

**ASSEMBLY AGENDA/MANAGER'S REPORT
THE CITY AND BOROUGH OF JUNEAU, ALASKA**

December 19, 2016 7:00 PM

City Hall Assembly Chambers
Regular Meeting 2016-38

Submitted By:

Duncan Rorie Watt
City and Borough Manager

I. FLAG SALUTE

II. ROLL CALL

III. SPECIAL ORDER OF BUSINESS

A. UAS Chancellor Caulfield

IV. APPROVAL OF MINUTES

A. November 28, 2016 Regular Assembly Meeting 2016-36

B. December 8, 2016 Special Assembly Meeting 2016-37

V. MANAGER'S REQUEST FOR AGENDA CHANGES

VI. PUBLIC PARTICIPATION ON NON-AGENDA ITEMS

VII. CONSENT AGENDA

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

B. Assembly Requests for Consent Agenda Changes

C. Assembly Action

1. Ordinances for Introduction

a. Ordinance 2016-09(Z) An Ordinance Appropriating to the Manager the Sum of \$459,909 Plus Interest through January 10, 2017, as Funding for IRS Arbitrage Rebate (Related to Tax-Exempt Bonds); Funding Provided by the Debt Service Fund's Fund Balance.

The 2006 CBJ General Obligation bonds have arbitrage rebate owed in the amount of \$487,103.60 including interest of \$72,180.40 on the rebate liability of \$414,923.20. The total liability needs to be paid within 60 days from December 5, 2016, the date the recently refunded (refinanced) bonds were officially retired. The Debt Service Fund Balance has \$490,000 available from prior interest earnings and a sales tax funding allocated to pay school bond debt.

The Assembly Finance Committee forwarded this request to the Assembly at its December 14, 2016, regular meeting.

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

b. **Ordinance 2016-44 An Ordinance Amending the City and Borough Code Relating to Camping in the Downtown Juneau Area.**

This ordinance narrowly defines a geographic area in downtown Juneau from which camping is prohibited. Businesses in the downtown Juneau area are experiencing a noticeable and significant increase of unauthorized people camping in doorways, and campers leaving refuse behind. The primary purpose of this ordinance is to prohibit camping on private property without permission of the property owner.

Importantly, this ordinance primarily regulates business property because those business property owners and tenants are generally not present during the evenings when the camping is occurring. This ordinance would give the CBJ and business owners a tool to minimize the unauthorized camping.

The City Manager recommends this ordinance be introduced and referred to the Committee of the Whole, and set for public hearing at the next regular assembly meeting.

c. **Ordinance 2016-45 An Ordinance Amending the Official Land Use Maps of the City and Borough to Change the Land Use Designation of Two Parcels Located on a Fraction of USMS 164 near the End of St. Ann's Avenue in Downtown Douglas from Natural Area Park to Medium Density Residential.**

In July 2016, CDD received a rezone application for a parcel located near the end of St. Ann's requesting a rezone from D-5 to D-18. The rezone was recommended for approval by the Planning Commission on September 13, 2016, and the rezone ordinance, 2016-41, was introduced at the November 7, 2016, regular Assembly meeting.

However, as staff continued its work on the proposed rezone, it was discovered that the Comprehensive Plan Map designations of both the parcel to be rezoned, and the parcel adjacent to it, were incorrectly designated as Natural Park Area. Natural Park Area is defined as "CBJ-owned lands suitable for community recreational purposes, which are not to be zoned for residential, commercial, or industrial development." The subject parcels in this ordinance are privately held and suitable for development.

Staff forwarded a recommendation to the Planning Commission that the Land Use Maps be amended to change the parcels' designation from Natural Park Area to Medium Density Residential. The Planning Commission considered the map amendment issue at its meeting on November 30, 2016, and approved making the recommendation to the Assembly.

This ordinance would amend the Land Use Maps of the Comprehensive Plan to change the map designation of both parcels from Natural Park Area to Medium Density Residential.

Ordinance 2016-41, addressing the rezone, will be brought forward for public hearing concurrent with the public hearing on this ordinance.

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

2. Resolutions

a. **Resolution 2778 A Resolution in Support of Proposed Changes to Alaska Statute Chapters 30.30 and 05.25 Relating to Improving the Management and Prevention of Derelict Vessels.**

The substance of this resolution was drafted by the Alaska Association of Harbormasters and Port Administrators (AAHPA), of which CBJ Docks and Harbors is a member. Since 2014, an Abandoned and Derelict Vessel *ad hoc* task force consisting of federal, state, Alaska Native, and non-profit organizations have met to recommend changes to Alaska statutes addressing this public nuisance. Some of the recommended proposed legislative changes include a funding mechanism to address abandoned and derelict vessels and vessel insurance requirements to cover salvage costs.

A complete copy of the amendments being proposed to the legislature can be found here:

<http://www.juneau.org/harbors/documents/AlaskaCleanHarbors.pdf>

The Docks & Harbors Board reviewed this resolution at its meeting on October 26, 2016, and recommended forwarding it to the full Assembly for its consideration.

The City Manager recommends this resolution be adopted.

b. **Resolution 2779 A Resolution Authorizing the Manager to Apply for, and Enter into, a Loan Agreement with the State of Alaska Department of Environmental Conservation, through its Alaska Drinking Water Fund, for the Douglas Highway Water System Replacement.**

This resolution would authorize the City Manager to enter into loan agreements with the Alaska Department of Environmental Conservation for the Douglas Highway Water System Replacement, in the amount of \$3,000,000.

The Douglas Highway Water System Replacement Project involves the replacement of failing water infrastructure within Douglas Highway from the Juneau Douglas Bridge to Lawson Creek Bridge, and is intended to be completed before Alaska DOT resurfaces the roadway in 2018/2019.

The terms of the low interest loans under the Alaska Revolving Loan Fund managed by ADEC are 20-year repayment at a 1.5-percent interest rate. The project loans would be re-paid with water utility customer revenues.

The Public Works and Facilities Committee passed a motion of support for this resolution at its November 21, 2016, regular meeting and recommended forwarding it to the full Assembly for approval.

The City Manager recommends this resolution be adopted.

c. **Resolution 2780 A Resolution Adopting the Housing Action Plan.**

This resolution would adopt the Housing Action Plan (HAP).

On October 26, 2015, the draft HAP was presented to the Assembly Committee of the Whole.

The Affordable Housing Commission and staff further refined the HAP, and at its June 7, 2016, meeting, the Affordable Housing Commission voted to move the HAP to the Planning Commission and recommended it be adopted as part of the Comprehensive Plan.

On July 12, 2016, the Planning Commission, by unanimous vote, recommended that the Assembly adopt the HAP.

On October 31, 2016, the Assembly Committee of the Whole made its final changes to the HAP and forwarded it to the Assembly for adoption into the Comprehensive Plan by Ordinance 2016-30. At the public hearing on the ordinance at its meeting on November 28, 2016, the Assembly instead passed a motion directing staff to draft a resolution to adopt the plan.

This resolution would adopt the Housing Action Plan.

The City Manager recommends this resolution be adopted.

3. Bid Award

a. **Bid Award - Headworks Improvements BE17-033**

Bids were opened on the subject project on December 13, 2016. The bid protest period expired at 4:30 p.m. on December 14, 2016. Results of the bid opening are as follows:

RESPONSIVE BIDDERS	TOTAL BID
Carver Construction	\$2,422,930
Dawson Construction	\$2,663,000
North Pacific Erectors	\$2,996,791
Alaska Commercial Contractors	\$3,487,000
RSCI	\$3,648,500
Engineer's Estimate	\$3,443,707

Project Manager: Lori Sowa, CBJ Engineering

Project Description: Mendenhall Valley Wastewater Treatment Plant (MWWTP): The improvements to the headworks includes removal of one existing automatic screen and grinder system and one manual bar screen, the installation of two new perforated plate screens and screening washer/compactors including new electrical connections to the screens and compactors, dismantling and removing an oil/water separation tank, relocating an existing grit classifier clarifier and conveyor, and modifications to the piping in the influent pump station, painting of pipe, installation of gas alarms, and miscellaneous related work. Installation of the new screens will require construction sequencing to dismantle and replace existing 16-inch and 18-inch ductile iron pipe and new 24-inch process piping to make space for the new screens.

Juneau-Douglas Wastewater Treatment Plant (JDTP): The improvements to the headworks includes the installation of two new perforated plate automatic screens and screening washer/compactors including new electrical connections to the screens and compactors, construction of new concrete influent channels and piping to connect the new influent channels to existing piping, construction of a new building around the new channels and miscellaneous related work. Site grading includes the installation of two new catch basins, new storm drain lines, and asphalt restoration. Demolition includes the removal of the existing automatic screen and manual screen, removal of existing concrete steps, removal of a timber framed wall and soffit, and removal of electrical feeds to the existing screens.

Construction sequencing will be required to maintain the existing headworks in operation while the new screens and channels are in construction.

Funding Source: Wastewater Contribution	\$1,610,000
ADEC Loan	<u>\$4,000,000</u>
Total Project Funds:	\$ 5,610,000

CIP No. U76-106	
Construction Encumbrance:	\$2,422,930
Construction Contingency:	\$242,293
Design:	\$403,500
Contract Administration/Inspection:	\$193,835
CBJ Administrative costs:	\$72,687

The City Manager recommends award of this project to Carver Construction for the total amount bid of \$2,422,930.

b. Bid Award for Auke Bay Loading Facility Boat Yard

This project develops needed office and work space for the boat repair facility at the Auke Bay Loading Facility. The work includes construction of an office space addition to an existing building; a new boat repair shop building; and erection of a new fabric covered boat shelter.

A public bid opening occurred on December 8, 2016. The Docks and Harbors Board reviewed the bids at its regular board meeting on December 15, 2016. Bid information will be provided in a red folder.

The City Manager recommends the bid be awarded to Alaska Commercial Contractors in the amount of \$373,766.

4. Transfer

a. Transfer T-982 Transfers \$1,970,781 from Eight Capital Improvement Projects to Provide Funding for Four Ongoing Capital Improvement Projects.

This transfer request will move \$1,970,781 from 3 completed and 5 nearly completed Capital Improvement Projects to provide funding for 4 ongoing Capital Improvement Projects.

These funds will be distributed to provide necessary funding for ongoing Capital Improvement Projects. The transfers are tabulated below:

Project No.	Transfer From	Transfer	Status
W75-037	Last Chance Basin Hydro-Geo Inventory	815,000	Ongoing
W75-044	Salmon Crk Secondary Disinfection	267,544	Ongoing
W75-053	West Juneau Reservoir Improvements	140,000	complete - close CIP
R72-111	Distin/W 8th Street Reconstruction	229,000	*Final phase completion Spring 2017
R72-104	Lakewood Subdivision Reconstruction	215,000	Ongoing

R72-107 Meadow Lane Improvements	275,000	Ongoing complete - close
R72-113 Scott Drive Improvements	26,000	CIP complete - close
R72-051 Berners Avenue	3,237	CIP

Total Transfer **1,970,781**
 * - adequate funding has been left to complete final phase of project

Project No.	Transfer To	Transfer	Status
W75-054	Douglas Hwy Water Repl Brdg to Lawson Creek	1,222,544	Ongoing Final change order/Closeout
P71-055	Downtown Transportation Center	54,000	
R72-127	East Street-5th to 6th	75,000	Ongoing
R72-125	Aspen Avenue-Mendenhall to Portage	100,000	Ongoing
R72-125	Aspen Avenue-Mendenhall to Portage	519,237	Ongoing
	Total Transfer	1,970,781	

The Public Works and Facilities Committee reviewed and forwarded this transfer to the full Assembly at its November 21, 2016, meeting.

The City Manager recommends approval of this transfer.

5. Liquor License

a. **New Brewery Liquor License #5524 - Barnaby Brewing Company, LLC d/b/a Barnaby Brewing Company**

This is an application for a new brewery license to be located at 206-1 N. Franklin Street, Juneau, Alaska, 99801.

Staff from the Finance, Police, Fire, Public Works, and Community Development departments have reviewed the above business and found it to be in compliance with CBJ Code.

In the event the Assembly does protest this liquor license, CBJ Code 20.25 requires notice, with specificity regarding the nature and basis of the protest, to be sent to the licensee and provides the licensee an opportunity to exercise their right to an informal hearing before the Assembly.

The City Manager recommends the Assembly waive its right to protest the issuance of this new liquor license application.

VIII. PUBLIC HEARING

A. **Ordinance 2016-36(b) An Ordinance Amending the Animal Control and Protection Code Relating to Potentially Dangerous and Dangerous Domestic Animals.**

The Animal Hearing Board and Gastineau Humane Society request several amendments of CBJ Chapter 8.30 relating to potentially dangerous and dangerous domestic animals. The changes clarify some of the requirements imposed on owners of potentially dangerous and dangerous domestic animals.

The Committee of the Whole considered this ordinance at its November 21, 2016, meeting and recommended moving the ordinance forward as amended. The amendments are shown in italics in version (b) of the ordinance.

The City Manager recommends this ordinance be adopted.

B. Ordinance 2015-20(AX) An Ordinance Appropriating to the Manager the Sum of \$660,000, as Partial Funding for Bartlett Regional Hospital's Fiscal Year 2016 Operating Budget; Funding Provided by Hospital Revenues.

This ordinance would appropriate an additional \$660,000 to Bartlett Regional Hospital for FY16 operations. BRH initially prepared their budget 18 months ago and underestimated the total expenditures by less than 1%. This appropriation is being funded from FY16 hospital revenues.

The Bartlett Finance Committee was informed of the year-end operating expense authorization shortfall, and the need to obtain Assembly budget authorization, at its November 15, 2016, meeting.

The City Manager recommends this ordinance be adopted.

C. Ordinance 2016-09(V) An Ordinance Transferring \$3,075,566 from the Sales Tax, and the General Fund's Fund Balance to the General Debt Service Fund's Fund Balance.

This ordinance would replace \$3,075,000 of the original state funding that was appropriated for debt service with available fund balance from the general and sales tax funds.

The original funding was expected as a part of the state budget allocation to reimburse local governments for the state share of school debt bond reimbursement. Due to the Governor's veto of state revenue CBJ needed to find additional funding. The Assembly Finance Committee reviewed the FY17 budget shortfalls at its September 8, 2016, and November 9, 2016, meetings. The committee recommended an ordinance to provide additional funding for school debt service be drafted and forwarded to the full Assembly for adoption.

The City Manager recommends this ordinance be adopted.

D. Ordinance 2016-09(W) An Ordinance Transferring \$696,000 from the CBJ Facility Infrastructure Deferred Maintenance Project, to the General Government Fund's Fund Balance.

This ordinance would transfer \$696,000 of FY17 Deferred Maintenance CIP funding to the general fund for operating budget expenditures. As a part of the FY17 CBJ budget process, the Assembly tentatively allocated \$696,000 of increased property tax revenues into a deferred maintenance CIP. The allocation was tentative based on the uncertainty of the FY17 state budget.

Subsequent to the adoption of the CBJ budget in May 2016, a Governor's veto reduced the amount of the permanent fund dividend. The reduction in the dividend is expected to reduce the retail sales tax collected. The tax loss reduces the revenue originally allocated to the general fund. The Assembly Finance Committee reviewed the FY17 budget shortfalls at its September 8, 2016, and November 9, 2016, meetings. The committee recommended an ordinance to provide additional funding, via a CIP transfer, for general government operations be drafted and forwarded to the full Assembly for adoption.

The City Manager recommends this ordinance be adopted.

E. Ordinance 2016-09(X) An Ordinance Transferring \$110,434 from the Sales Tax Fund's Fund Balance, to the Roaded Service Area Fund's Fund Balance.

This ordinance would appropriate \$110,434 of available sales tax fund balance as partial funding for the FY17 general government operating budget.

Subsequent to the adoption of the CBJ budget in May 2016, a Governor's veto reduced the amount of the permanent fund dividend. The reduction in the dividend is expected to reduce the retail sales tax collected. The tax loss reduces the revenue originally allocated to the general government funds. The Assembly Finance Committee reviewed the FY17 budget shortfalls at its September 8, 2016, and November 9, 2016, meetings. The committee recommended an ordinance to provide additional funding from the sales tax fund for general government operations be drafted and forwarded to the full Assembly for adoption.

The City Manager recommends this ordinance be adopted.

F. Ordinance 2016-09(Y) An Ordinance Appropriating to the Manager the Sum of \$365,000 as Funding for the Fountain and Whale Related Site Elements that are Part of the Bridge Park Capital Improvement Project; Funding Provided through a Donation from The Whale Project Committee.

The Whale Project Committee is donating \$365,000 to the CBJ for the construction of the fountain and whale related site preparation elements of the Seawalk Bridge Park to Gold Creek project. This donation will pay for these items in the Phase III Seawalk contract and will have additional funds available to put towards the completion of the fountain works and pump room. These donated funds will be appropriated into the Bridge Park CIP, P41-090.

The Public Works and Facilities Committee recommended this request be forwarded to the Assembly for action/adoption at its October 31, 2016, regular meeting.

The City Manager recommends this ordinance be adopted.

IX. UNFINISHED BUSINESS

X. NEW BUSINESS

A. Liquor License #4405 - Tides Complex, Inc. dba Dragon Inn Chinese Cuisine Inc.

The Finance Department is recommending the Assembly file a mid-cycle protest of the Tides Complex, Inc. dba Dragon Inn Chinese Cuisine Inc. Liquor License #440 in accordance with AS 04.11.480 which states the following:

"The local governing body may protest the continued operation of a license during the second year of the biennial license period by sending the board and the licensee a protest and the reasons for the protest by January 31 of the second year of the license. The procedures for action on a protest of continued operation of a license are the same as the procedures for action on a protest of a renewal application...."

The protest is based on the continued delinquency on the Confession of Judgment (COJ) which is in default for the second time with a total of 7 missed monthly payments as of November 30, 2016 resulting in a total of \$10,000 in back payments due to bring the COJ current again. In addition to the defaulted COJ payments, there is a total of \$141.12 in outstanding sales taxes, penalties, and interest also owing to pay their sales tax account current through December 2016. Complete details of these issues are outlined in the December 8, 2016 certified letter sent to the business in advance of this meeting.

CBJ Code 20.25.025 provides the business the right to an informal hearing before the Assembly if they choose to do so and this would be that opportunity should they choose to request an informal hearing.

The final regular Assembly meeting at which a mid-cycle protest may be acted upon is January 23, 2017.

This license was before the Assembly Human Resources Committee (HRC) at its meeting earlier in the evening. The City Manager recommends the Assembly act in accordance with the recommendation from the HRC.

XI. STAFF REPORTS

XII. ASSEMBLY REPORTS

- A. Mayor's Report
- B. Committee and Liaison Reports
- C. Presiding Officer Reports

XIII. ASSEMBLY COMMENTS AND QUESTIONS

XIV. CONTINUATION OF PUBLIC PARTICIPATION ON NON-AGENDA ITEMS

XV. EXECUTIVE SESSION

XVI. ADJOURNMENT

ADA accommodations available upon request: Please contact the Clerk's office 72 hours prior to any meeting so arrangements can be made to have a sign language interpreter present or an audiotape containing the Assembly's agenda made available. The Clerk's office telephone number is 586-5278, TDD 586-5351, e-mail: city.clerk@juneau.org