

Minutes of the Public Hearing  
Denali Borough Assembly  
Anderson School  
December 09, 2015

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6  
7 CALL TO ORDER: The public hearing was called to order by Presiding Officer Jared  
8 Zimmerman at 6:01 p.m.

9  
10 ROLL CALL: Assembly members present: Jared ZIMMERMAN, Don DEBLAUW, David  
11 EVANS, Tallon SHREEVE, Kimberly BURROWS, Joe CHATFIELD, Krista ZAPPONE, Jill  
12 BOELSMA and Paddy TATUM.

13  
14 ORDINANCE 15-12, Version A: An ordinance amending Denali Borough Code 2.15.030  
15 titled Regular Assembly Meetings to change the rotation order

16  
17 There were no comments.

18  
19 ORDINANCE 15-15, Version B: An ordinance appropriating up to \$250,000 from the Major  
20 School Maintenance Reserve Fund to conduct a Comprehensive Condition Survey of the  
21 Denali Borough School Facilities

22  
23 There were no comments.

24  
25 ADJOURNMENT: The public hearing was adjourned at 6:03 p.m.

26  
27  
28  
29 APPROVED: \_\_\_\_\_

  
Jared Zimmerman, Presiding Officer

30  
31  
32  
33 ATTEST: \_\_\_\_\_

  
Gail Pieknik, Borough Clerk

Date Approved: JANUARY 13, 2016

1 **Minutes of the Regular Meeting**  
2 **Denali Borough Assembly**  
3 **Anderson School**  
4 **December 09, 2015**  
5  
6

7 CALL TO ORDER: Presiding Officer Jared Zimmerman called the regular meeting to order at 6:03  
8 PM. Mayor Clay Walker led those present in the Pledge of Allegiance.  
9

10 Roll Call

11 Assembly members present: Tallon SHREEVE, Don DEBLAUW, David EVANS, Jared  
12 ZIMMERMAN, Kimber BURROWS, Joe CHATFIELD, Paddy TATUM, Krista ZAPPONE and Jill  
13 BOELSMA. Mayor Clay Walker was also present.  
14

15 PUBLIC COMMENTS

16 There was no public comment.  
17

18 AGENDA

19 Jill BOELSMA MOVED to approve the meeting agenda as presented. Kimber BURROWS  
20 seconded. The VOTE by show of hands was unanimous.  
21

22 MINUTES

23 November 5, 2015 Canvass Committee Meeting  
24

25 Kimber BURROWS MOVED to approve the minutes of the November 5, 2015 Denali Borough  
26 Canvass Committee meeting as presented. Jill BOELSMA seconded. The VOTE by show of hands  
27 was unanimous.  
28

29 November 5, 2015 Denali Borough Assembly special meeting to certify the election  
30

31 Kimber BURROWS MOVED to approve the minutes of the November 5, 2015 assembly special  
32 meeting as presented. Jill BOELSMA seconded. The VOTE by show of hands was unanimous.  
33

34 November 11, 2015 Denali Borough Assembly Public Hearing and Regular Meeting  
35

36 Kimber BURROWS MOVED to approve the minutes of the November 11, 2015 public hearing and  
37 regular meeting minutes as presented. Jill BOELSMA seconded. The VOTE by show of hands was  
38 unanimous.  
39

40 REPORTS

41 October 2015 Financial Report  
42

43 Kimber BURROWS MOVED to receive the October 2015 financial report. David EVANS seconded.  
44 The VOTE by show of hands to receive the financial report was unanimous.  
45

46 Kimber BURROWS MOVED to suspend the rules to amend the agenda by adding under F. Reports:  
47 Finance Committee Report. Jill BOELSMA seconded. The VOTE by show of hands was unanimous.  
48

1 FINANCE COMMITTEE REPORT

2 Krista Zappone reported that the finance committee met recently to discuss capital project and  
3 capital improvement funds, and that ordinances to amend Denali Borough Code concerning these  
4 funds will be brought to a future meeting.  
5

6 MAYOR'S REPORT

7 Mayor Clay Walker welcomed all present, and recognized that State Representative Dave Talerico  
8 was in attendance to help celebrate the Denali Borough's 25<sup>th</sup> anniversary. The Denali Borough was  
9 incorporated in 1990 and the first assembly meeting was held on December 7, 1990. Mr. Garry  
10 Hutchison has served as the borough's auditor since 1990. The mayor thanked Sandy Rabideau  
11 from Clear Sky Lodge for making the chili for tonight's celebration dinner.  
12

13 The mayor attended the Alaska Municipal League (AML) Annual Conference in Anchorage, Alaska.  
14 There were many presentations related to local governance. The number one resolution passed by  
15 AML was to urge the legislature to adopt a sustainable budget plan and maintain solid education  
16 funding.  
17

18 The District 6 Alaska Municipal League Board seat is open for nomination. This is the board seat  
19 that Mayor Walker vacated when elected to the first vice-president seat on the AML Board. If an  
20 assembly member is interested in serving on the District 6 board seat, contact Mayor Walker. The  
21 AML legislative conference will be held in Juneau February 15-17.  
22

23 Work continues with discussions between the Alaska Department of Environmental Conservation  
24 (ADEC) and the borough's Solid Waste water monitoring contractor Shannon and Wilson. The  
25 mayor and Shannon and Wilson will be meeting in Fairbanks next week to discuss water monitoring  
26 requirements and a monitoring plan for the future of the landfill. The newly proposed requirements  
27 (that exceed current regulations) will cause this budget line item to be overspent if kept at its current  
28 level.  
29

30 The mayor will be attending the Municipal Advisory Gas Project Review Board (MAG) meeting next  
31 week in Anchorage. The MAG Board final report is due soon to Governor Walker.  
32

33 Mayor Walker thanked the assembly members who attended the Federal Energy Regulatory  
34 Commission meeting regarding the Alaska Liquefied Natural Gas Pipeline and a meeting regarding  
35 Parks Highway milepost 231 enhancements. There was a Local Emergency Planning Committee  
36 (LEPC) meeting held in the borough office on December 2<sup>nd</sup> with eleven people in attendance. The  
37 discussion focused on a Denali Borough mass notification phone system. The assembly will be  
38 provided minutes from future LEPC meetings.  
39

40 A suitable site is being sought for the fire suppression well in the Nenana Canyon. Due to a lack of  
41 open space, creative thinking is going into a site location. Emergency Planning and Projects  
42 Coordinator Chris Noel is working to partner with Holland America Princess (HAP) on an existing  
43 well on their property that is not intended for drinking water and have offered to retrofit for fire  
44 service purposes. An agreement between HAP and the local fire departments is being developed for  
45 use of the well. Borough legal counsel will be consulted regarding an agreement for access and use.  
46

47 The borough office received a call from an original assembly member congratulating the borough on  
48 being one of the few solvent municipalities in the country.

1 SCHOOL DISTRICT REPORT

2 Denali Borough School District (DBSD) Superintendent Dan Polta reported on the school facilities  
3 projects:

4  
5 Cantwell sprinkler system: Superintendent Polta is working with the state to get permission to use  
6 funds differently to maximize funds for the project. There will be an estimated \$85,000 to \$150,000  
7 overage on this project's grant amount. The project is online for summer construction, pending a  
8 go ahead from the state.

9  
10 Tri-Valley School Boiler tie-in: The bid documents are currently with Southeast Regional Resource  
11 Center (SERRC).

12  
13 Additional projects include working to tie school offices into school backup generators. The school  
14 district is currently getting initial bids for each site, and is working toward wiring the shop building in  
15 Cantwell. Initial work is being done toward wind and solar electricity generation. This project may be  
16 included on the Capital Improvements Project list next year.

17  
18 A transportation proposal request for a five year bus service contract for the borough's students has  
19 gone out. The current transportation provider is First Student. The school district is mailing out bids  
20 hoping for a larger bid response than past years.

21  
22 The school board recently approved a revised FY 2016 budget, reflecting increased revenue of  
23 \$250,000 due to greater than anticipated enrollment. The increase in enrollment also raised the  
24 amount of the borough's voluntary contribution, which the school district will not be requesting. The  
25 revised budget includes an additional full-time teacher in Anderson and added a classified  
26 technology support/correspondence position. The first reading of the FY 2017 budget will be at the  
27 December school board meeting. This budget will maintain status quo for enrollment and revenue,  
28 and will plan for lowered state and local foundation funding, as well as additional scenarios for  
29 enrollment and staff changes, particularly those associated with Clear Air Force Base.

30  
31 The Denali Borough School Board and District office would like to thank the Denali Borough  
32 Assembly for maintaining minimum school enrollment size at ten students by passing Resolution 15-  
33 12.

34  
35 Alaska Measure of Progress test results were recently released, showing areas of success and  
36 challenge for the school district. The results, compared to statewide averages, show that we have a  
37 higher percentage of students meeting standards. However, there is room to improve with students  
38 who are only partially meeting standards. There are issues with the test because it is not a  
39 diagnostic test. In the coming year there will be changes including new curriculum materials, focused  
40 staff training aimed toward engaging teachers in data gathering and analysis of student growth, and  
41 school administration changes. Looking at the current year data, it appears positive changes have  
42 been made, and the school district expects positive results. The students individual score results are  
43 in the mail to parents.

44  
45 ASSEMBLY COMMENTS

46 Joe CHATFIELD thanked everyone for coming and wished everyone a Merry Christmas and  
47 Happy Holidays.

1 Don DEBLAUW thanked everyone for coming and questioned whether the ADEC's demand for  
2 more ground water monitoring was due to state or federal regulations.

3  
4 Krista ZAPPONE thanked assembly members for excusing her absence last month. She  
5 congratulated the Healy Transportation and Pedestrian Safety Committee on getting a highway  
6 safety sign from Alaska Department of Transportation placed near the intersection of Ranch  
7 Road and the Parks Highway. Ms. Zappone asked why the planning commission was not  
8 supportive of the mapping project. The mayor explained that there were concerns with the  
9 useful longevity of the maps, how the maps would be used, and how useful the maps would be  
10 for planning and budgeting.

11  
12 Tallon SHREEVE thanked everyone for coming out and commented that he likes the detailed  
13 reports.

14  
15 Jared ZIMMERMAN thanked everyone for coming. Mr. Zimmerman commented that he liked the  
16 good news in the school district report on the increase in student numbers.

17  
18 Kimber BURROWS thanked everyone for their reports, and commented on all that goes on  
19 between assembly meetings. Ms. Burrows thanked all who sat on assembly, planning  
20 commission, school boards, and committees to make the borough a wonderful place to live.

21  
22 David EVANS thanked State Representative Dave Talerico for coming to the meeting and  
23 extended special thanks to landfill staff for the work that they are doing. Healy Hockey Christmas  
24 on Ice will be celebrated on December 23<sup>rd</sup> and everyone is welcome to come to this traditional  
25 celebration.

26  
27 COMMUNICATION AND APPEARANCES

28 Garry Hutchison, CPA, Kohler, Schmitt & Hutchison, to discuss the Draft Denali Borough Fiscal  
29 Year 2015 Financial Statement

30  
31 This draft financial report is the piece related to the borough itself which has been audited. It is a  
32 draft because of delays in data related to the State of Alaska Public Employees' Retirement  
33 System (PERS), that municipalities are now required to claim on their financial statements. As  
34 long as the state funds PERS in excess of 22%, the borough will not be affected because the  
35 actual payment required to amortize the liability at the state level is larger than that percentage.  
36 However, the state's contribution is something to watch. This new policy will also affect the state  
37 school systems under the Alaska Teachers Retirement System (TRS).

38  
39 Mr. Hutchison reviewed the following in the draft financial report:

40  
41 Page 13: *Statement of Position*: This is a presentation of the financial statement as if the  
42 borough were a business. The pension obligation is new and this number is manageable, but  
43 it will be getting larger. In future years, the health allocation of retirement benefits will be  
44 shown on the borough statements, as well.

45  
46 Page 14: *Statement of Activities*: A change in net position of \$245,766 means the borough has  
47 enough revenues coming in to cover the costs of depreciation, resulting in a positive change in  
48 net position.

1  
2 Page 15: *Governmental Funds Balance Sheet*: The Permanent Investment Fund (PIF) original  
3 deposit was \$1 million received from the State of Alaska. The rest is earnings. The most  
4 important number is the unassigned fund balance of \$1,658,989, which is available for budgeting  
5 in the next fiscal year. The borough is the envy of many municipalities due to its cash reserves.  
6 This statement shows that there is \$25,302 available to the general fund from the earnings of the  
7 Permanent Investment Fund. The fund balances are in good solid financial shape.  
8

9 Page 17: *Governmental Funds Statement of Revenues, Expenses and Changes in Net Position*:  
10 The most important number is the net change in fund balance of \$524,861, which is a solid  
11 number showing the borough to be "in the black." This statement also shows the PIF earned  
12 \$50,604.  
13

14 Page 19: *Proprietary Funds Statement of Net Position*: This statement shows the PERS pension  
15 liability and the estimated landfill post closure costs of \$252,900.  
16

17 Page 20: *Proprietary Funds Statement of Revenues, Expenditures and Changes in Net Position*:  
18 The change in net position was \$89,652, which includes transfers from the general fund.  
19 Proprietary funds are being fed from the general fund primarily due to depreciation costs and  
20 revenue that is not sufficient to cover that expense.  
21

22 Page 31 shows investments by fund.  
23

24 Page 33 discusses detail of the unfunded PERS liability.  
25

26 Page 34 shows detail of transfers made during FY 2015. These transfers come out of the general  
27 fund, which is "in the black" after transfers.  
28

29 Page 38 discusses PERS rates. The State of Alaska pays 44.03% and the borough pays 22%.  
30 The state legislature has the power to increase the amount municipalities are required to pay on  
31 an annual basis.  
32

33 Page 40 discusses the assumptions made that resulted in the PERS unfunded liability, including  
34 the expected rate of return on investments.  
35

36 Page 44: *Schedule of Revenues, Expenditures and Changes in Fund Balance*: This statement  
37 may be helpful for budgeting. The net change in fund balance (shown on page 45) is a favorable  
38 variance of budgeted amounts totaling \$935,084.  
39

40 The financial statement shows the borough in a good, strong, financial condition. The borough is  
41 forward funded and the pension liability is a small amount that the borough could pay off with cash  
42 reserves. The bottom line is that as long as the state keeps the cap on PERS contributions at 22%,  
43 the borough is not affected.  
44

45 Discussion that followed related to the depreciation schedule, and why a government entity is  
46 required to record depreciation. Mr. Hutchison gave the example of a government that is responsible  
47 for maintenance of roads, but does not put enough money away to cover maintenance or

1 equipment. Recording depreciation indicates amounts necessary for future replacement or  
2 maintenance costs.

3  
4 Presiding Officer Jared Zimmerman called a meeting recess at 7:04 PM.

5  
6 The meeting was called back in session at 7:45 PM.

7  
8 PENDING ORDINANCES

9 ORDINANCE 15-12, Version A: An ordinance amending Denali Borough Code (DBC) 2.15.030  
10 titled Regular Assembly Meetings to change the rotation order

11  
12 David EVANS MOVED to adopt Ordinance 15-12. Kimber BURROWS seconded. Mayor  
13 Walker explained that this rotation includes the Panguingue District in Healy, recognizing the  
14 district. This rotation adds only one extra Healy meeting in a six month period. Under this  
15 ordinance, there will be two meetings in each borough community and a “balancing” meeting in  
16 Healy. Each one of the assembly members will have a meeting held in their home district. The  
17 roll call VOTE to adopt Ordinance 15-12 was unanimous.

18  
19 ORDINANCE 15-15, Version B: An ordinance appropriating up to \$250,000 from the Major School  
20 Maintenance Reserve Fund to conduct a Comprehensive Condition Survey of the Denali Borough  
21 School Facilities

22  
23 Points of discussion included the projects currently in progress that would restrict major school  
24 maintenance reserve funds and the potential for the contract amount to be higher than the  
25 amount specified in Ordinance 15-15.

26  
27 David EVANS MOVED to adopt Ordinance 15-15. Kimber BURROWS seconded. The roll call  
28 VOTE to adopt Ordinance 15-15 was unanimous.

29  
30 RESOLUTIONS

31 There were no resolutions on the agenda.

32  
33 OTHER BUSINESS

34 Executive Session

35  
36 Kimber BURROWS MOVED to go into Executive Session under Denali Borough Code of  
37 Ordinances 2.15.060 and 3.35.210 to discuss the proposal received for the Denali Borough School  
38 Facilities Condition Survey which per Code shall remain confidential. The time limit will be  
39 approximately 30 minutes. Those invited to be included are: Dan Polta, Curtis Hamel, Chris Noel,  
40 Gail Pieknik and Clay Walker. Jill BOELSMA seconded. The roll call VOTE was unanimous.

41  
42 Executive session began at 8:03PM.

43  
44 Presiding Officer Jared Zimmerman called the meeting back to order at 8:42 PM.

45  
46 Award contract for Denali Borough School Facilities Conditional Survey  
47

1 Kimber BURROWS MOVED to award the contract for a Denali Borough School Facilities Conditional  
2 Survey to Livingston Sloane. David EVANS seconded. Ms. Burrows reported that there were a  
3 number of proposals, and that the committee chose this company as number one. The roll call  
4 VOTE to award the contract was unanimous.

5  
6 Receive final report from Agnew:: Beck Consultants, "Recommendations for an Improved Land  
7 Management System"

8  
9 Jill BOELSMA MOVED to receive the final report from Agnew:: Beck Consultants titled  
10 "Recommendations for an Improved Land Management System." Kimber BURROWS seconded.  
11 The mayor explained that there has been no planning commission meeting since receiving the final  
12 report so there are no comments from the commissioners as yet. A proposal was received from  
13 Agnew::Beck to start work on the issues identified in the report. There is a joint work session  
14 planned with the planning commission, Agnew::Beck, and the assembly prior to the February 10<sup>th</sup>  
15 assembly meeting. The VOTE by show of hands to receive the final report was unanimous.

16  
17 PUBLIC COMMENTS

18 There were no public comments.

19  
20 ASSEMBLY COMMENTS

21 The assembly members thanked everyone for coming to the meeting, thanked the staff for providing  
22 dinner and wished Happy Holidays to all. In addition, the following comments were made:

23  
24 Jill BOELSMA thanked the assembly members for excusing her at the last meeting.

25  
26 Kimber BURROWS expressed appreciation for the forward thinking to evaluate school facilities,  
27 and commented that she looks forward to the joint work session with Agnew::Beck.

28  
29 Jared ZIMMERMAN wished a Happy 25<sup>th</sup> Anniversary to the Denali Borough.

30  
31 Tallon SHREEVE commented that he appreciated the time put into the proposals for the school  
32 facilities, and commented positively on the Agnew::Beck report, stating it is easy to read and  
33 understand.

34  
35 Krista ZAPPONE thanked those who put work into the school survey project and wished safe  
36 travels to all during the holidays.

37  
38 Don DEBLAUW thanked Sandy Rabideau from Clear Sky Lodge for making the homemade chili.

39  
40 Joe CHATFIELD thanked the staff for their hard work to put on the meeting and added special  
41 thanks for those who have worked on the school facilities proposal.

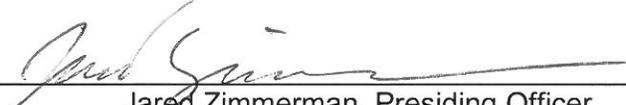
42  
43 Mayor Walker thanked the assembly and those that worked on the school facilities proposal.  
44 There is a similar ordinance planned to allocate funds to expand the landfill shop, which will be  
45 presented at the next meeting. The mayor will look to put together an informal committee to  
46 evaluate an invitation to bid for this project.

47  
48 NEXT ASSEMBLY MEETING

1 The next regular meeting will be at Cantwell on Wednesday, January 13, 2016: Public Hearing  
2 6:00 PM and the Regular meeting to follow.

3  
4 Krista ZAPPONE MOVED to adjourn the meeting at 8:57 PM. Kimber BURROWS seconded.  
5 The VOTE by show of hands was unanimous.

6  
7 ADJOURN: The meeting was adjourned at 8:57 PM.

8  
9  
10  
11 APPROVED:   
12 Jared Zimmerman, Presiding Officer

13  
14  
15  
16 ATTEST:  Date Approved: JANUARY 13, 2016  
17 Gail Pieknik, Borough Clerk