16
17 MAYOR'S REPORT

18 Mayor Clay Walker reported that Paul VanDyke has been hired as equipment operator and
19 gatekeeper at the landfill. Emergency Services Director Steven Eddington has resigned to pursue
20 other career opportunities. The Denali Borough School District was recently presented with a check
21 for the full amount of the borough's allowable contribution. Mayor Walker attended the first meeting
22 of the Municipal Advisory Gas (MAG) Project Review Board in Anchorage, which spanned two full
23 days and provided much information. Jared Zimmerman has agreed to act as Mayor Walker's
24 designee for the MAG Board. Duties of Board members include the making of recommendations to
25 changes in the state tax code. Early and absentee voting has begun for the August primary election.
26 Election day is August 19. Candidacy packets for the upcoming November election are available
27 online or at the borough office, and must be submitted by September 18. There are two open seats
28 on the transportation committee. A public comment period for input regarding an Alaska Stand Alone
29 Pipeline borehole special use permit ends August 15.

30
31 SCHOOL REPORT

32 There was no school report.

33
34 ASSEMBLY COMMENTS

35 The assembly members thanked those in the audience for attending the meeting.

36
37 COMMUNICATION AND APPEARANCES

38 Mitch Usibelli, Usibelli Coal Mine (UCM), presentation on the Healy Basin Gas Exploration project.

39
40 Mitch Usibelli, Manager of Usibelli Energy, LLC, introduced Charlotte McKay, Principal Scientist at
41 Owl Ridge Natural Resource Consultants, Tammy Scholten, UCM Senior Environmental Engineer,
42 and Lorali Simon, UCM Vice-President of External Affairs. Mr. Usibelli provided a brief history of
43 Nenana Basin and Healy Basin exploration projects leading to the current Healy Basin Gas
44 Exploration project. In 2003, several shallow gas lease applications were filed by Usibelli Coal Mine
45 for the Healy Basin area. In 2004, the State of Alaska gave public notice that this program would be
46 repealed, and UCM converted to a focus on the exploration license program, submitting an
47 application for licensing. Many meetings were held regarding the license application, and the final
48 result was a finding by the state to issue the license. This decision was appealed by the Denali

1 Citizen's Council in 2010, and was ultimately appealed to the Alaska Supreme Court, where the
2 decision to license was upheld. The license was issued in 2011, and has not been acted upon until
3 now. Mr. Usibelli stressed that his organization works to operate responsibly, and is excited for an
4 opportunity to diversify energy projects. A plan of operations has been submitted to the Alaska
5 Department of Natural Resources, including an initial plan for a two year period involving a single
6 well 1,400 to 1,500 feet deep. A fully certified oil and gas rig will be used, incorporating
7 environmental controls, and a mud rotary rig will be used to hold the column and keep pressure
8 inside the well. A phased approach will be used, employing an initial test well that will be assessed
9 to determine progress. If the well is not found to be feasible, it may be plugged. The location of the
10 site is up the Healy Creek valley, past Suntrana and Usibelli, in an area that was initially mined
11 during the 1950's and 1970's and where there is already access. All plans are in compliance with
12 Denali Borough Code requirements. Mr. Usibelli recommended that those interested in more
13 information visit with UCM representatives at their display table in the hall during a break in the
14 meeting. Mr. Usibelli encouraged those present to provide comment.
15

16 DRAFT ORDINANCES

17 ORDINANCE 14-08: An ordinance creating Denali Borough Code of Ordinances Title 7,
18 Business Licenses and Regulations and Creating Chapter 7.05, titled Liquor Licenses
19

20 Rick WEIBEL MOVED to introduce Ordinance 14-08. Kimber BURROWS seconded. Mr. Weibel
21 explained that the ordinance is the result of a group of concerned citizens and are responding to
22 a personal loss. Kimber Burrows noted that the purpose of the ordinance is stated within, and
23 while the ordinance will not stop drunk driving, it is about separating the users of the road space.
24 The roll call VOTE to introduce Ordinance 14-08 was unanimous.
25

26 Rick WEIBEL MOVED to postpone Ordinance 14-08 to the next meeting. Kimber BURROWS
27 seconded. Points of discussion that followed included the need to approve the ordinance at the
28 September meeting in order for the issue to be included on the November 2014 ballot, as well as
29 the option to bring the ordinance to all borough communities, gather more ideas, and then decide
30 if the issue should go to a ballot. The VOTE by show of hands on the motion to postpone
31 Ordinance 14-08 to the next meeting was unanimous.
32

33 Presiding Officer Lasell called a meeting recess at 7:05. The meeting resumed at 7:21.
34

35 PENDING ORDINANCES:

36 ORDINANCE 14-06, Version C: An ordinance amending Article XI of the Denali Borough Charter,
37 titled taxation, Section 11.02, titled Tax Procedures and the Denali Borough Code of Ordinances by
38 adding Chapter 3.50, establishing a 3% seasonal general sales and services tax within the Denali
39 Borough
40

41 Jared ZIMMERMAN MOVED to amend by substitution version E for version C. Rick WEIBEL
42 seconded. Points of discussion that followed included the process to declare a tax holiday, the
43 current lack of a system to track businesses within the borough, questions regarding borough
44 enforcement capabilities, additional resources that a new tax would require, and the desirability of
45 diversifying sources of borough revenue. The VOTE by show of hands on the motion to substitute
46 version E for version C was unanimous.
47

1 Points of discussion that followed included the question of need for increased revenue, the burden
2 that a tax would place on business owners, and the effect a tax may have on local commerce.

3
4 Presiding Officer Rusty Lasell relinquished the chair to Deputy Presiding Officer Jared Zimmerman
5 at 7:44 pm.

6
7 Points of continued discussion included the original intent of the tax to support emergency services,
8 the burden placed upon local emergency services by the tourism industry, the large portion of
9 borough revenue that is received from overnight accommodations tax, the level of funding required
10 to provide emergency services to summer visitors, and the danger of funding a department for which
11 the borough does not have oversight.

12
13 Presiding Officer Lasell resumed the chair at 7:50 pm.

14
15 Points of further discussion included revenue streams for emergency services outside of borough
16 funding, the value of increasing borough revenue in anticipation of need, the importance of a specific
17 and enforceable tax ordinance, the burden on volunteers from individual communities to provide
18 emergency services, and the need to provide the public with information regarding specific intent of
19 a new tax that would benefit the borough as a whole.

20
21 Kimber BURROWS MOVED to postpone indefinitely Ordinance 14-06. Paddy TATUM seconded.
22 The roll call VOTE was 7 – 1 as follows: Aye – David EVANS, Paddy TATUM, Jared ZIMMERMAN,
23 Jill BOELSMA, Don DEBLAUW, Rick WEIBEL, Kimber BURROWS ; No – Rusty LASELL. The
24 motion passed.

25
26 ORDINANCE 14-07: An ordinance amending the Denali Borough Code of Ordinances (DBC),
27 Chapter 9.10 titled Subdivisions.

28
29 Mayor Clay Walker explained that in this ordinance, the planning commission is requesting an
30 amendment to DBC 9.10.110 to add a public awareness notification process to vacate a right-of way
31 as 21 days public notice. The mayor suggested the assembly consider reducing the 21 day
32 requirement. Jared ZIMMERMAN MOVED to amend Ordinance 14-07 by deleting “21” from DBC
33 9.10.110(G)(1.), DBC 9.10.110(G)(2.), and DBC 9.10.110(G)(4.) and adding “10” in each section. Jill
34 BOELSMA seconded.

35
36 Jill BOELSMA MOVED to amend the motion to delete “calendar” from the aforementioned sections
37 (1.) and (2.) and to add “business,” resulting in a 10 business day requirement. David EVANS
38 seconded. The VOTE by show of hands on the “business day” amendment was 6 – 2, with Rick
39 WEIBEL and Jared ZIMMERMAN opposing.

40
41 The VOTE by show of hands on the main motion to reduce the number of days was 8 – 1, with Rick
42 WEIBEL opposing.

43
44 David EVANS MOVED to postpone Ordinance 14-07 to the next meeting. Jill BOELSMA seconded.
45 The VOTE by show of hands was unanimous.

1 RESOLUTIONS

2 There were no resolutions on the agenda.

3
4 OTHER BUSINESS

5 Assembly comment to DNR on the Healy Basin Gas Exploration project
6 Mayor Clay Walker will be providing comment on the Healy Basin Gas Exploration project, including
7 request for several clarifications. The assembly encouraged the mayor to comment regarding the
8 potential benefit to borough residents of gas development, noting that this will be the first test of the
9 permitting process, and many lessons may be learned through the development process.

10
11 PUBLIC COMMENTS

12 Noah Schieber, Healy resident, thanked the assembly for introducing Ordinance 14-08, and
13 commented that he recognizes the need for Ordinance 14-06.

14
15 Emily Brease, Healy resident, spoke in support of Ordinance 14-08, commenting that it would make
16 her less fearful to drive the roads in the early morning hours. Ms. Brease also thanked the Schieber
17 family for working diligently and bravely to ensure the safety of others.

18
19 Andrea Blakesley, Panguingue Creek Subdivision resident, thanked the assembly for the quick
20 response to a citizen request for Ordinance 14-08, specifically thanking Kimber Burrows, Rick
21 Weibel and Jared Zimmerman. Ms. Blakesley commented that this ordinance would be a good first
22 step in a larger movement to save lives.

23
24 Hannah Ragland, Panguingue Creek Subdivision resident, thanked the assembly for introducing
25 Ordinance 14-08, and her hope that the public will participate in the process of consideration of the
26 ordinance. The next Healy Transportation and Pedestrian Safety Committee meeting will be on
27 August 25. Ms. Ragland also commented that she will present a report on municipal land planning in
28 Alaska to the planning commission at their next meeting.

29
30 ASSEMBLY COMMENTS

31 Paddy TATUM had no comment.

32
33 David EVANS thanked the assembly for standing up and doing the right thing with Ordinance 14-
34 08.

35
36 Don DEBLAUW commented that Ordinance 14-08 may be the only thing that the assembly is
37 able to do in response to a tragic accident, but it may help to change the way people view
38 drinking and driving, and to cause them to be more careful and watch over each other.

39
40 Kimber BURROWS thanked the audience for attending the meeting and expressing their
41 thoughts and opinions, commenting that input is what makes the governmental process work.
42 Ms. Burrows thanked Noah Schieber for his hard work, and added that Ordinance 14-08 is part
43 of a larger project to separate pedestrians from vehicle traffic.

44
45 Jared ZIMMERMAN thanked the audience for attending the meeting, commenting that it is great
46 to see people coming together working toward a goal and having important conversation. Mr.
47 Zimmerman also thanked Mitch Usibelli for his presentation.

1 Jill BOELSMA commented that while there is a need throughout the borough for paid emergency
2 service positions, she felt that the assembly made the right decision on Ordinance 14-06. Ms.
3 Boelsma also commented that public comments are made in many forms and that some
4 individuals prefer to speak to an individual assembly member regarding concerns rather than
5 speaking in public.

6
7 Rusty LASELL thanked the audience for attending the meeting, and thanked Mitch Usibelli for
8 his presentation. Mr. Lasell also commented that in our communities there are competing views,
9 but all are working toward a safer community.

10
11 NEXT ASSEMBLY MEETING

12 The next regular meeting will be held on September 10, 2014 at the Tri-Valley Community Center:
13 Public Hearing 6:00 PM and the Regular meeting to follow.

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15 ADJOURN: The meeting was adjourned at 8:52 PM.

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22 APPROVED:



23 Rusty Lasell, Presiding Officer

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27 ATTEST:



28 Gail Pieknik, Borough Clerk

Date Approved: September 10, 2014