THE CITY AND BOROUGH OF JUNEAU, ALASKA

Meeting Minutes - January 6 2014

MEETING NO. 2014-01: 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 Merrill Sanford.

I. ROLL CALL

Assembly Present: Mary Becker, Karen Crane, Loren Jones, Jesse Kiehl, Jerry Nankervis, Merrill Sanford, Carlton Smith, Kate Troll and Randy Wanamaker.

Assembly Absent: None.

Staff Present: Kim Kiefer, City Manager; Rob Steedle, Deputy City Manager; Amy Mead, City Attorney; Jane Sebens, Deputy City Attorney; Laurie Sica, Municipal Clerk; Beth McEwen, Deputy Clerk; Bob Bartholomew, Finance Director; Hal Hart, Community Development Director; Rorie Watt, Engineering Director; Carl Uchytil, Port Director; Robert Barr, Library Director; Brent Fischer, Parks and Recreation Director; Patricia Delabruere, Airport Manager; Mila Cosgrove, HRRM Director; Bryce Johnson, Police Chief; Ed Mercer, Deputy Police Chief; Dave Campbell, JPD Lieutenant; Erann Kalwara, Communications Center Manager; Several JPD Officers; and Scott Philip, JPD Automotive Mechanic.

II. SPECIAL ORDER OF BUSINESS

A. Recognition - JPD Mechanic Scott Phillips

Chief Johnson said many of the JPD staff were present to acknowledge Mr. Scott Philip's service to the city. Mr. Philips began service in May, 1984 with the Public Works Department, but moved to JPD in 1994. He noted that Mr. Philips served with seven police chiefs and had worked hard to keep up with all the changes in makes and models of police vehicles and unmarked cars. He would be greatly missed by his co-workers and it would be difficult to replace his expertise. Mayor Sanford recognized and thanked Mr. Philips for 29 years of work for the City and Borough of Juneau.

B. Proclamation - National Mentoring Month

Lena Gilbertson and Tonie Eller, representing Big Brothers and Big Sisters, were present while Mayor Sanford read a proclamation and announced January as National Mentoring Month. Mayor Sanford called upon the people of Juneau to recognize the importance of mentoring, and to look for opportunities to serve as mentors in the community.

III. APPROVAL OF MINUTES

A. December 16, 2013 - Regular Assembly Meeting 2013-31

Hearing no objection, the minutes of the December 16, 2013 Regular Assembly Meeting 2013-31 were approved.

B. December 17, 2013 - Special Assembly Meeting 2013-32

Hearing no objection, the minutes of the December 17, 2013 Regular Assembly Meeting 2013-32 were approved.

IV. MANAGER'S REQUEST FOR AGENDA CHANGES

Ms. Kiefer asked the Assembly to replace Transfer T-951 with the updated version provided in the Assembly's "Red Folder."

V. PUBLIC PARTICIPATION ON NON-AGENDA ITEMS

Serene Hutchinson, Juneau Tours and Juneau Whale Watch, said she had previously submitted a report to the Assembly. She had concerns about the changes being made at the city's cruise ship dock. Tourism had created major traffic issues and she had boots on the ground experience with the problems. She reviewed the plan developed by Docks and Harbors and believed the traffic flow was not well considered. The loading zones were problematic, and it appeared the cruise ship tour buses had been given preference. Local van tours were carrying about half of the tours now and the local companies were thriving. Last year it became very difficult to operate their tours on time.

Mayor Sanford acknowledged receipt of her letter. Ms. Becker asked if she had met with Port Director Uchytil. Ms. Hutchinson said yes, but she had a sense of urgency, as they had to make a determination regarding renewal of the booth rental based on the parking plan. She has tried to communicate clearly that she was not concerned with the permanent sidewalk or vegetative plan, but how the parking lot was painted and use designated. Mayor Sanford encouraged Ms. Hutchinson to work closely with the Docks and Harbors Board who were in control of those decisions.

VI. CONSENT AGENDA

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

None.

B. Assembly Requests for Consent Agenda Changes

Mr. Jones requested removal of Transfer T-951 from the Consent Agenda. Hearing no objections, it was so ordered.

C. Assembly Action

MOTION, by Becker, to adopt the consent agenda as amended with the removal of Transfer T-951. Hearing no objections, the consent agenda was adopted.

1. Ordinances for Introduction

a. Ordinance 2013-11(AB) - An Ordinance Appropriating To The Manager The Sum Of $11,793 As Funding To Provide Continuing Education For Library Staff And The Addition Of An Early Literacy Learning Station At Mendenhall Valley Public Library, Funding Provided By The Alaska State Library

This ordinance would appropriate $11,793 for the continuing education for library staff and the addition of an early literacy learning station to the Mendenhall Valley Public Library. Funding is provided by 2 Alaska State Library grants, $9,000 for continuing education and $2,793 the early literacy learning station.

There is no matching requirement for these grants.

I recommend this ordinance be introduced and set for public hearing at the next regular assembly meeting.

b. Ordinance 2013-11(AC) - An Ordinance Appropriating To The Manager The Sum Of $8,700 As Partial Funding For The Joseph Alexander Collection Archival Rehousing Project, Grant Funding Provided By The Museums Alaska Collections Management Fund

This ordinance would appropriate $8,700 to be used to purchase archival supplies in order to rehouse the Joseph Alexander Collection. Grant funding is provided by the Museums Alaska Collections Management Fund .

Early in 2013, the Juneau-Douglas City Museum (JDCM) accepted the Joseph Alexander collection, partially through a transfer from the Alaska State Historical Library (ASHL) and partially through a donation. Together, the collection is 10 boxes (12 sq. ft.) of photographic negatives and prints from Juneau photographer, Joseph Alexander, dating between the 1940s to 1980s. An initial inventory completed by the JDCM estimates the collection at approximately 90,000 negatives, prints, envelopes and documents, making it by far the largest collection this institution has ever accessioned.

Currently, the collection is housed in the 10 deteriorating and acidic cardboard boxes, 10 shoe boxes, and 70 Kodak 4x5 negative boxes that are covered in dust and are beginning to fall apart.

The entire rehousing project is estimated to cost $24,739 and will be completed by museum staff, a collections assistant contracted to rehouse and catalog the collection, and a group of six volunteers who work in collections on a weekly basis.

This grant is being matched by in-kind staff and volunteer time and the purchase of additional archival supplies from the museum's Acquisitions account, a dedicated donor account to fund Juneau history acquisitions and archival supplies.

I recommend this ordinance be introduced and set for public hearing at the next regular Assembly meeting.

c. Ordinance 2013-11(AD) - An Ordinance Appropriating To The Manager The Sum Of $110,000 As Funding For Outside Legal Counsel Regarding Litigation Against Aparc Systems, Funding Provided By Unexpended Revenues From The 1% Temporary Sales Tax That Expired September 30, 2013

The City and Borough has initiated a lawsuit against Aparc Systems. The City and Borough is being represented by outside counsel, with oversight by the Law Department. The purpose of this appropriation would be to pay for legal services related to that lawsuit.

I recommend this ordinance be introduced and set for public hearing at the next regular assembly meeting.

d. Ordinance 2014-02 - An Ordinance Authorizing a Loan in an Amount Not to Exceed $3,150,000 from Central Treasury to the Community Development Capital Project Fund for the Purpose of Providing Interim Financing for the Dimond Park Library Project (L23-058).

This ordinance will authorize a loan of up to $3,150,000 from the Central Treasury up to the Library Capital Improvement Project #L23-058 for the purpose of providing interim financing for the Dimond Park Library Project. This ordinance serves two purposes. First, it provides the budget authorization (Charter provisions) to proceed with awarding the project contract (scheduled to be awarded in April 2014) and second, to provide project cash flow funding, if necessary. Project cash disbursements will occur over time, the actual loan amount will be determined based on the cash flow needs of the project.

The loans would include interest estimated by the finance director at the average rate the City and Borough earned or would earn on Central Treasury investments over the applicable loan period. The principal and interest on the balance would be repaid to the Central Treasury from future 1% temporary sales taxes appropriated to the Project. These loans would be provided under code section 57.05.045, Central Treasury loans.

This funding recommendation was reviewed and approved by Public Works and Facilities Committee on October 28, 2013 and the Assembly Finance Committee on December 18, 2013.

I recommend this ordinance be introduced and set for public hearing at the next regular assembly meeting.

e. Ordinance 2014-03 - An Ordinance Authorizing a Loan in an Amount Not to Exceed $400,000 from Central Treasury to the Parks and Recreation Capital Project Fund for the Purpose of Providing Interim Financing for the Juneau Douglas City Museum Renovation Project.(P46-067)

This ordinance will authorize a loan of up to $400,000 from the Central Treasury up to the Capital Improvement Project # P46-067 for the purpose of providing interim financing for the Juneau-Douglas City Museum Renovation Project. This ordinance serves two purposes. First, it provides the budget authorization (Charter provisions) to proceed with awarding the project contract (scheduled to be awarded in March 2014) and second, to provide project cash flow funding, if necessary. Project cash disbursements will occur over time, the actual loan amount will be determined based on the cash flow needs of the project.

The loans would include interest estimated by the finance director at the average rate the City and Borough earned or would earn on Central Treasury investments over the applicable loan period. The principal and interest on the balance would be repaid to the Central Treasury from future 1% temporary sales taxes appropriated to the Project. These loans would be provided under code section 57.05.045, Central Treasury loans.

This funding recommendation was reviewed and approved by Public Works and Facilities Committee on October 28, 2013 and the Assembly Finance Committee on December 18, 2013.

I recommend this ordinance be introduced and set for public hearing at the next regular assembly meeting.

2. Liquor License

a. Liquor License Transfer of Beverage Dispensary License #447 Statewide Services Inc. d/b/a Glacier Restaurant & Catering transfer of Ownership and Name Change and Application for Restaurant Designation Permit for Alaska Promotions, LLC d/b/a Brandi's Airport Bar, located at 1873 Shell Simmons Drive (Juneau International Airport)

The above-listed liquor license transfer is before the Assembly to either protest or waive its right to protest these transfer and to approve or disapprove the application for a Restaurant Designation Permit. The Finance, Police, Fire, and Community Development Departments have reviewed the above businesses and found them to be in compliance with CBJ Code.

In the event the Assembly does protest the transfer of the license or issuance of the Restaurant Designation Permit, 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 Airport Board, at its November 13, 2013 meeting, reviewed the Concession Agreement process and passed a motion to authorize the Airport Manager to negotiate and execute a concession lease agreement with the food/beverage concessionaire on terms and conditions that are in the best interest of the CBJ and Airport.

I recommend the Assembly waive its right to protest the above liquor license transfer and approve the Restaurant Designation Permit.

3. Transfers

a. Transfer T-951 - Transfer of $11,400 From the Runway Safety Area CIP to the Airport Revolving Capital Reserve Account (ARCRA), then Transfer $62,501 from the Airport Revolving Capital Reserve Account to the Runway Rehabilitation and Master Plan Study CIPS.

This request would authorize the transfer of $11,400 from the Runway Safety Area CIP to the Airport Revolving Capital Reserve Account (ARCRA), which before this transfer has $51,101 available and then transfers $62,501 from the Airport Revolving Capital Reserve Account to the Runway Rehabilitation and Master Plan Study CIPs.

T-918 transferred funds from the ARCRA to the Runway Safety Area CIP. This was a temporary funding measure with the intent to reimburse the ARCRA when funding became available.

$39,063 is the required match for Runway Rehabilitation FAA grant and $23,438 is the required match for the Master Plan Study FAA grant.

Airport Revolving Capital Reserve Account: $62,501

The Airport Board reviewed and approved this action at its December 11, 2013 meeting, and recommended forwarding to the full Assembly for approval.

I recommend approval of this transfer.

Public Comment: None.

Assembly Action:

MOTION, by Wanamaker to approve Transfer T-951.

Mr. Jones asked for an explanation of the changes from the packet version to the one presented to the Assembly in the red folder. Ms. Kiefer and Ms. DeLabruere explained the differences and discussed the need for a temporary transfer from the capital reserve account until the Passenger Facility Charges (PFC's) came in, which were a few years down the line, and would then be reimbursed. The PFCs were booked several years out for projects and had to go through the FAA and the airline that took them in and ensured that they were in agreement regarding each grant. Mr. Jones asked if this was a revolving loan fund and Ms. DeLabruere said yes, it was for projects and the airport was paid back by the FAA through PFC's or other funds, it was meant to forward fund until funding came in. Mr. Jones asked about the controls and auditing. Ms. DeLabruere said the CBJ Controllers office, the FAA and the Airport staff kept a careful watch on these transfers.

Hearing no objection, Transfer T-951 was approved.

VII. PUBLIC HEARING

A. Ordinance 2013-14 - An Ordinance Amending the Disturbing the Peace Code.

This ordinance would amend the disturbing the peace code by: (1) adding a section clarifying that the intent behind the ordinance is to prohibit unreasonable noise; and (2) defining “unreasonable noise” as it relates to an objective "reasonable person" standard, as has been approved by the Alaska Supreme Court.

The Committee of the Whole reviewed this ordinance at its August 5, 2013 meeting, and again at its December 9, 2013 meeting. An amendment was made by the Assembly to amend the section regulating noise emanating from vehicles to make the provision enforceable at any time of day. The Assembly, sitting as the Committee of the Whole, approved the ordinance as amended and recommended fowarding it to the full Assembly for public hearing.

I recommend this ordinance be adopted.

Public Comment: None.

Assembly Action:

MOTION, by Wanamaker, to adopt Ordinance 2013-14.

Ms. Troll said there was some confusion in the public about what this ordinance did, due to the specific focus on the regulation regarding vehicle noise. This ordinance was "performance-based" regarding reasonable noise - it applied to fireworks as well as excessively barking dogs. It would be a citable offense to create an unreasonable noise disturbance, which would include the use of fireworks in residential neighborhoods, accept during those times of year, such as July 4, when most people would find the noise acceptable.

Hearing no objection, Ordinance 2013-14 was adopted.

B. Ordinance 2013-29 - An Ordinance Establishing the Human Resources and Risk Management Department.

Human Resource Risk Management (HRRM) is currently a division within the Administrative Department. This ordinance would create a Human Resources Risk Management Department, similar to other CBJ Departments such as Engineering, Library and Community Development. The responsibilities of the Human Resources division have increased over the past few years to include the Risk Management responsibility. The Risk Management function provides services to the Juneau School District and Bartlett Regional Hospital. Most recently HRRM has expanded service to provide consolidated HRRM services to Bartlett Regional Hospital.

The Assembly Finance Committee reviewed this request on December 18, 2013, and recommended forwarding to the full Assembly for Approval.

I recommend this ordinance be adopted.

Public Comment: None.

Assembly Action:

MOTION, by Crane, to adopt Ordinance 2013-29.

Mr. Wanamaker said he was hesitant about the ordinance. He thought the request was premature as the Assembly had asked for information, but the response was that a study would be done to provide the requested information after a year.

Hearing no objection, Ordinance 2013-29 was adopted.

C. Ordinance 2013-11(AA) - An Ordinance Appropriating To The Manager The Sum Of $150,000 As A Transfer To The Last Chance Basin Hydro-Geo Capital Project; Funding Provided By Water Utility Fund Fund Balance.

This ordinance would transfer $150,000 to the Last Chance Basin Hydro-Geo capital project from the Water Utility Fund fund balance. This transfer will partially fund the design for the rehabilitation of the Last Chance Basin Well Field in order to meet peak drinking water demands that occur in the summer months. This demand is largely driven by the desire of cruise ships to fill up with drinking water while in our port.

This past summer, the Water Utility was unable to supply cruise ships with a stable or predictable water supply. Last month, staff from Engineering, Public Works and Manager's Office met with cruise ship representatives to discuss the issue. Well field rehabilitation is a priority of the Water Utility, Assembly and cruise industry. At that meeting, there was support from the industry representatives to use CBJ Marine Passenger Fees for well field rehabilitation and T-949, which was approved at the November 25, 2013 Assembly meeting, transfering $150,000 from the Waterfront Seawalk CIP to the Last Chance Basin CIP. With the addition of this appropriation, $300,000 will be available.

The $300,000 is an initial amount of funds to develop a design and assist in aligning us with funding sources to maintain the main CBJ water supply. This preparatory funding leverages us to react quickly if and when grants, loans, CBJ marine passenger fees, or Legislative and/or State marine passenger fee funding becomes available in the Spring of 2014, instead of having to wait another whole year.

At its November 18, 2013 meeting, the Public Works and Facilities Committee reviewed this request and recommended forwarding to the full Assembly for approval.

I recommend this ordinance be adopted.

Public Comment: None.

Assembly Action:

MOTION, by Wanamaker, to adopt Ordinance 2013-11(AA). Hearing no objection, it was so ordered.

D. Ordinance 2014-01 An Ordinance Providing for the Issuance and Sale of Port Revenue Bonds in one or more series in the Aggregate Principal Amount of Not to Exceed $29,000,000; Providing for the Form and Terms of the Bonds; Providing a Method of Payment Therefor; Reserving the Right to Issue Revenue Bonds on a Parity with the Bonds upon Compliance with Certain Conditions; and Repealing and Rescinding Ordinance Serial No. 2012-28.

This ordinance would repeal and replace Ordinance 2012-28, adopted August 27, 2012, which authorized the issuance of $29 million in Port Revenue bonds. The dollar amount of bonds authorized is not being changed, at this time. We will be selling $6.5 million in bonds for the Seawalk in February 2014 so it is necessary to amend the ordinance to address the following issues:

1. The bonds will be sold in up to 3 issues, to match the project schedule, versus all at once.
2. The bond proceeds are intended to fund 2 projects: 1) Cruise Ship Dock Enhancement & Related Uplands and 2) Additional Seawalk following the Waterfront Development Plan.
3. The Dock project is considered a “Private Activity” project. Meaning there are payments (revenues) from private business, for the use of the dock, available to pay back some of the bonds. Bonds issued under this situation are not tax exempt and carry a slightly higher interest rate.
4. The Seawalk project is considered a “Governmental Project” and the bonds are tax exempt.
5. Section 9 provides for delegating the adoption of interest rates contained in the eventual interest rate resolution. The resolution would still go through the standard Assembly process.
6. The term of the bonds is extended to 25 years.

The debt service will be paid from local port development fees. The estimated total cost of the debt service, including interest at an average rate of 4.52%, for the 25-year bonds is $49.6 million.

I recommend this ordinance be adopted.

Public Comment: None.

Assembly Action:

MOTION, by Becker, to adopt Ordinance 2014-01. Hearing no objection, it was so ordered.

VIII. UNFINISHED BUSINESS

A. Cavagnaro vs Assessor Appeal

Deputy City Attorney Jane Sebens was present to answer any questions. Presiding Officer Jones said that the decision was in the Assembly packet and had been distributed to the parties. The Assessor sent an email expressing no objection to the decision and no comments were received from the appellant, Mr. Cavagnaro.

Assembly Action:

MOTION, by Jones, to request orders of the day. Hearing no objection, the Assembly's decision was adopted.

B. Senior Needs Assessment

Mr. Kiefer distributed a draft Memorandum of Agreement between the Juneau Economic Development Council to provide JEDC with a grant of up to $25,000 or 50% of the cost, whichever is less, to conduct a procurement process to select, hire and manage a consultant to complete a Snior Needs Assessment related to housing and housing services.

Ms. Kiefer distributed a sheet regarding the Assembly's budget, and recommended using $15,000 from savings in the benefits line item (savings due to members not using the benefits budgeted), $8,000 from savings from the budgeted costs for the audit and savings in the lobbyist category of $35,000. There were also $65,000 undesignated funds available in the Better Capital Fund. There are other pending expenses and so she recommended those four lines as target sources. Ms. Kiefer said no ordinance, only Assembly direction, was required.

MOTION, by Crane, for orders of the day.

Mr. Kiehl said his preference was to use the savings from benefits, audit and lobbyist contracts under budget and to preserve the Better Capital fund for those specific uses.

Mr. Wanamaker said he did not object but shared Mr. Kiehl's reasoning.

Hearing no objection, the Assembly authorized the manager to use Assembly funds to support the Senior Needs Assessment.

IX. NEW BUSINESS

None.

X. STAFF REPORTS

None.

XI. ASSEMBLY REPORTS

A. Mayor's Report

Mayor Sanford alerted the Assembly and public to pending meetings subject to scheduling:

January 22, 7 a.m., Assembly Chambers - Legislative Delegation Meeting with DC Lobbyist
February 26, 6 p.m., Assembly Chambers - Meeting with Juneau School District Board of Education and Airport Board.

Mayor Sanford noted that Ms. Kiefer was in contact with the cruise lines in response to Mr. Wanamaker's request for information and the topic would be scheduled for the February 10 Committee of the Whole meeting.

B. Committee Reports

Committee of the Whole: Chair Becker said the next meeting was set for Monday, January 13.

Finance Committee: Chair Crane said the next meeting was set for Wednesday, January 15.

Human Resources Committee: Chair Kiehl said HRC reviewed a draft ordinance that would move the City Museum out of the Parks and Recreation Department and into the Library Department. This would appear on a future Assembly agenda.

Chair Kiehl provided the recommendations from the HRC regarding committee appointments. Hearing no objections, the following appointment was confirmed:

1% for Art Selection Panel - Auke Bay Elementary School Renovation - JACC appointee Robyn Holloway.

Public Works and Facilities Committee: Chair Wanamaker said the next meeting was set for Monday, January 13.

Lands and Resources Committee: Chair Smith said the next meeting was set for Monday, January 13.

C. Liaison Reports

Parks and Recreation Advisory Committee: Liaison Wanamaker said the next meeting of the PRAC was set for Tuesday, January 7.

Juneau Economic Development Council: Liaison Wanamaker attended the recent meeting and planning was underway for the Innovation Summit and JEDC appointed members to their new Finance Committee.

D. Presiding Officer Reports

Harris v Planning Commission: Presiding Officer Nankervis said that following the Assembly meeting, the Assembly would reconvene in its quasi-judicial role to deliberate on the appeal hearing held prior to the Assembly meeting.

XII. ASSEMBLY COMMENTS AND QUESTIONS

Ms. Troll noted receipt of correspondence on the Spuhn Island Telecommunications Tower. She spoke with Hal Hart of CDD, and staff was working on this situation to find a solution for the strobe lights. She spoke to Mr. Uchytil and he was responding to the independent tour operators' concerns.

Mayor Sanford asked to get an estimate on when the telecommunication tower ordinance would be before the Assembly.

Ms. Crane spoke about the telecommunication tower on Spuhn Island. CDD should respond to the concerned citizens, who had raised significant concerns. The Assembly was assured the lighting on that tower would be taken care of after this issue was first raised, but that was not the case. She said a moratorium on further telecommunication tower installations should be considered, and until the ordinance was passed, CBJ should not issue any further permits.

Mr. Kiehl said he shared those concerns.

Mr. Wanamaker relayed concerns from teachers regarding a long sidewalk that ran parallel to Riverside behind the Swimming Pool. It was a sheet of ice and a safety hazard. He asked the manager to determine who was responsible for that sidewalk's maintenance, which had standing water and ice. Ms. Kiefer said she would follow up.

XIII. CONTINUATION OF PUBLIC PARTICIPATION ON NON-AGENDA ITEMS

None.

XIV. EXECUTIVE SESSION

None.

XV. ADJOURNMENT

There being no further business to come before the Assembly, the meeting adjourned at 7:55 p.m.

Signed:________________________________ Signed: ______________________________

Laurie Sica, Municipal Clerk Merrill Sanford, Mayor