THE CITY AND BOROUGH OF JUNEAU, ALASKA

Meeting Minutes - March 6, 2017

Meeting No. 2017-05: 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 7:00p.m. by Mayor Ken Koelsch.

I. ROLL CALL

Assembly Present: Mayor Koelsch, Deputy Mayor Jerry Nankervis, Mary Becker, Jesse Kiehl, Debbie White, Loren Jones, Norton Gregory, and Beth Weldon (telephonic)

Assembly Absent: Maria Gladziszewski

Staff Present: City Manager Rorie Watt, Municipal Attorney Amy Mead, Deputy Clerk Beth McEwen, Finance Director Bob Bartholomew, Community Development Director Rob Steedle, Port Director Carl Uchytil, Parks and Recreation (P&R) Director Kirk Duncan, P&R Facilities & Landscape Superintendent Brent Fischer

II. SPECIAL ORDER OF BUSINESS

None.

III. APPROVAL OF MINUTES

A. February 13, 2017 Regular Assembly Meeting 2017-04

MOTION *by Ms. Becker to approve the minutes of the February 13, 2017 Regular Assembly Meeting.* Hearing no objection, the minutes were approved by unanimous consent.

IV. MANAGER'S REQUEST FOR AGENDA CHANGES

City Manager Rorie Watt requested that Bid Award ***BE17-165 Aspen Avenue Pavement & Drainage Improvements*** be removed from the agenda to be rescheduled on a future agenda.

V. PUBLIC PARTICIPATION ON NON-AGENDA ITEMS

Mr. Dennis Harris stated that he testified at the State House Finance Committee against House Bill 132 relating to UBER and transportation. He said he thought it would be very helpful to protect the city's interests and to protect local businesses if the Assembly were to pass a resolution opposing the bill unless they include an option for cities to opt out.

Mr. Harris also stated that another item concerning sales tax exemptions was a bill introduced by Rep. Sam Kito III. His father, Sam Kito Sr. is a lobbyist and Mr. Harris discussed it with them. Mr. Kito Sr. stated that he wouldn't mind paying sales tax as he would just pass those expenses on to their client. Mr. Harris suggested the Assembly remove the lobbyist exemption from the sales tax code.

VI. CONSENT AGENDA

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

B. Assembly Requests for Consent Agenda Changes

None.

C. Assembly Action

MOTION *by Mr. Nankervis to adopt the Consent Agenda with the removal of item 2, which is the bid award BE17-165, and asked for unanimous consent.* Hearing no objection, the consent agenda was adopted as amended.

1. Ordinances for Introduction

   a. Ordinance 2016-09(AG) An Ordinance Appropriating to the Manager the Sum of $100,000 as Funding for the Manager's Office Operating Budget; Funding Provided by the Sales Tax Fund's Fund Balance.

   This ordinance would appropriate $100,000 of Unrestricted Sales Tax from the Sales Tax Fund's Fund Balance in FY17.

   The CBJ strongly supports and welcomes cruise ship tourism, and will continue to work cooperatively with the industry to address impacts caused by the visitation of approximately one million visitors to the CBJ per year. At the same time, the CBJ must defend its marine passenger and port development fees against the constitutional challenges raised by the industry in the litigation brought by the Cruise Lines International Association (CLIA).

   These funds would be appropriated in FY17 as a reserve to be used by the City Attorney at the direction of the Assembly to defend the ongoing litigation by CLIA.

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

   b. Ordinance 2016-09(AH) An Ordinance Appropriating to the Manager the Sum of $309,578 as Funding for the Juneau International Airport Part 121 Ramp Capital Improvement Project; Funding Provided by Passenger Facility Charges.

   This ordinance would appropriate $309,578 to the Juneau International Airport Part 121 Ramp capital improvement project (CIP). Funding is provided as follows:

Passenger Facility Charges (PFC):	$309,578

   The funding will be used with existing PFC funding to construct an Air Cargo Hardstand, and a concrete slab at Gate 5.

   The Airport Board is expected to approve this action at its March 14, 2017, meeting.

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

   c. Ordinance 2016-09(AI) An Ordinance Appropriating to the Manager the Sum of $15,000 as Funding for the Jensen-Olson Arboretum Parking & Conservatory Capital Improvement Project; Funding Provided by the Jensen-Olson Arboretum Fund's Fund Balance.

   This ordinance would appropriate $15,000 to Jensen-Olson Arboretum Parking & Conservatory CIP, for parking lot improvements.

Funding is provided from the Jensen-Olson Arboretum fund's fund balance.
The Public Works and Facilities Committee forwarded this recommendation to the Assembly for approval at its meeting on February 27, 2017.

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

d. Ordinance - 2016-09(AJ) An Ordinance Appropriating to the Manager the Sum of $127,000 as Funding for the Jensen-Olson Arboretum Residence Deferred Maintenance Capital Improvement Project; Funding Provided by the Jensen-Olson Arboretum Fund's Fund Balance.

This ordinance would appropriate $127,000 to Jensen-Olson Arboretum Residence Deferred Maintenance CIP, for Arboretum Manager home repairs.

Funding is provided from the Jensen-Olson Arboretum fund's fund balance.

The Public Works and Facilities Committee forwarded this recommendation to the Assembly for approval at its meeting on February 27, 2017.

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

2. Bid Award

a. BE17-165 Aspen Avenue Pavement & Drainage Improvements

This project consists of reconstruction of Aspen Avenue and Pinewood Drive, including pavement and drainage improvements and miscellaneous items of work.

Bids were opened on the subject project on March 2, 2017. Results of the bid opening are as follows:

Bidders	Base Bid	Additive Alternate No. 1	Total Bid
Pacific Coast Paving	$ 827,051.91	$592,102.74	$1,419,154.65
SECON	$ 826,333.00	$603,967.00	$1,430,300.00
Arete Construction Corp	$ 945,675.00	$653,214.00	$1,598,889.00
Glacier State Contractors	$1,117,258.00	$804,251.00	$1,797,051.00
Admiralty Construction	$1,061,183.00	$735,868.00	$1,921,509.00
Engineer's Estimate	*$ 913,140.00*	*$656,194.00*	*$1,569,334.00*

The City Manager recommends award of this project to Pacific Coast Paving for the base bid and additive alternate No. 1 in the amount of $1,419,154.65.

With the approval of the Assembly, this bid award was removed from the agenda at Mr. Watt's request.

3. Liquor License

a. Liquor License Renewals 2017/2018

The following 2017/2018 Liquor License Renewals are before the Assembly for action:

Beverage Dispensary - Seasonal License #3720 Goldbelt Aerial Tramway, LLC

d/b/a Timberline Bar & Grill, 1800 Foot level - Mt. Roberts Tram, S. Franklin, Juneau
Beverage Dispensary License #2533 Jack D. & Arlene D. Tripp d/b/a Viking Restaurant & Lounge, 216 Front Street, Juneau
Beverage Dispensary License #2728 Molly Ventures, Inc. d/b/a McGivney's Bar & Grill, 9101 Mendenhall Mall Road, Juneau

Club License #4034 Juneau Moose Lodge #700 d/b/a Loyal Order of Moose, 8335 Airport Blvd., Juneau

Package Store License #3552 Costco Wholesale Corp. d/b/a Costco Wholesale #107, 5225 Commercial Way, Juneau

Restaurant Eating Place License #2641 Saffron, LLC d/b/a Saffron, 112 N. Franklin Street, Juneau.

Staff from the Finance, Fire, Public Works/Utilities, Police, and Community Development departments have reviewed the above list of renewals and recommend the Assembly waive its right to protest these renewals.

The City Manager recommends the Assembly waive its right to protest the above-listed liquor license renewals for the 2017/2018 renewal period.

4. Other Items for consent

a. Retail Marijuana Store License - Green Elephant LLC, License No. 10844

The Alcohol Marijuana Control Office (AMCO) sends local governing bodies notice of Marijuana License applications which allows local governing bodies the opportunity to protest or waive its right to protest the issuance or renewal of these licenses. CBJ received notice of a State of Alaska Retail Marijuana Store License #10844 from Green Elephant, LLC to be located at 101 Mill Street, Suite B, Juneau, AK 99801 on January 17, 2017.

CBJ staff from the Police, Fire, Finance, and Community Development departments reviewed this application for compliance with CBJ laws and regulations and recommend the Assembly waive its right to protest the issuance of this license. As to CDD's recommendation, although Green Elephant, LLC does not yet have a local license CDD recommends allowing the applicants to move forward to obtain the state license. The applicant will not be allowed to operate in the borough until the license is issued.

Due to the large quantity of documents associated with each marijuana license, your paper packets have been limited to the following documents:

- January 17, 2017 AMCO Notice to Local Governing Body
- State of Alaska Alcohol & Marijuana Control Office – Initiating License Application #10844 online form
- Form MJ-01: Marijuana Establishment Operating Plan
- Form MJ-02: Premises Diagram
- Form MJ-03: Retail Supplemental
- CBJ Planning Commission Conditional Use Permit USE2016-0028 Notice of Decision

The full set of documents is available to Assemblymembers electronically using the NOVUS BoardView portal in your online packets. Original paper copies of all the documents relating to this license are available for public review in the office of the Municipal Clerk during regular business hours.

The City Manager recommends the Assembly waive its right to protest the issuance of this Retail Marijuana Store License #10844 to Green Elephant, LLC.

VII. PUBLIC HEARING

A. Ordinance 2016-46 An Ordinance Amending the Land Use Code Relating to Parking Waivers.

This ordinance would amend CBJ Title 49, the Land Use Code, to provide for reductions in parking requirements by means of a new waiver process. A waiver allowing a particular use at a particular location could be granted by the Planning Commission (in the case of major development) or the Director (in the case of minor development) upon finding that it would benefit the community as a whole and the proposed use is located outside of the downtown special parking districts.

On January 24, 2017, the Planning Commission considered the ordinance and recommended it be forwarded to the Assembly for its consideration.

The City Manager recommends this ordinance be adopted.

Public Comment: None.

Assembly Action:

MOTION *by Mr. Gregory to adopt Ordinance 2016-46 and asked for unanimous consent.*

Mr. Jones noted an objection. He said he did not see anything in the ordinance defining minor vs. major development and asked if there was already a definition in code.

Ms. Mead explained that there is already a definition of minor vs. major development in the same chapter as the Table of Permissible Uses. She explained that the definition is based on the size of the property in question as set out in 49.25.300 and is not based on the assessed dollar amount.

Additional discussion took place with Mr. Steedle explaining the processes under Title 49 and how that relates to the decisions made by the CDD Director vs. those that come before the Planning Commission. Additional questions were also answered relating to the appeal process. Ms. Mead explained a recent Supreme Court ruling on appeals. She explained that not all decisions by the Director are appealable. She explained that the decision to grant or not grant a permit is appealable but what is not appealable is whether a development would be considered minor or major since that is a factual matter based on size and zoning.

Discussion took place regarding how a decision is made relating to the language on page 5 of the ordinance stating that *"the granting of the waiver would result in more benefits than detriments to the community as a whole as identified by the comprehensive plan."* Mr. Steedle explained that determining whether or not a proposed development comports with the comp plan requires a great deal of judgment in looking at the proposal in front of them and weighing that against a great understanding of the comp plan. He said that is what the Planning Commission does at each of its hearings.

Mr. Jones stated that he will maintain his objection.

Roll Call on adoption of Ordinance 2016-46:
Ayes: Becker, Gregory, Kiehl, Nankervis, Weldon, White, Koelsch
Nay: Jones
Motion passed. 7 ayes, 1 nay.

B. Ordinance 2017-02 An Ordinance Amending the City and Borough of Juneau Code Relating to Licenses to Use Certain Rights of Way for the Selling of Food and Beverages and Related Uses.

The CBJ has received requests to use portions of right-of-way for outside seating associated with adjacent restaurants. As written, existing code sections do not explicitly anticipate this type of use. Use of these relatively small portions of land could enhance commercial activity, enliven our public spaces and generate revenue for CBJ. Commercial use of unneeded sections of ROW would be appropriate, provided that the conditions outlined in the attached ordinance are met.

The Lands and Resources Committee considered this issue at its December 12, 2016, meeting and unanimously asked staff to draft an ordinance to forward to the Assembly.

The City Manager recommends this ordinance be adopted.

Public Comment: None.

Assembly Action:

MOTION by Ms. White to adopt Ordinance 2017-02 and asked for unanimous consent.

Mr. Kiehl said this came before the Lands Committee and he was interested in finding out what the status was on the Docks and Harbors (D&H) Board's development of the tidelands and deck-over project in the downtown area.

Port Director Uchytil explained that the D&H Board was currently working on finishing up the work on the land use master plan from Norway Point to Bridge Park. The next plan to be worked on is what they are calling "The Urban Plan" which covers the area from the Taku Fisheries dock to Marine Park. They anticipate that project beginning in April and ending sometime in November with the hope of the work happening through the busy cruise ship season so the public will have a chance to see the impacts and provide input during the busy season. He said this matter of ROW permits may or may not be included in the economics of The Urban Plan.

Discussion took place regarding the valuation of the ROW permits under this ordinance and how the Fair Market Value (FMV) is part of that equation. Ms. Mead explained that it falls under the current code provisions relating to the appraisal values and any adjustments as determined by the assessor. Mr. Watt explained that another factor taken into consideration is the duration of the permit and adjustments that may be made depending on the seasonality factors.

Ms. Weldon expressed concern with the requirement for a general liability policy at the $1,000.000.00 level. Staff explained that is the same as the requirement for sidewalk vending permits and was the reason for being included in this ordinance.

Mr. Kiehl expressed his concerns with Mr. Uchytil’s comments that this may or may not have an economic impact on The Urban Plan and he would like to revisit this issue once The Urban Plan is in place.

<u>MOTION</u> by Mr. Kiehl to amend the ordinance by adding a sunset date of December 31, 2018 to Ordinance 2017-02.

Ms. White noted objection to the amendment. Ms. White stated that the permits already expire as of December 31 of each year so with that automatic sunset on each permit, if there is concern with a particular permit, the renewal may not be granted.

<u>Roll Call Vote on the Amendment</u>
Ayes: Weldon, Kiehl, Jones, Gregory, and Koelsch
Nays: White, Nankervis, and Becker
The amendment passed 5 ayes and 3 nays.

Mr. Jones said he read the ordinance a number of times but could not find the answer to a question he had about whether a permit applicant would be granted a permit if it was for the ROW in front of another business' storefront. The Mayor called for a 5 minute recess (ending at 7:34p.m.) for the staff to come up with a response to Mr. Jones' inquiry.

Ms. Mead explained that there are two conditions based on current code and the language in the proposed ordinance. They are, 1) one business may not block a second business' right of way without first getting permission to do so by the second business, and 2) the proposed ordinance contains language with respect to priority being given to the previous year's permit holder.

Mr. Jones also asked about the language in the ordinance that pertains to process relating to the revocation of a permit by the manager. Ms. Mead explained that this is the same process that is carried out with respect to sidewalk vending permits and the only difference in this case would be that instead of the manager designating a hearing officer, this is done by the manager and it is appealable to the Assembly.

There being no further questions and no objection, Ordinance 2017-02 as amended passed by unanimous consent.

C. Ordinance 2017-03 An Ordinance Amending the Uniform Sales Tax Code to Establish a Tax Exemption for the Sale of Goods Aboard Cruise Ships.

The City and Borough of Juneau levies a sales tax for goods and services. Although called for under the tax code, the CBJ historically has not required cruise lines to collect sales tax from its passengers for sales made aboard the ship when the ship is within CBJ boundaries. In April 2016, the Cruise Line International Association (CLIA) sought a sales tax determination on the applicability of CBJ's sales tax code. CBJ's sales tax administrator determined in October 2016 that sales onboard cruise ships are subject to CBJ's sales tax code. Based on this final position the current informal arrangement needs to be adopted in code as a tax exemption or we need to begin requiring the collection and payment of sales tax.

The CBJ sales tax office estimates that between $50,000 and $100,000 could be collected in total, per season from sales aboard cruise ships. CBJ currently receives about $8 million in sales tax from cruise passengers who get off the ships and make purchases of goods, services and tours. CBJ also collects about $12.5 million a year in fee revenue from local and state passenger fee programs.

The Finance Committee discussed this issue at its March 2016 and January 2017 meetings. At the January meeting staff was directed to prepare an ordinance, for assembly consideration, to exempt onboard sales.

The City Manager recommends this ordinance be adopted.

<u>Public Comment:</u>
Mr. Guy Archibald spoke in opposition to the ordinance. He provided financial data pointing out that the approximate sales tax raised per passenger of 10 cents is not going to change anyone's travel plans but at $100,000 raised overall, this may be less of a tax burden to the public in general. He also stated that in this day and age of technology, it would not be that much of an additional burden for the cruise ship lines to calculate, track and collect the sales taxes and remit them to the city.

Mr. Mike Satre spoke in favor of the ordinance. He said this is a common sense solution and these taxes were not collected previously so there is no loss of funds. The cruise ships may not necessarily go away if they are required to remit the sales tax but it will look like Juneau is unfriendly to business and he said that the Assembly should be doing everything in its power to show that Juneau is open and business friendly.

Mr. Dennis Harris spoke in opposition to the ordinance. He said he and every other business in town collect sales tax on every sale or service provided and that it is not equitable for the cruise ships not to collect that same tax for sales while in port. He said at the rate of $100,000 per year, that would be 1 million dollars loss of revenue over 10 years. He disagreed with the argument that cruise ships would leave port earlier as a result of this and that they collect much more in commissions which they would lose if they were to leave earlier than the present schedule.

Ms. Susan Schrader spoke in opposition to the ordinance. She said she submitted comments in writing to all the Assemblymembers. She said the Disney cruise line has figured out how to track and remit sales tax and it would not be an undue burden for the other cruise ships to do so as well. This is the opportunity for the Assembly to put citizens before the cruise industry.

Mr. Craig Dahl, Executive Director of the Juneau Chamber of Commerce (JCC) stated that he submitted a letter on behalf of the Chamber. He compared tax incentives with other companies such as Intel to this being a tax incentive for the cruise ship lines. He stated that JCC supports tax policies that support business friendly environments and encouraged the Assembly to vote in favor of this exemption and let the cruise ship industry know that we support them as a community.

Mr. Bob Janes spoke in favor of the ordinance citing that this industry brings in $16,000,000-$20,000,000 annually to our community and this issue is a chance for us to cooperate with the cruise lines that bring so much economic attraction to Juneau every year.

Mr. Dennis Watson spoke in favor of the ordinance. He spoke to the difficulties Allen Marine had experienced when they were charging sales tax on those portions of their sightseeing trips that took place within the borough. He mentioned that he didn't remember ever paying sales tax during his trips on the AMHS as they cruise through Borough waters. He also mentioned that the cruise ships already pay sales taxes on their utility bills through Docks & Harbors for use of city water and sewer services.

Assembly Action:

***MOTION* by Mr. Jones to adopt Ordinance 2017-03.**

Objection by Mr. Kiehl.

Mr. Kiehl spoke to his objection with the key reasons being fairness to all businesses, the fact that Juneau has a legal basis for charging the tax, and the cruise industry representative Mr. Binkley stated to the state legislature the previous year that the local community should have the ability to charge sales taxes on tourists. Mr. Kiehl stated that he objected to carving out another exemption for a business that is not in need of a new found exemption.

Discussion took place regarding the process and the history of how this exemption came about. Mr. Nankervis noted that this topic was part of the discussion of the Tax Exemption Review Committee as well as discussions of past Assembly Finance Committee meetings. He compared it to the manufacturing and business personal property exemptions. Ms. Mead explained the timeline for this matter and that when the Sales Tax Administrator issued his determination, his decision was not appealed by the industry or businesses and as such, if the Assembly wished to implement this exemption, it would have to be included within the CBJ code.

Additional discussion took place with Ms. White, Mr. Gregory, and Mayor Koelsch speaking in favor of the ordinance.

Roll Call Vote on the adoption of Ordinance 2017-03:
Ayes: Weldon, White, Nankervis, Becker, Jones, Gregory, and Koelsch
Nays: Kiehl
The motion passed 7 ayes and 1 nay.

D. Ordinance 2016-09(AE) An Ordinance Appropriating to the Manager the Sum of $10,000,000 as Funding for CBJ Biosolids Treatment and Disposal Project; Loan Funding Provided by the State of Alaska Department of Environmental Conservation, Alaska Clean Water Fund State Revolving Fund.

   This appropriating ordinance provides $10 million for the Biosolids Treatment and Disposal Project.

   The terms of the low interest loans under the Alaska Revolving Loan Fund programs are 20-year repayment at a 1.5-percent interest rate. The project loans will be re-paid with Waste Water Utility customer revenues.

   The Public Works and Facilities Committee heard this issue and reviewed project timelines at its January 30, 2017, meeting, and forwarded this ordinance to the full Assembly for approval.

   The City Manager recommends this ordinance be adopted.

Public Comment: None.

Assembly Action:

***MOTION* by Mr. Kiehl to adopt Ordinance 2016-09(AE) and asked for unanimous consent.**

Objection by Ms. White. Ms. White said in speaking to her objection, she agrees to disagree with the

City Manager on this subject.

Roll Call Vote on the adoption of Ordinance 2016-09(AE):
Ayes: Weldon, Kiehl, Nankervis, Becker, Jones, Gregory, and Koelsch
Nays: White
The motion passed 7 ayes and 1 nay.

E. Ordinance 2016-09(AF) An Ordinance Appropriating to the Manager the Sum of $250,000 as Funding for the Teacher Excellence Fund, a University of Alaska Southeast School of Education Endowment Through the Juneau Community Foundation; Funding Provided by the City and Borough of Juneau's Fund Balance.

As a part of the University of Alaska's Strategic Pathways process a preliminary decision was made to consolidate program leadership and administration of all education schools at the University of Fairbanks campus. The UAS School of Education has a track record of excellence in preparing educators and many in the community believed that removing the program from UAS would undermine the school's standing in the UA system as a credible four year university. A strong University adds to the diversity, quality of life, and economic viability of our community.

During the consideration phase, the City Manager, with the knowledge of the Assembly, committed to helping to fund a $1 million endowment for the School of Education to be available to the University in support of the School of Education as long as that degree program remains centered at UAS.

At the December 14, 2016, Board of Regents meeting, after considering testimony from many informed individuals about the quality and success of the UAS program and understanding the degree to which the community supports having the program remain in Juneau, UA President Johnsen changed his position and recommended to the Board of Regents that the UA School of Education be centered at UAS. The Board of Regents voted unanimously to do so.

Proceeds of the Endowment Fund will be used to further the UAS School of Education mission of creating innovative, Alaskan grown educators to help improve the quality of K-12 education within the State of Alaska. A committee has been formed that is working on fundraising strategies for the endowment fund. Participants on this committee include representatives from public, private, and non-profit agencies in the community.

This ordinance would provide $250,000 of initial funding to the Teacher Excellence fund during FY2017. The Assembly Finance Committee discussed this issue at its January 11, 2017, meeting. The AFC directed that an ordinance allocating funds for this purpose be introduced and set for public hearing.

The City Manager recommends this ordinance be adopted.

Public Comment: None.

Assembly Action:

MOTION by Ms. Becker to adopt Ordinance 2016-09(AF) and asked for unanimous consent.

Mr. Jones objected to the motion for purposes of amendment.

MOTION ***by Mr. Jones to Amend Ordinance 2016-09(AF) to change the amount of $250,000 to $500,000.***

Speaking to his amendment, Mr. Jones stated that he thinks this body, through the City Manager, and other statements that have been made by the Assembly, has committed to $1 million and to basically only come up with 25% of that with a statement from the Manager that a committee has been formed to work on fundraising strategies, is not the Assembly's commitment. He said he feels the Assembly's commitment to the University is much greater than that and they need to have more skin in the game to honor the commitment and the University has made its commitment based on the Assembly's commitment.

Mr. Kiehl objected to the amendment. He stated that the discussion at the AFC and the instruction to staff was to bring this ordinance forward as the first installment of their commitment and that the second installment of the Assembly's commitment would be included in the next fiscal year budget. He said that the next meeting of the fundraising committee is scheduled for the following day and they are proceeding and he has no doubt that CBJ will spearhead this endowment and come up with the full amount committed. He said that their efforts to raise as much of that as they are able will take a bit of time but it will also take some time for the University to unify the three schools of education.

Mr. Nankervis said he also objects to the amendment not for philosophical reasons on whether or not to give the university the $1 million but rather based on the process in which this has all happened. He said he hopes he is the minority but that he still has to object to the process in which this has come about.

Roll Call Vote on the amendment to Ordinance 2016-09(AF) to change the $250,000 to $500,000.
Ayes: Jones
Nays: White, Weldon, Kiehl, Nankervis, Becker, Gregory, and Koelsch
The motion to amend failed 1 aye and 7 nays.

Mayor Koelsch asked for any objection to the adoption of Ordinance 2016-09(AF). Mr. Nankervis said he maintains his objection as previously stated.

Roll Call Vote on the motion to adopt Ordinance 2016-09(AF):
Ayes: White, Weldon, Kiehl, Becker, Gregory, and Koelsch
Nays: Jones and Nankervis
The motion to adopt Ordinance 2016-09(AF) passed 6 ayes and 2 nays.

VIII. UNFINISHED BUSINESS

None.

IX. NEW BUSINESS

None.

X. STAFF REPORTS

A. Foreclosed Property - 15860 Glacier Highway

Mr. Watt said they have been in contact with the previous property owner and tried to meet several times to discuss this but they have been unsuccessful in setting up a meeting. He said that by the next Assembly meeting, he hopes to have additional information to provide regarding this matter as well as being able to provide the Assembly with a list of possible public uses for the property as previously requested by the Assembly.

B. Auke Bay Marine Station Update

Mr. Watt said that he and Mr. Uchytil have had several meetings with staff from the University of Alaska regarding this issue. They have also had quite a bit of correspondence with the Federal GSA regarding the disposal of that property. He said he thinks it needs finer grained work by the Assembly as there are some sticky issues. He said that he thinks both the University and Docks and Harbors have reasonable positions but fundamentally their purposes are not necessarily aligned. He discussed this with Mr. Nankervis and they intend to bring it before the Assembly Committee of the Whole for more work on the meeting to be held Monday, March 13.

C. Lien Legislation

Ms. Mead said that this issue is something that a group of municipal attorneys have been working on that is being brought before each of their respective governing bodies. This relates to a Supreme Court case from 2012 in which Kotzebue was charging for garbage services as a municipality and it had on its books a provision that provided a lien mechanism for unpaid garbage fees. She said that was challenged and the Supreme Court issued a decision at the end of 2012 that said that municipalities had no authority to provide in their code for the establishment of a lien without statutory authority to do so. She said that has caused some issues for example the CBJ has on its books a provision providing for a creation of a lien for the non-payment of utilities. That was in effect repealed by the Supreme Court case. It was also the reason why we are now litigating the demolition of the Gastineau apartments building. That was a lien that we provided for in our code that we will now have to go through to get a court order in order to enforce.

Ms. Mead stated that the lien legislation that is being proposed would provide for the creation of liens by municipal ordinance. She is bringing this forward to the Assembly as she would like to bring a draft resolution forward for review at the next Assembly meeting.

There being no discussion and no objection, Ms. Mead will bring that resolution forward to the next Assembly meeting.

XI. ASSEMBLY REPORTS

A. Mayor's Report

Mayor Koelsch thanked Mr. Nankervis for attending to mayoral duties while he was away on travel status. He also informed them that he would be attending the "Mayor's Institute on City Design - A Case Study" March 22 - 24, in Charleston, SC.

B. Committee and Liaison Reports

Committee of the Whole: Chair Nankervis said the COW held a joint meeting with the Eaglecrest and School boards on February 27 and following those joint meetings, they briefly discussed SB14 which is related to the regulation of Transportation Network Companies (TNC). The committee will hold two upcoming meetings. March 13 they will discuss the Shared Access Ordinance and the Auke Bay Marine Station; it is likely the Pederson Hill and the Housing Data update issues will not yet be ready for the March 13 meeting. On March 20 they will hold a joint meeting with the Bartlett Regional Hospital Board to discuss their financial report and an update on the CAMHU project. Following the joint session with BRH, the COW will also discuss the City Manager's Wellness Strategy, receive a presentation on RecycleWorks and discuss a possible Essential Public Facility ordinance.

Public Works and Facilities Committee: Chair Becker said that at the last PWFC meeting they discussed two of the items that were on this Assembly agenda. They discussed the draft CIP list and voted to move that on to the Finance Committee. They received information about the wastewater biosolids and a road that is being suggested to go to the hospital as an emergency access road.

Joint Assembly - School Board Facilities Committee: Chair Becker said that their consultants from Jensen, Yorba, Lott came up and they are looking at facility adequacy, what is missing in our educational programs, and looking at the budget. One of the big projects they are looking at is what can be done to maximize capacity. She said that some of their recommendations are likely to be questioned by the committee because they want to move people out of the schools in order to make everything only educational classrooms. Right now some of the schools have space being used for things such as a finance department mainly because there is currently open space in the schools for that and not enough space in the district office building. She said they are strictly looking at using all the space and looking at enrollment figures and not necessarily looking at the amount of space each student needs to have and the rest of support type rooms. She said that she personally thinks they may not be on the right trail on that topic but they are just beginning that process.

Docks and Harbors Board: Liaison Becker said that the Assembly heard quite a bit regarding the Auke Bay Marine Station issue. She said there was a long discussion during two meetings about using part of the right of way on the docks and it was agreed that a one year trial would probably be OK but it seems like the Assembly has now made a change to that at this meeting. She said the board is doing quite a bit of work regarding assessment of fees. They are talking about the planning process for the different projects to Norway Point as well as the Urban Project that is being planned in the future. The next regular Docks & Harbors Board meeting will be April 1 and it will be in the form of a retreat from 9am-3pm.

Juneau Chamber of Commerce: Liaison Becker said that two of the programs of particular interest to the Assembly was when the President of the University system, Jim Johnsen, came and spoke and then last week when Kevin Ritchie, Joy Bloom, and Bruce Denton came and spoke about Best Starts and how they are going to want money from the city to start preschool up to age 4 for prekindergarten education.

Finance Committee: Chair Kiehl said the Finance Committee will be meeting on Wednesday, March 8 and everyone was given a paper packet at this meeting and the electronic version is available online.

UAS Campus Council: Liaison Kiehl said that the council met earlier that day and one of the primary topics was the work that is beginning to unify the schools of education leadership at the University of Alaska Southeast. There is a great amount of work out there before it goes to the Northwest Commission on Accreditation. Sometime next spring, they will be looking for a new dean for the unified school. There was significant discussion regarding the budget cuts that the state has made over the past few years and the number of positions lost across UAS and concern about pending budget cuts this year. He said that in spite of those cuts, the university system continues to work on marketing to attract as many enrollees as possible. There has been significant work done on what they are calling the "Come Home Alaska" program which is targetting anyone with Alaska relatives to come and pay instate tuition. The other program they are marketing is the "Finish Alaska" program which is trying to encourage Alaskans who have some college credit or some certificate work to complete it. He said they also heard a report from UAS' Title 9 coordinator who recently, in the wake of the US Dept. of Education civil rights investigation, has gone from half time to full time. There has been a lot of training with faculty and staff as well as joint partners such as JPD to provide resources for students and they are seeing a lot of excellent results in terms of students and some employees who now feel like there is someone who will hear complaints.

Alaska Municipal League: Liaison Kiehl said AML has been consumed with the legislative session. With respect to the TNC bill, AML has been working hard on protecting local options and local control with that. There are a number of other issues. He said that the proposed lobbyist tax bill that was mentioned earlier in this meeting, would help fund the Alaska Public Offices Commission which has had its budget dramatically cut in the last year. He said that bill also included filing fees for candidates and filing fees for Public Official Financial Disclosure Forms that would reach down into municipalities of more than 15,000 for both elected officials as well as Planning Commissioners which is of some concern to him. That is another bill that AML is weighing in on.

Human Resources Committee: Chair Jones reported that the HRC met prior to the Assembly meeting and received the annual reports from the Jensen-Olson Arboretum Advisory Board, the Parks and Recreation Advisory Committee, and the Wetlands Review Board, copies of which are in the HRC packet. There were some vacancies to fill and the HRC recommended appointments, which, hearing no objection, the Assembly approved as follows:

Jensen-Olson Arboretum Advisory Board (JOAAB) - there were three seats open but only two applicants. The Assembly reappointed Kim Garnero and Nell McConahey to the JOAAB for terms expiring January 31, 2020.

Parks and Recreation Advisory Committee (PRAC) - There were four applicants for three open seats on the PRAC. Christopher Mertl and Josh Anderson were reappointed and George Schaaf was appointed to terms expiring February 28, 2020.

Personnel Board - there were two Labor representative seats to be filled. The only two applicants were incumbents Cindy Spanyers and Rodney Hesson and the Central Council sent a letter in support of their reappointments. The Assembly reappointed Cindy Spanyers and Rodney Hesson to the Labor seats on the Personnel Board to terms expiring January 31, 2020.

Chair Jones stated that the HRC was going to review the resolution regarding the possible dissolution of the Fisheries Development Committee (FDC) but the discussions between the FDC and the Docks and Harbors Board have not moved very far so that agenda topic was being postponed.

Chair Jones stated that they received a staff report on the rewrite of Title 4 which are the Alcohol Control statutes and the progress that is making at the legislature. He stated that at the last COW meeting, Mr. Jones had agreed to meet with the Eaglecrest Board to discuss some of the issues related to alcohol sales but he was unable to attend the Eaglecrest Board's meeting due to illness so he will be trying to work on that with its Chair.

Downtown Business Association (DBA): Liaison Jones said they had not met since the last Assembly meeting. They will be meeting the next morning at 8:30a.m. and Mr. Jones will be on a flight heading to Anchorage for a Marijuana Control Board meeting at that time so he encouraged anyone else wishing to attend, to do so.

Airport Board: Liaison Jones said that the Airport Board did meet and introduced some people with **Life Med** which is a new air ambulance service that will start in May and will give us three companies in Juneau. He said he asked some questions regarding capacity and there have been some times when both the current medivac planes have been out and a third one was needed. Mr. Jones said the board is also working on some signage out at the airport which is one of the pieces still to be done from the remodel project. He said that the aircraft rescue/firefighter/snow removal building is moving along but was held up due to the weather. He said the board's next meeting is on April 14 and he plans on calling in to listen.

Aquatics Board: Liaison White said the board is continuing to work on marketing and outreach, working on their budget as well as looking for cost saving measures and looking for effeciencies.

Lands Committee: Chair White said that they have had some interesting things going on. She talked about some work the committee is doing with respect to the Aurora Arms Condos on Norway Point for a land/access road exchange to provide access to CBJ property and also open up the units at Aurora Arms from being a non-conforming use to a conforming use property. The Lands Committee has been doing a lot of work with respect to Pederson Hill. At the last meeting, they also discussed a drainage easement with Johnson Youth Center/Sleepy Spruce.

Planning Commisson: Liaison White said that the meeting that had been scheduled for March 14 was cancelled. She stated that there will be another meeting March 28. She said the topics on the last meeting were primarily related to Pederson Hill and the RecycleWorks presentation that they will be receiving at the Assembly COW meeting.

Travel Juneau: Liaison White stated that the Travel Juneau Executive Officer reminder her that the Arctic Council meetings had started in Juneau that morning. Liaison White said that Travel Juneau had its annual meeting last week but due to meeting conflicts she was not able to attend the full event. She stated that Travel Juneau won the bid on a convention with approximately 120 people coming in for Toastmasters for the western region in October.

Ms. Weldon said that Mr. Gregory would present her report.

School Board: The School Board approved a one year food service contract to Chartwells for the 2017-2018 school year. The board voted to uphold the board grievance panel's recommendation to deny a grievance filed by the Juneau Education Association. The next School Board meeting is scheduled for March 14 at 6pm at Thunder Mountain High School.

Juneau Economic Development Council (JEDC): The Innovation Summit had great feedback from attendees. There were 208 attendees this year, 45% were from the private sector and 25% were from out of town. Congratulations went out to Sandro Lane, and Marcy and Geoff Larson for being inducted into the Research/Innovators Hall of Fame. He said the Juneau Maritime Festival will take place on Saturday, May 6 in honor of our maritime industry. JEDC met with several larger retailers regarding their concerns about increased shoplifting and the limited public transportation for their employees on Sundays and holidays. The next JEDC meeting is scheduled for April 5 at noon in the JEDC Boardroom.

Eaglecrest Board: Liaison Gregory reported that the 2016-17 pass sales are on average for this year. The Eaglecrest Board will be discussing alcohol sales with Mr. Jones. The board continues to explore opportunities to electrify the Black Bear chair lift. Matt Lillard is officially resigned and working in Vermont. Nathan Abbott is the acting general manager and he will be working with senior personnel at Eaglecrest to keep the mountain active and going until they hire a new general manager. The search is currently underway and they plan to have that position filled by July. He said that the Eaglecrest Board was exploring creating a new mountain bike trail for the mountain; however the grant for that new trail fell through and they will continue to explore other grant possibilities. The spring ski pass sale is currently underway; ski passes are $199 for adults and if you ski four times, you will pay for your pass.

C. Presiding Officer Reports

Mr. Kiehl asked all the Assemblymembers to send their comments to the Deputy City Attorney on the draft decision for the Southeast Alaska Land Trust tax appeal by Friday, March 10.

XII. ASSEMBLY COMMENTS AND QUESTIONS

Mr. Gregory said he appreciated all the phone calls and emails he received with regard to the cruise ship tax. He said he encourages continued dialogue from the community as it is insightful and appreciated and it is not falling on deaf ears.

Mr. Kiehl said that Ms. White mentioned the Arctic Council Senior Arctic Officials' meeting which is a pretty big deal in the capital city. He said he had the pleasure of attending the Read Across America event on Saturday, March 4 put on by the Juneau Education Association and he saw some of the other Assemblymembers present as well. He said the best part wasn't reading to the children but rather that there were three little kids who wanted to read to him. He reminded everyone that Daylight Saving Time (DST) starts on March 12 and only pointed it out because CBJ is the only municipality of which he is aware that includes language about DST in its Charter.

Mr. Nankervis said he was fortunate, along with some of the other Assemblymembers, to attend the AML conference the previous week. He extended thanks to Ms. Becker in helping out by running the COW when he could not speak. He asked for Assembly approval to look into possible changes to CBJ Code 69.10.020 which is the property exemption ordinance but specifically as it relates to the exemption on manufacturing business personal property. He would like to make them more user friendly but he's not sure how that would look until he has a chance to discuss it with staff and may come back to the Assembly with a recommended ordinance amendment. *Hearing no objection, the Assembly approved this request.*

All other members passed on the Assembly comments/questions.

XIII. CONTINUATION OF PUBLIC PARTICIPATION ON NON-AGENDA ITEMS

None.

XIV. EXECUTIVE SESSION

A. CLIA Litigation Update

MOTION by Mr. Kiehl to recess into Executive Session to discuss a matter, which by law, is required to be kept confidential, specifically an update on ongoing litigation with the Cruise Line Industry Association lawsuit.

Hearing no objection, the meeting adjourned into Executive Session at 9:11p.m.

The Assembly came back from Executive Session at 10:41p.m. and Mr. Kiehl reported that during the Executive Session, the Assembly heard an update from the City Attorney and the City Manager on the Cruise Line Industry Association lawsuit and discussed the matter and gave direction to staff.

XV. ADJOURNMENT

There being no further business to come before the Assembly, the meeting was adjourned at 10:42p.m.

Signed:__________________________
Elizabeth J. McEwen, Acting Clerk

Signed:______________________________
Kendell D. Koelsch, Mayor

XVI. SUPPLEMENTAL MATERIALS