THE CITY AND BOROUGH OF JUNEAU, ALASKA

Meeting Minutes - May 14, 2018

MEETING NO. 2018-14: The Regular Meeting of the City and Borough of Juneau Assembly, held in the Assembly Chambers of the Municipal Building, was called to order at 7:00 p.m. by Mayor Ken Koelsch.

I. FLAG SALUTE

II. ROLL CALL

Assembly Present: Mary Becker, Rob Edwardson, Maria Gladziszewski, Norton Gregory, Loren Jones, Jesse Kiehl, Ken Koelsch, Jerry Nankervis, and Beth Weldon.

Assembly Absent: None.

Staff Present: Rorie Watt, City Manager; Mila Cosgrove, Deputy City Manager; Amy Mead, Municipal Attorney; Laurie Sica, Municipal Clerk; Jane Mores, Assistant Attorney III; Bob Bartholomew, Finance Director; Carl Uchytil. Port Director; Patty Wahto, Airport Manager; Beth McKibben, Planning Manager; Laura Boyce, Senior Planner; Greg Chaney, Lands and Resources Manager; Lauren Anderson, Treadwell Ice Rink Manager; David Means, JSD Director of Administrative Services.

III. SPECIAL ORDER OF BUSINESS

A. Special Recognition: Youth Hockey Teams

Deputy Mayor Jerry Nankervis donned his referee uniform and welcomed several players and coaches to acknowledge the achievements of the Juneau Capitols 12 UA and 12 UB youth hockey teams and read citations presented by the 30th State Legislature to the teams.

B. Presentation of Check for Social Service Grants

A roomful of social service providers in Juneau were present for a "very large check" presentation of $1.9 million from the City and Borough of Juneau, the Juneau Community Foundation, United Way and AEL&P. Mayor Koelsch and Amy Skilbred of the JCF said the money would support grants to social service organizations in Juneau. Ms. Skilbred thanked the providers for the work they do to care for the community.

C. Proclamation: Infrastructure Week

Carl Uchytil and Rorie Watt represented Juneau engineers during the reading of a proclamation by Mayor Koelsch, proclaiming May 14 - 21 as Infrastructure Week, established to highlight infrastructure investment needs, and to recognize and encourage leadership at the federal, state, and local levels.

IV. APPROVAL OF MINUTES

A. April 2, 2018 Regular Assembly Meeting 2018-08

Hearing no objection, the minutes of the April 2, 2018 Regular Assembly Meeting 2018-08 were approved.

B. April 23, 2018 Regular Assembly Meeting 2018-11

Hearing no objection, the minutes of the April 23, 2018 Regular Assembly Meeting 2018-11 were approved.

C. April 25, 2018 Special Assembly Meeting 2018-12

Hearing no objection, the minutes of the April 25, 2018 Special Assembly Meeting 2018-12 were approved.

D. April 30, 2018 Special Assembly Meeting 2018-13

Hearing no objection, the minutes of the April 30, 2018 Special Assembly Meeting 2018-13 were approved.

V. MANAGER'S REQUEST FOR AGENDA CHANGES

Mr. Watt noted an update version of Resolution 2821 in the red folder with the current information regarding the GO School Refunding Bond 2018.

VI. PUBLIC PARTICIPATION ON NON-AGENDA ITEMS

Dr. Clark Damon submitted comments and spoke about the importance of vocational education programs in Juneau and the State of Alaska. He spoke about his memory of the city providing property for the then community college for a vocational facility. He left the vocational program he worked in in 1975 and said there was a joint plan between CBJ and the community college. He said that the mechanics program can provide employees for the community and the school program can do some of the maintenance of public vehicles.

VII. CONSENT AGENDA

A. Public Requests for Consent Agenda Changes, Other Than Ordinances for Introduction

None.

B. Assembly Requests for Consent Agenda Changes

None.

C. Assembly Action

MOTION, by Nankervis, to adopt the consent agenda, with the updated version of

Resolution 2821. Hearing no objections, the consent agenda was adopted.

1. Ordinances for Introduction

   a. Ordinance 2017-06(AU) An Ordinance Appropriating to the Manager the Sum of $8,180,300 as Partial Funding for Various Departments' Fiscal Year 2018 Operating Budgets; Funding Provided by Increased Revenues and Fund Balance.

   This ordinance would appropriate $8,180,300 for increases in FY18 operations among three CBJ departments.

   The Hospital anticipates exceeding its FY18 Assembly authorized spending authority by $8.0M. The increased spending is needed to address the number of increased patient visits in FY18 The costs are fully funded with related increased revenue. Overall, the patient visits were more than originally projected.

   The Airport anticipates exceeding its FY18 Assembly authorized spending authority by $140,300. The increase is attributable to the cost of lump sum negotiated wage payment not included in the base budget. Sufficient revenues in excess of budget are available to cover the additional salary expenses.

   The Affordable Housing Division is anticipating a shortfall of $40,000 in the FY18 operating budget. This shortfall is due to the cost of the continuation of the Mobile Home Loan Program not included in the base budget. The anticipated funding for this increase is the Housing Fund's Fund Balance. The Assembly Finance Committee reviewed the increases at its meeting on May 9, 2018, and forwarded them to the full Assembly for approval.

   The City Manager recommends this ordinance be introduced and set for public hearing at the next regular Assembly meeting.

   b. Ordinance 2018-29 An Ordinance Authorizing the Manager to Execute a Utility Permit for a Water System Reconstruction in a State Right-of-Way with the Alaska Department of Transportation and Public Facilities.

   This ordinance would allow the CBJ to reconstruct a water service at 2570 Douglas Highway, which is located within a State of Alaska right-of-way.

   On February 15, 2017, the CBJ's water service and the customer line were damaged. Emergency repairs were done. The cause of the damage is currently being litigated. The adjacent property owner, Elton Engstrom, has requested that the CBJ remove and replace the existing water service. In order to do so, the CBJ needs a utility permit from the State of Alaska.

The Department of Transportation and Public Facilities recently provided the CBJ with a proposed utility permit, but it contained an indemnification provision. CBJ Charter 9.13(a) generally prohibits the CBJ from indemnifying others. However, Charter 9.13(c) allows the CBJ to indemnify the State when the CBJ would not otherwise be able to participate. This ordinance would allow the Manager to execute the utility permit which includes the indemnity provision.

The City Manager recommends this ordinance be introduced and set for public hearing at the next regular Assembly meeting.

c. Ordinance 2018-30 An Ordinance Amending the General Penalty Code.

Although most misdemeanor offenses are subject to a penalty of 30 days or less, state law provides for a sentence of up to one year for certain crimes. A defendant may be sentenced to up to one year for a conviction of offensive touching of another not proscribed by Alaska statute as sexual abuse of a minor.

This ordinance would amend the CBJ's general penalty provision to allow for a sentence of up to one year for such an offense, consistent with state law.

The City Manager recommends this ordinance be introduced and set for public hearing at the next regular Assembly meeting.

d. Ordinance 2018-31 An Ordinance Amending the Land Use Code Relating to Sobering Centers and Emergency Shelters.

This ordinance would amend the Land Use Code as it relates to sobering centers and emergency shelters. CDD was directed by the Manager's Office to determine in which zoning districts sobering centers should be allowed. Based on research of other communities, staff determined a new use category for sobering centers was necessary, as well as a clarifying definition to distinguish sobering centers from emergency shelters. Sobering centers are proposed to be allowed with a conditional use permit in the Light Commercial, General Commercial, Mixed Use and Mixed Use 2 zoning districts.

On December 27, 2016, the Planning Commission recommended that the Assembly adopt the ordinance.

The City Manager recommends this ordinance be introduced and set for public hearing at the next regular Assembly meeting.

e. Ordinance 2018-33 An Ordinance Authorizing the Manager to Execute a Permit for Road Reconstruction in a State Right-of-Way with the Alaska Department of Transportation and Public Facilities for the Intersections of D Street and 3rd Street (Douglas Highway) adjacent to 915 and 916 3rd Street and H Street and 3rd Street adjacent to 1316 3rd Street in Downtown Douglas.

In order to complete the street reconstruction of D Street, from 2nd to 5th Street and H Street from 2nd to 3rd Street in downtown Douglas, as routine maintenance provided for in the FY 2018 Capital Improvement Program, the CBJ must obtain approval (an approach road permit) from the Department of Transportation and Public Facilities in order to reconstruct the roadway aprons and sidewalk approaches.

State regulations (17 AAC 10.020(c)) require ADOT&PF to include an indemnity provision from the permittee to the State in all approach road permits.

Normally the CBJ is prohibited by Charter section 9.13(a) (which is substantially similar to Article IX, section 13 of the Alaska Constitution) from contractually agreeing to indemnify another party. (Charter sec. 9.13 prohibits the CBJ from incurring an obligation absent an appropriation for that purpose. An indemnity provision is an agreement to compensate the other party for any harm or loss arising out of the agreement, such as paying any judgment or damages, and oftentimes defending the other party in any legal action.) The Charter carves out a limited exception, however, allowing the Assembly, by ordinance, to require the payment of funds from appropriations of a later year (or for more than one year) for any federal or state grant, contract, lease, program, etc., without which the municipality would not be able to participate.

This ordinance would allow the City Manager to execute the approach road permit, which includes an indemnity provision, in accordance with Charter section 9.13(c), as required by 17 AAC 10.020(c).

The City Manager recommends this ordinance be introduced and set for public hearing at the next regular Assembly meeting.

2. Resolutions

a. Resolution 2821 A Resolution Providing For Interest Rates For The General Obligation School Refunding Bond Being Issued To Wells Fargo Securities.

On May 16, 2018, CBJ is scheduled to refund, via “Direct Placement” with Wells Fargo Corporation, approximately $5 million in year general obligation school bonds in order to refund/refinance bonds originally issued in July 2008.

The issuance of the bonds was authorized by the Assembly in Ordinance 2018-09 (adopted April 2, 2018). The final Assembly action, per CBJ Charter, related to these bonds is to "prescribe" (set/accept) by resolution the interest rates and annual principal maturity payment dollar amounts.

CBJ legal counsel, K&L Gates, has prepared Resolution 2821 to adopt the interest rates and set other final bond sale terms. Schedule A and principal bond amount in section 3 of the resolution are currently blank and will ultimately list the years, amounts, when the bonds will mature and sets the interest rates authorized. The final amounts will be determined, based on the capital markets, Monday May 14 and provided to the Assembly and public prior to final action. The aggregate interest cost for all the bonds is estimated to be 2.8% and result in a net present value savings of $236,000 (savings shared between CBJ and State of Alaska).

The City Manager recommends this resolution be adopted.

3. Bid Award

a. Bid Award - Bid No. 19-004 Term Contract for Parking Enforcement and Security Services

Bids were opened on April 26, 2018. Two bids were received. The protest period ended on April 27, 2018. Bids received were as below.

Bidder	Amount Bid
Bootlegger Security Services, LLC	$123,640.00
Goldbelt Security Services, LLC	$141,624.00

Bootlegger Security Services, LLC is the low bidder. This is a five-year term contract to enforce parking and handle security issues in the Downtown and Marine Parking Garages.

The City Manager recommends award of the bid to Bootlegger Security Services, LLC in the amount of $123,640.

b. Bid Award - Project Playground

Bids were opened on this project on May 1, 2018. The protest period expired on May 2, 2018. This project consists of work that includes furnishing all equipment, materials, supplies, manufactured articles and labor (unless otherwise noted) for the installation of custom and manufactured play equipment, safety surfacing and associated work at Project Playground at Twin Lakes Park. Bids received were as follows:

Responsive Bidders	Base Bid	Additive Alternate No. 1	Additive Alternate No. 2	Total Bid
Carver Construction, LLC	$1,149,396.00	$202,849.00	$68,426.00	$1,420,671.00
Admiralty Construction, Inc.	$1,557,528.00	$157,000.00	$80,000.00	$1,794,528.00
Dawson Construction, LLC	$1,728,000.00	$181,500.00	$56,300.00	$1,965,800.00
Architect's Estimate	$1,732,640.00	$156,800.00	$70,560.00	$1,960,000.00

The City Manager recommends award of this bid to Carver Construction, LLC for the total amount bid of $1,420,671.

4. Liquor License

a. Liquor License Applications

The below liquor license actions are before the Assembly to either protest or waive its right to protest each license action. Some of these licenses recently went through a renewal but are currently before the Assembly due to a premises diagram change, transfer of ownership, or are being issued to a new entity and are categorized below according to the type of action being taken.

NEW LICENSE APPLICATION
Beverage Dispensary Tourism License #5631 and application for a Restaurant Designation Permit, Tailwind JNU LLC d/b/a Tailwind Concessions; Location: 1873 Shell Simmons Drive, Ste. 220 (Inside airport security), Juneau. Beverage Dispensary Tourism licenses are non-transferrable so this is an application for a new license to a new owner/operator Tailwind JNU, LLC and is replacing the previous licensee Jacobsen-Daniels Associates, LLC d/b/a The Annex. The 60-day local government comment period for this license action expires as of June 1.

LICENSE TRANSFER OF OWNERSHIP

Distillery License #5506 Amalga Distillery LLC d/b/a Amalga Distillery; Location: 134 N. Franklin Street, Juneau. This license action is for a transfer of ownership in this business. The 60-day local government comment period for this license action expires as of June 2.

APPLICATIONS FOR LICENSED PREMISES CHANGES

Package Store License #2976 No Creek Jack Inc. d/b/a Duck Creek Market; Location: 9951 Stephen Richards Drive, Juneau. AMCO Regulations 3AAC 304.185 require a premises diagram change form for all licensees seeking to alter the functional floor plan or reduce or expand the area of the establishment's existing licensed premises. The Assembly just waived its right to protest the renewal of this license at its April 2, 2018 Assembly meeting. The 60-day local government comment period for this license action expires as of June 12.

Brewery License #5517 Devil's Club Brewing LLC d/b/a Devil's Club Brewing Company; Location: 100 N. Franklin Street, Juneau. AMCO Regulations 3AAC 304.185 require a premises diagram change form for all licensees seeking to alter the functional floor plan or reduce or expand the area of the establishment's existing licensed premises. The 60-day local government comment period for this license expires as of June 9.

Staff from the Police, Finance, Fire, Public Works (Utilities), and Community Development departments have reviewed the above licenses and recommend the Assembly waive its right to protest these applications.

The City Manager recommends the Assembly waive its right to protest the above-listed liquor license applications.

VIII PUBLIC HEARING

A. Ordinance 2018-04(b) An Ordinance Amending the Land Use Code Relating to Variances.

This ordinance would amend CBJ Title 49 concerning variances. A person seeks a variance when they want to develop something that is prohibited by Title 49. Because a variance allows a person to violate the requirements of Title 49 that apply to everybody else, variances are only warranted in limited circumstances and the requirements should be vigorous. The current variance requirements have become difficult to apply due to some nuanced criteria and how past variances were decided.

This ordinance (1) clarifies which provisions of Title 49 are subject to a variance, (2) clarifies the process used to evaluate variances, and (3) creates new variance criteria to sever the Board of Adjustment from its past variance decisions.

On February 27, 2018, the commission recommended the Assembly adopt this ordinance. The Assembly Committee of the Whole heard the ordinance at its meeting on April 30, 2018, recommending it move forward to public hearing.

Version (b) of the ordinance makes two small language changes at 49.20.230 and 49.20.240, shown in bold italics, and some minor, non-substantive formatting changes.

The City Manager recommends this ordinance be adopted.

Public Comment:

None.

Assembly Action:

MOTION, by Edwardson, to adopt Ordinance 2018-04(b). Hearing no objection, it was so ordered.

B. Ordinance 2018-23 An Ordinance Authorizing the Manager to Execute a Lease of the Eagle Valley Center Ropes Challenge Course, Located near Amalga Harbor, to Southeast Alaska Independent Living, Inc.

The CBJ has owned the Eagle Valley Center since 1997. Between 1997 and 2015, the facility was leased to SAGA. When the lease expired in 2015, it was not renewed. *Southeast Alaska Independent Living* (SAIL) contacted the CBJ to lease a portion of the facility: the ropes challenge course. SAIL's proposal is to improve and upgrade the course, facilitating its availability to SAIL's clients as well as the residents of Juneau.

At its January 8, 2018, meeting, the Assembly authorized the Manager to commence lease negotiations with SAIL under CBJ 53.09.260. The Planning Commission found the proposal consistent with the Comprehensive Plan and Title 49 at its February 27, 2018, meeting.

The City Manager recommends this ordinance be adopted.

Ms. Mead said the ordinance authorizes a lease at less than fair market value in acknowledgement of SAIL's non-profit status and its intent to improve the facility.

Public Comment:

None.

Assembly Action:

MOTION, by Gregory, to adopt Ordinance 2018-23.

Ms. Gladziszewski asked why the matter went to the Planning Commission. Ms. Mead reviewed the recent history of discussions and options on the use of the Ropes Course. Mr. Watt said that the Planning Commission reviewed the lease of the property according to CBJ Title 53 Land Management, rather than the use of the property through Title 49.

Hearing no objection, Ordinance 2018-23 was adopted.

C. Ordinance 2018-26 An Ordinance Amending the Property Maintenance Code to Reference the International Property Maintenance Code 2012 Edition.

This ordinance updates the International Property Maintenance Code reference from 2009 to 2012 in CBJ 19.11.010 - International Property Maintenance Code (IPMC) adopted. With Ordinance 2017-01, adopted June 5, 2017, Title 19 was amended to reference the 2012 international codes. This housekeeping ordinance makes the above-referenced update, which was inadvertently overlooked.

The City Manager recommends this ordinance be adopted.

Public Comment:

None.

Assembly Action:

MOTION, by Weldon, to adopt Ordinance 2018-26. Hearing no objection, it was so ordered.

D. Ordinance 2018-27 An Ordinance Authorizing the Sale of Foreclosed Property Located at 333 W. Ninth Street by Sealed Competitive Bid.

On January 11, 2018, the City obtained a Clerk's Deed for property located at 333 W. Ninth Street, for delinquent property taxes owed from tax year 2015. Delinquent property taxes are also owed for tax years 2016 and 2017.

AS 29.45.460 requires a municipality to determine by ordinance whether foreclosed property deeded to the municipality be retained for a public purpose or not. If not, the property can be sold.

This ordinance establishes that the property is not required by the CBJ for a public purpose, and authorizes the sale of the property by sealed competitive bid.

The City Manager recommends this ordinance be adopted.

Ms. Mead said the owner of the property had passed away and the owner's granddaughter, Ms. Johnson, was present with her attorney. A probate case has been filed with the intent to settle the estate. CBJ intends to hold off selling the property to allow Ms. Johnson to try to sell the property and CBJ would be paid the back taxes. This ordinance would authorize the CBJ to move forward if needed, however, staff intends to wait and allow the estate to move forward.

Public Comment:

None.

Assembly Action:

MOTION, by Gladziszewski, to adopt Ordinance 2018-27.

Mr. Kiehl asked if CBJ holds a Clerk's Deed, how is the representative able to sell the property. Ms. Mead said that either the CBJ will go ahead with the auction and the proceeds will pay the back taxes with the remainder going to the state, or there could be a facilitated sale through a realtor where Ms. Johnson brings an interested buyer forward and then CBJ is paid the back taxes out of the proceeds and deeds the property through Ms. Johnson to the owner. In either case, the property will be sold and CBJ will be paid back taxes. Mr. Kiehl asked if an adjustment to the ordinance was needed. Ms. Mead said the owner has the right to repurchase the property for up to ten years as long as it has not been sold, so as long as CBJ does not sell the property, Ms. Johnson can move forward.

Hearing no objection, Ordinance 2018-27 was adopted.

E. Ordinance 2017-06(AN) An Ordinance Appropriating to the Manager the Sum of $50,000 as Funding for Juneau Community Foundation's Park Program; Funding Provided by the Sales Tax Fund's Fund Balance.

This appropriation of $50,000 to the Juneau Community Foundation completes the intent of the FY17 budget (seed funding for the Juneau Park Foundation).

The Assembly Finance Committee forwarded this recommendation to the full Assembly for approval at its meeting on April 11, 2018.

The City Manager recommends this ordinance be adopted.

Public Comment:

None.

Assembly Action:

<u>MOTION</u>, by Kiehl, to adopt Ordinance 2017-06(AN).

Mr. Jones said he spoke about his concerns about this funding going to the Juneau Community Foundation at a previous Finance Committee meeting and wished there was another alternative. He objected to the motion.

Roll call:
Aye: Becker, Edwardson, Gladziszewski, Gregory, Kiehl, Nankervis, Weldson, Koelsch
Nay: Jones
Motion passed, 8 ayes, 1 nay.

F. Ordinance 2017-06(AQ) An Ordinance Appropriating to the Manager the Sum of $20,000 as Funding for Capital City Fire Rescue; Grant Funding Provided by the State of Alaska, Department of Environmental Conservation.

This ordinance would provide funding from the Alaska Department of Environmental Conservation (ADEC) in the amount of $20,000. The City and Borough of Juneau will receive up to $20,000 from ADEC upon the completion of purchases, equipment, supplies, maintenance, and training agreed upon per the request made to ADEC from Capital City Fire Rescue. CBJ will provide to ADEC a final invoice of all expenses, including supporting documentations of any invoices and purchase orders, connected with the purchase of agreed equipment, supplies, maintenance and training.

CBJ will work with ADEC to develop and implement procedures to initiate responses to oil and hazardous substance incidents according to the ADEC Local Community Response Agreement. All expenditures for this MOU must be completed by June 30, 2018.

The City Manager recommends this ordinance be adopted.

<u>Public Comment</u>:

None.

<u>Assembly Action</u>:

<u>MOTION</u>, by Becker, to adopt Ordinance 2017-06(AQ). Hearing no objection, it was so ordered.

G. Ordinance 2017-06(AR) An Ordinance Appropriating to the Manager the Sum of $100,000 as Funding for Juneau Community Foundation; Funding Provided by the Sales Tax Fund's Fund Balance.

This appropriation of $100,000 of sales tax funds to the Manager will provide funding to the Juneau Community Foundation (JCF) as an operating grant to work with Trail Mix to perform repair work on the Treadwell Ditch Trail.

This $100,000 was allocated to the Montana Creek Loop Road to Community Gardens trail in the 2012 temporary sales tax. This proposed section of trail is unbuildable due to flooding. The Parks and Recreation Advisory Committee recommended this funding be granted to JCF at its July 11, 2017, meeting. The Public Works and Facilities Committee recommended this funding be granted to JCF at its February 26, 2018, meeting.

The City Manager recommends this ordinance be adopted.

Public Comment:

None.

Assembly Action:

MOTION, by Nankervis, to adopt Ordinance 2017-06(AR). Hearing no objection, it was so ordered.

IX. UNFINISHED BUSINESS

A. Ordinance 2018-12(b) An Ordinance Appropriating Funds from the Treasury for FY19 School District Operations.

This ordinance would appropriate to the school district an FY19 operating budget of $85,799,900. This is an overall decrease in the budget of $1.50 million from the FY18 adopted budget. The school district's operating budget is:

General Operations	$70,161,000
Special Revenue (pupil transportation, food service, etc.)	$7,194,500
Student Activities/Other	$8,444,400
Total Budget	**$85,799,900**

The FY19 school budget is supported with a combination of funding sources that includes local funding of $27,789,100. This consists of: $26,412,600 for general operations, and $1,376,500 for programs and activities outside of the CAP. These programs and activities include: $1,181,500 for student activities, $50,000 for pupil transportation, $50,000 for food service and $95,000 for Community Schools. The $26.4 million in general operations support is an increase of $0.6 million over FY18 Amended. The other program and activities funding is an increase of $0.5M over FY18.

The original ordinance was introduced at the April 4, 2018, Special Assembly meeting and referred to the Assembly Finance Committee for deliberation. On April 25, 2018, a Special Assembly meeting was held to hear public comment and for the Assembly to state, by motion, the amount of local funding to be provided to the school district.

The Assembly Finance Committee approved and moved the ordinance back to the full Assembly for action, at its May 9, 2018, meeting. The charter requires adoption by May 31, 2018.

The City Manager recommends this ordinance be adopted.

Mr. Bartholomew said the legislature adopted $20 million in one time funding to be spread across the school districts. This results in additional funding coming from the school district and an additional opportunity for CBJ to contribute. The school district budget also included an anticipated increase to the base student allocation that did not happen. There will be a reduction in their budget due to the BSA, and an increase from the one time grant for FY19, so the sum difference results in $243,000 less than they would have in their requested budget. CBJ is funding to the cap and the CBJ contribution of $26,400,000 will be reduced by $45,500 in local funding, There will be a $197,800 reduction in state funding. JSD and I recommend that there is no amendment to Ordinance 2018-12 (b) as this adjustment is small and there is a requirement to review the matter in February when there is final student enrollment figures. A combined adjustment can be done then. The School Board and the CBJ Finance Department are confident with this ordinances budget figures.

The Assembly asked about any adjustments for pupil transportation and the auto shop program. Mr. Bartholomew said he and Mr. Means reviewed the situation and determined that auto shop funding is part of a core education and there are not other costs remaining under the cap that are eligible for outside the cap funding. At this time there is not a path to providing that $40,000 in funding.

Ms. Mead said, regarding the automotive lease amount, the Department of Education was contacted and it advised that if there is a special revenue fund identified for the lease, to be dedicated to support this program, there is a way to fund the piece. Hearing no objection, the attorney was asked to research the matter and return the topic to a future Finance Committee meeting.

<u>Public Comment</u>:

None.

<u>Assembly Action</u>:

<u>MOTION</u>, by Nankervis, to adopt Ordinance 2018-12(b). Hearing no objection, it was so ordered.

B. Ordinance 2018-13(b) An Ordinance Creating Local Improvement District No. 200 for a Riverbank Stabilization Project along the Mendenhall River between 9399

Rivercourt Way and 3463 Meander Way and Appropriating the Sum of $5,095,000.

At its meeting on April 23, 2018, the Assembly continued the hearing on Ordinance 2018-13(b), which would create a local improvement district (LID#200) for a riverbank stabilization project on the Mendenhall River between Rivercourt Way and the north end of Meander Way. As proposed, the riverbank stabilization project would be done in conjunction with the National Resources Conservation Service Emergency Watershed Protection program. NRCS would fund the design, inspection, and construction administration, plus 75% of the estimated construction costs. Total cost of the project, including the construction costs, is estimated to be $11,425,000.

The CBJ's estimated contribution to the project would be $3,015,000, which includes the assessment to be paid by the CBJ as a property owner within the LID, but does not include the costs associated with maintaining the riverbank protection structure for a period of 10 years, as would be required. The property owners' combined contribution, through the LID, would be fixed at $2,080,000 or $80,000 per property. The remaining costs would be paid with federal funding.

To accommodate the CBJ's public process and the attempt to form an LID that would allow for owner financing, NRCS has previously granted several project deadline extensions. However, after the Assembly extended the hearing to May 14, NRCS advised the CBJ in writing that they are unwilling to further extend the project funding deadline and have removed the project from the national funding waitlist.

There are several tasks that would have to be completed with CBJ funds in order to access the federal funding, including obtaining project permitting and all easements (both of which would require lengthy processes and local funding). If the Assembly votes to adopt this ordinance, it would need to be amended to specify that the creation of the LID is contingent upon the reinstatement of federal funding.

The City Manager recommends that you reject this ordinance.

Public Comment:

None.

Assembly Action:

MOTION, by Gregory, to adopt Ordinance 2018-13(b).

Mr. Edwardson objected.

Mr. Gregory objected and said he was concerned that this project would create an unfair situation for other members of the community in that CBJ would be contributing a large amount of money for a natural disaster and there was not a policy to handle other homes in the community that might be affected by a natural disaster. If CBJ becomes involved, there is a possibility of unanticipated bank destabilization that can cause other erosion/destabilization on other properties. When owners purchased the homes in this neighborhood, they bought it knowing that rivers move. This LID runs the risk of a serious financial burden to some of the neighbors within the LID.

Mr. Edwardson agreed and spoke about his knowledge of Mendenhall River erosion. This is not a natural disaster, it is the result of a young braided river moving and the inevitable erosion it would cause is not predictable as to the location of occurrence. There are methods to get authorization for erosion control projects and there is a route for people to protect their property without the LID. He initially supported an LID because he thought the property owners wanted the project, but since that time support has diminished. He was concerned about the possibility of eminent domain proceedings that might be needed for the project.

MOTION, by Kiehl, to amend the ordinance in the effective date section to include the words "Creation of LID 200 under this ordinance is contingent on the NRCS including the project in the NRCS EWP." Hearing no objection, the amendment was adopted.

Mr. Kiehl said this ordinance acknowledges that not all neighborhoods are equal, and residents benefit differently based on a number of different reasons. This is a situation in which we are also attempting to protect CBJ infrastructure. This river is constantly changing up and down river and CBJ has responded to down-cutting and problems with the sewer system in two places along the river and has borne the cost. We will bear the cost for this stretch of the river sooner or later and it makes sense to use the federal program and contributions from the homeowners to deal with this problem. The river should not be allowed to eat away a large residential area. He encouraged a yes vote.

Ms. Gladziszewski said the Assembly has discussed this for over two years and it is a complicated project. She became convinced that CBJ should be involved, but the neighborhood is not clearly for the project now. Some of the property owners are vehemently opposed. She supported the cap for residents at $80,000, with federal and community funding, and she was surprised that the residents were not more willing to participate. It is difficult to impose $80.000 on a homeowner that does not agree with the project, so she would vote no.

Ms. Weldon said was also supportive at first, but the costs have gone up, and she has concerns about the $80,000 property owner price tag and the cost to the city to maintain the project for ten years.

Mr. Nankervis did not support the motion and he spoke about the waining neighborhood support and the concern about potential eminent domain proceedings. CBJ would be responsible for the project for ten years and again for another ten years from the date of any change CBJ would make to the project.

Mr. Jones said this has been an interesting topic for 2 years worth of discussion. There are people that have changed their minds over the course of time and he said this has been a failure of people working together to address the issue. He felt the project was inevitable and it was a responsibility of CBJ to address this. This has turned from a positive project at the beginning to a negative one and shows our lack of ability to get things done.

Ms. Gladziszewski said this was a complicated project and the property owners began to worry as the costs went up. CBJ worked diligently on this project and it was not the city's fault for increased costs.

Mayor Koelsch said this is a difficult decision and we need to weigh the interest of CBJ taxpayers and the group of specific individuals. We have tried to identify a solution that is fair and equitable.

Roll call on adoption of Ordinance 2018-13(b) as amended:
Aye: Becker, Jones, Kiehl
Nay: Edwardson, Gladziszewski, Gregory, Nankervis, Weldon, Koelsch
Motion failed, 3 ayes, 6 nays.

C. Southeast Alaska Land Trust v CBJ Assessor - Appeal

At the regular Assembly meeting on July 31, 2017, the Assembly accepted this appeal from petitioner Southeast Alaska Land Trust regarding the Assessor's denial of its community purpose exemption, considered by the Assessor on remand by the Assembly. The Assembly referred the matter to a hearing office (the Office of Administrative Appeals).

The hearing was held on March 29, 2018. The hearing officer issued her opinion on April 24, 2018. The Assessor's Office submitted timely notice of objection and SEAL Trust filed a statement in support. By notice dated May 7, 2018, the hearing officer declined to change her decision.

The draft decision, the parties' responses, and the hearing officer's reply, have been provided to the Assembly for its review. You must decide whether to accept the draft decision as written, accept the decision with modifications, or reject the decision.

Code 01.50.140 Decision on the appeal, provides in (c)

(2)...Unless rejected or modified by an affirmative vote of the appeal agency on a motion to reject or modify, the proposed decision, as amended by the hearing officer if such an amendment has been filed, shall be deemed adopted by the appeal agency and shall be the appeal agency decision. No testimony or evidence of any nature other than that contained in a timely filed objection may be received by the appeal agency at the meeting at which the proposed decision is presented.

(3) If the proposed decision is rejected by the appeal agency, the matter shall be immediately referred to the hearing officer for a rehearing of the appeal after notice to the parties; provided, the appeal agency may refer the appeal to a different hearing officer, may limit the scope of the rehearing to specified issues, may request the hearing officer to reconsider the proposed decision solely in light of new evidence raised in an objection, may place similar or different limits or conditions on the rehearing or reconsideration by the hearing officer, may remand the matter, or may rehear the matter itself after notice to the parties.

Jane Mores was present from the Law Department. If the Assembly takes no action, the decision is deemed adopted. The Assembly has several other options for action. The Hearing Officer was provided the full record, the parties provided briefing, and the red folder contained the Assembly's original decision on the matter. The decisions on the matter together become the final decision.

<u>Assembly Action</u>:

Mr. Jones said that SEAL Trust requested a refund of the appeal fee and a refund of the taxes paid and interest on those taxes - is that a possibility for Assembly action. Ms. Sebens read the statute and said that it is a decision of the Assembly to direct the manager to take both actions.

<u>MOTION</u>, by Kiehl, to adopt the decision of the hearing officer in the matter of Southeast Alaska Land Trust v CBJ Assessor - OAH No. 17-0877-MUN.

Mr. Nankervis objected. He rejects the decision as improper. This shows you can have vacant land and if people go on it, it can be considered recreational and not subject to taxes. There was a no trespassing sign on one of the properties. He cited the Assessor's brief on Page 312 of the packet "that the SEAL Trust can continue receiving the community purpose exemption that the Assessor has granted every time they have applied, and that it doesn't qualify for a charitable purpose exemption."

Mr. Gregory and Mr. Edwardson stated that they had not been involved in the prior hearing and asked about recusal. Ms. Sebens said that it was a gray area, that the matter could be objected to by the parties, which were not present.

Mr. Kiehl said the hearing officer's decision is clearly laid out, refers to the first hearing and decision and the hearing officer's decision is before us today on the second appeal. He objected to Mr. Gregory and Mr. Edwardson recusing themselves from the matter.

Mr. Jones agreed with Mr. Kiehl and said the two members could read the decision in the same manner as all other Assemblymembers.

Ms. Gladziszewski agreed that the two members should participate as the issue focused on the administrative hearing officer's decision.

Mayor Koelsch said that hearing no objection, Mr. Gregory and Mr. Edwardson were required to participate in the discussion and the vote.

Ms. Weldon asked about a property that said "no trespassing" and if it was included in this matter. Ms. Sebens said yes, it was included. Mr. Kiehl said he recalled the property was marked with a "no parking" sign, not a "no trespassing" sign, and that was an issue in the first appeal, not this appeal.

Ms. Gladziszewski said the OAH officer has laid out a reasonable argument for the decision and she urged the Assemblymembers to support the decision.

Roll call:
Aye: Becker, Edwardson, Gladziszewski, Gregory, Jones, Kiehl, Weldon
Nay: Nankervis, Koelsch
Motion passed, 7 ayes, 2 nays.

MOTION, by Jones, to authorize a refund of the appeal fee. Hearing no objection, it was so ordered.

X. NEW BUSINESS

A. Export Manufacturing Property Tax Exemption

Property owners seeking a Manufacturing Property Tax Exemption must file a request with the Assessor's Office on or before January 31 of each year. The code places the authority for approving the manufacturing exemption requests with the Assembly.

For 2018, two companies have requested the tax exemption: Alaska Glacier Seafood Inc. and AKBEV Group, LLC (Alaska Brewery).

CBJ 69.10.020(10) provides for exempting qualifying manufacturing property from assessment and taxation. Qualifying property may receive a declining five-year percentage exemption from the property’s market value as follows:

100% exemption in year 1
80% exemption in year 2
60% exemption in year 3

40% exemption in year 4
20% exemption in year 5

The total property value requested for exemptions this year is $1,049.282. This would result in a tax loss of $11,222. Individual company amounts are detailed in the meeting packet materials.

The Assessor's Office reviewed the exemption applications and determined that the properties met the code requirements. The Assembly Finance Committee reviewed this issue at its April 11, 2018, meeting, and recommended forwarding the tax exemptions for 2018 to the full Assembly for approval.

The City Manager recommends approval of these exemptions.

Public Comment:

None.

Assembly Action:

MOTION, by Weldon, to approve export manufacturing property tax exemptions for 2018 filed by Alaska Glacier Seafood Inc. and AKBEV Group, LLC (Alaskan Brewery). Hearing no objection, it was so ordered.

XI. STAFF REPORTS

A. ERV 2nd/Franklin Purchase Date Extension

Mr. Watt referred to his memo and said the expiration date for the right to purchase the property was coming due May 18. They have spent time and $80,000 to develop the property to date and would like to continue their work. We can learn about the challenges for residential development in the downtown core from them. He encouraged the Assembly to extend the purchase agreement for another 12 months.

MOTION, by Gladziszewski, to extend to another 12 months and to invite ERV to speak at a future Finance Committee meeting.

Ms. Weldon objected.

MOTION, by Weldon, to amend the main motion to extend the agreement for three months, and to hear from ERV at a future meeting.

Mr. Edwardson asked if Mr. Watt has any reason for objecting to a shorter time. Mr. Watt said that given that the principle was willing to come here to speak to the Assembly and the funds they have spent, he was willing to extend to a year.

Mr. Gregory asked if there has been any other interest expressed in a lot purchase. Mr. Watt said CBJ has not solicited for interest and only a low level of interest has been heard regarding the status of the lot.

Mr. Edwardson objected.

Mayor Koelsch supported the amendment and said the developers have had significant time. Three months gives them additional time. We do want to hear from them. Others should be able to consider this property.

Roll call on the motion to amend:
Aye: Becker, Gregory, Kiehl, Weldon, Koelsch
Nay: Edwardson, Gladziszewski, Jones, Nankervis
Motion passed, 5 ayes, 4 nays.

Mr. Jones reviewed the history of the attempts by CBJ to get someone to develop the property.

Roll call on main motion as amended:
Aye: Becker, Edwardson, Gladziszewski, Gregory, Kiehl, Weldon, Koelsch
Nay: Jones, Nankervis
Motion passed, 7 ayes, 2 nays.

B. Douglas Highway Water Main Project

Mr. Watt said the reconstruction of the water main on Douglas Highway was bid some time ago, Miller Construction was the low bid, but the company has not been able to move forward, we have an agreement to end that contract. We require performance bonds and we decided to negotiate an end to the contract - they have agreed to not bid municipal work for a period of two years. We will rebid the work competitively and will experience a delay on the project, and he thought moving forward in this manner was in the city's best interest. CBJ is not claiming the performance bond in a negotiation to avoid a potentially protracted battle and their concession for non-competition was deemed sufficient. He said there were no damages, the work did not commence, so there was no partially completed infrastructure. Miller Construction did order pipe, which was in storage, and CBJ would pay for and receive the pipe.

XII. ASSEMBLY REPORTS

A. Mayor's Report

Mayor Koelsch said he will meet with the Best Starts program. Project Playground will have opportunities for public participation in work parties from August 8-12 - go to www.goprojectplayground.org to sign up. Mayor Koelsch announced the Docks and Harbors ribbon cutting events in honor of Infrastructure Week. He noted that the State Library, Archives and Museum program in Juneau was celebrating 50 years this week. He noted that the annual contracts for both the state lobbyist, Kevin Jardell, and the national lobbyist Katie Kachel of Chambers, Conlon and Hartwell, were expiring on June 30, 2018, and asked if the Assembly wished to renew.

MOTION, by Becker, to renew the lobbyist contracts for state and federal lobbyists. Hearing no objection, it was so ordered.

B. Committee Reports, Liaison Reports, Assembly Comments and Questions

Committee of the Whole: Chair Nankervis said the COW met on April 30 and heard reports from the Utility Advisory Board, the Housing Officer on the Homelessness Point in Time Count and the cold weather shelter operation, from JPD regarding recruitment and retention and discussed Ordinance 2018-04 on variances. The next meeting is set for May 21.

Mr. Nankervis said he had attended the annual plant sale, the Maritime Festival, the Police Memorial Service, the UAS Commencement and the Empty Bowls dinner.

Lands Committee: Chair Becker said the next meeting is set for May 21.

Juneau Economic Development Council: Liaison Becker said JEDC has focused work on the Maritime Festival.

Alaska Committee: Liaison Becker said the group has been discussing cameras in the capitol and their location, increasing coverage of the session. The group is making plans to promote Juneau at the Tanana and Palmer fairs.

Airport Board: Liaison Becker said discussion has focused on the remodel of the North end of the terminal, with a concern about a lack of funding, as FAA funds are not used to pay for this portion of the airport.

Travel Juneau: Liaison Becker said the next meeting was set for May 15.

Ms. Becker said she attended the same events as Mr. Nankervis and also the Downtown Improvement Group meeting with JPD.

Finance Committee: Chair Kiehl expressed his thanks to the Assembly and staff for its work on the budget, and said that the committee had finished its budget work.

UAS Campus Council: Liaison Kiehl said the next meeting was not scheduled until fall. He attended the UAS Commencement where Senator Murkowski spoke, and honorary degrees were given to former Mayor Bruce Botelho, Marie Olson and a meritorious service award to Nancy DeCherney.

Alaska Municipal League: Liaison Kiehl said he would be attending an AML Board meeting on May 21 to finalize the hire of a new executive director. He spoke about the legislative action to provide a one-time increase to community revenue sharing by $6 million.

Mr. Kiehl disclosed that his wife is becoming an occasional part-time employee of the school district. He thanked the Mayor for asking for assembly input on the lobbyist contracts. He attended the Maritime Festival, the Blessing of the Fleet, Dipac Totem Pole Raising and the Change of Command ceremony. May 20 is a celebration of Older American's Month at the Pioneer Home at 2 p.m.

Public Works and Facilities Committee: Chair Jones said the PWFC met on information items and held a special meeting on RecycleWorks, with a tour of the CMI and Waste Management properties. The next meeting on May 21 is cancelled and the meeting after that is June 11.

School Board: Liaison Jones spoke about the method used by the district with the unions to select the health plans. The Board approved the first reading of the school board meeting schedule for next year at Thunder Mountain and approved a final reading of the 2019-20 school calendar. The Board discussed the food service contract. The next meeting is set for June 12.

Downtown Business Association: Liaison Jones said Jill Maclean provided information about the "Downtown Blueprint" - an introduction to the downtown area plan by CDD. May 18 is "Bike to Work" day and there will be DBA supported activities. The next meeting is set for June 5.

Commission on Aging: Liaison Jones said the last meeting was held on April 30 and they planned the May 20 event for Older Americans Month.

Mr. Jones suggested that it may be time for the Assembly and staff to "rethink" the approach to parking. He spoke about the number of parties involved, including the Bootlegger contract, JPD enforcement on street parking, Docks and Harbors enforcement for busses and cabs and Statter Harbor, Centennial Hall staff monitoring parking, Parks and Rec staff selling garage permits, DBA ambassadors and Travel Juneau crossing guards, and it seems like a lot of money and still we hear complaints about the lack of parking. He reminded people about Auke Bay planning meetings.

Human Resources Committee: Chair Gladziszewski said the HRC met and recommended the following board appointments, and hearing no objection, the Assembly approved the appointments:

Treadwell Arena Advisory Board:
Appointment of Ryan Kauzlarich to a term expiring May 31, 2021.

Utility Advisory Board:
Reappointment of Geoff Larson to a term expiring May 31, 2021.

Bidding Review Board:
Reappointment of Stephen Sorensen to a term expiring May 31, 2021.

Juneau Human Rights Commission:
Reappointment of Britta Tonnessen to a term expiring May 31, 2021.

Parks and Recreation Advisory Committee:
Appointment of Jon Gellings to a term expiring February 28, 2020.

Ms. Gladziszewski said that HRC heard from the Sister Cities Committee and supported the following motion:

MOTION, by Gladziszewski, to commit $1600 in Assembly Advisory Board Budgeted funds for use in sending a representative from Juneau to the RAPP (Russian American Pacific Partnership) meeting in Anchorage July 25-26. with the Sister City Committee, JEDC and the City Manager to determine the best representative. In addition, to have the Mayor send an official letter of invitation to the event to Vladivostok. Hearing no objection, it was so ordered.

Bartlett Hospital Board: Liaison Gladziszewski said the Board received open meetings and conflict of interest training from the City Attorney on April 24. They have moved the meetings to 5:15 p.m. on the last Tuesday of the month. The board reviewed a tentative agreement with the union and received good news about patient satisfaction.

Affordable Housing Commission: Liaison Gladziszewski said the next meeting was set for June 19.

Ms. Gladziszewski said she had been travelling and was happy to be back to cool weather. She spoke enthusiastically about the progress on installation of the amenities at Whale Park and the Seawalk, and the plumbing of the whale statue.

The June 4 meeting of the Human Resource Committee is cancelled. The next meetings are set for June 25 and on June 27 at 5:30 p.m. there will be a full Assembly as HRC meeting to interview candidates for the Airport, Docks and Harbors and Eaglecrest Boards.

Aquatics Board: Liaison Weldon said the next meeting was set for May 22.

Planning Commission: Liaison Weldon said the next meeting was set for May 22.

Ms. Weldon congratulated the hockey teams and JDHS and TMHS for their successful proms.

Ms. Weldon confirmed there was no objection from the Assembly regarding her request that the attorney investigate a special revenue fund for the JDHS lease of the UAS Shop facility.

Parks & Recreation Advisory Committee: Liaison Gregory said PRAC met to discuss work with the Rotary Club about the Lemon Creek Trail, and that information on a land trade on the southern Mendenhall Peninsula with CBJ Parks will be forthcoming.

Eaglecrest Board: Liaison Gregory said the next meeting was set for June 7.

Local Emergency Advisory Committee: Liaison Edwardson said the committee met on May 9, and the next meeting was set for June 13.

Docks and Harbors Board: Liaison Edwardson said the committee met on April 26 and reviewed the duties of board members and listed desirable skills of board members.

Mr. Edwardson said he attended the Maritime Festival, Empty Bowls, UAS Graduation, the Native Graduation, and he encouraged the Assembly to attend Celebration June 6-9. He said that the Philipino Governor of Cebu will be in town during the week of June 17.

C. Presiding Officer Reports

None.

XIII. CONTINUATION OF PUBLIC PARTICIPATION ON NON-AGENDA ITEMS

None.

XIV. EXECUTIVE SESSION

A. Litigation Update: CLIA v. CBJ

MOTION, by Nankervis, to enter into executive session to discuss pending litigation, specifically the CLIAA lawsuit. Hearing no objection, the Assembly entered into executive session at 9:55 p.m. and returned to regular session at 10:10 p.m. Upon returning to regular session, Mr. Nankervis said the Assembly received an update on the CLIAA lawsuit and provided direction to the attorney.

XV. ADJOURNMENT

There being no further business to come before the Assembly, the meeting adjourned at 10:13 p.m.

Signed:______________________ Signed:_________________________

Laurie Sica, Municipal Clerk Kendell D. Koelsch, Mayor