

THE CITY AND BOROUGH OF JUNEAU, ALASKA

Meeting Minutes – August 19, 2013

MEETING NO. 2013-22: 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, Johan Dybdahl (Teleconference), Loren Jones, Jesse Kiehl, Jerry Nankervis, Merrill Sanford, Carlton Smith, and Randy Wanamaker.

Assembly Absent: None.

Staff Present: Kim Kiefer, City Manager; Rob Steedle, Deputy City Manager; Amy Mead, City Attorney; Laurie Sica, Municipal Clerk; Bob Bartholomew, Finance Director; Brent Fischer, Parks and Recreation Director; Hal Hart, Community Development Director; Rorie Watt, Engineering Director; Rich Etheridge, Fire Chief; Gary Gillette, Port Engineer; David Means, JSD Administrative Services Director.

II. SPECIAL ORDER OF BUSINESS – None.

III. APPROVAL OF MINUTES

A. July 29, 2013 – Regular Assembly Meeting 2013-20

Hearing no objection, the minutes of the July 29, 2013 Regular Assembly Meeting 2013-20 were approved.

B. August 5, 2013 – Special Assembly Meeting 2013-21

Hearing no objection, the minutes of the August 5, 2013 Regular Assembly Meeting 2013-21 were approved.

IV. MANAGER'S REQUEST FOR AGENDA CHANGES – None.

V. PUBLIC PARTICIPATION ON NON-AGENDA ITEMS – None.

VI. CONSENT AGENDA

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

None.

B. Assembly Requests for Consent Agenda Changes

Mr. Nankervis requested an opportunity for the Assembly to discuss Ordinance 2013-21, changes to the Bear Attraction Nuisance Code, prior to the public hearing. Hearing no

objection, the ordinance was added to the August 26 Committee of the Whole meeting agenda.

C. Assembly Action

MOTION, by Becker, to adopt the consent agenda and refer Ordinance 2013-21 to the Committee of the Whole meeting on August 26. Hearing no objection, it was so ordered.

1. Ordinances for Introduction

a. Ordinance 2013-21

An Ordinance Amending the Bear Attraction Nuisance Code.

Administrative Report: Attached. The manager recommended Ordinance 2013-21 be introduced and set for public hearing at the next regular meeting.

b. Ordinance 2013-22

An Ordinance Amending the Official Zoning Map of the City and Borough to Change the Zoning of Tract B2 USS 1796 (17.9 acres) & Tract B Blueberry Acres (3.64 acres), Located Near the Intersection of Mendenhall Loop Road & Montana Creek Road Currently Zoned D-3, to D-5.

Administrative Report: Attached. The manager recommended Ordinance 2013-22 be introduced and set for public hearing at the next regular meeting.

2. Resolution

a. Resolution 2659

A Resolution Designating State of Alaska, Department of Environmental Conservation Grant Funds for the Last Chance Basin Well Field Capacity Improvement Project as the Number One Local State Funding Priority for Fiscal Year 2014.

Administrative Report: Attached. The manager recommended adoption of Resolution 2659.

3. Bid Awards

a. Bid Award E13-288

Downtown Seawalk – Miner’s Cove to Franklin Dock

Administrative Report: Attached. The manager recommended award of this project to North Pacific Erectors, Inc., in the total bid amount, for a total bid award of \$3,442,858.

b. Bid Award DH13-017

Cruise Ship Terminal Staging Area Improvements Phase II

Administrative Report: Attached. The manager recommended award of this project to Miller Construction Company in the total bid amount, for a total award of \$2,990,100.

c. Bid Award 14-011

Roadway De-icing Chemicals

Administrative Report: Attached. The manager recommended award of this project to Brenntag Pacific, Inc., in the total bid amount, for a total bid award of \$225,292.

VII. PUBLIC HEARING

A. Ordinance 2013-11(E)

An Ordinance Appropriating To The Manager The Sum Of \$245,053 As Funding For the State of Alaska's Designated Legislative Grant Projects, Grant Funding Provided By Alaska Department of Commerce, Community and Economic Development.

Administrative Report: Attached. The manager recommended adoption of Ordinance 2013-11(E).

Public Comment: None.

Assembly Action:

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

B. Ordinance 2013-11(F)

An Ordinance Appropriating To The Manager The Sum Of \$19,564 As Partial Funding For The Design And Installation Of A New Roof Structure For The Treadwell Salt Water Pump House At The Treadwell Mine Historic Park. Grant Funding Provided By The Alaska Department of Natural Resources, Office Of History And Archaeology.

Administrative Report: Attached. The manager recommended adoption of Ordinance 2013-11(F).

Public Comment: None.

Assembly Action:

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

C. Ordinance 2013-20(b)

An Ordinance Amending the Real and Personal Property Tax Code to Permit Deferral of Taxes on Certain Subdivided Property.

Administrative Report: Attached. The manager recommended adoption of Ordinance 2013-20(b).

Public Comment:

Allan Wilson, Alaska Renovators, said he had been involved in this issue for some time, first in community discussion, then following its path through the legislature, and now before the Assembly. The idea started out as a tax exemption, but the legislature created a tax deferral. The main motivating rationale was to get lots on the market. He spoke about the cost to developers to prepare large parcels of land for subdivision and sale, and often by the time the lots were ready for sale the market had changed and it could be difficult to sell. There had

been examples of foreclosures. This ordinance would enable developers to defer some expenses to the back end of a project which could help the financial picture. There was some discussion about cost shifting and whether this would raise or lower the cost of land. It was the belief that it could potentially lower the cost slightly and an example was if a developer planned a five-year sell out on the lots in a subdivision, the property tax values would need to be factored in and the carrying cost on that money on those payments over the life of the development. If that financing cost and the tax were moved to the back of the project, there would be a slight difference. While it was not a major significance, it was a small step in the right direction.

Mr. Smith asked for the rationale for the maximum of a five-year deferral, as investment and “down cycles” could last beyond five years. Mr. Wilson said several numbers were suggested and five was settled on because of the argument that if the tax was deferred too long, projects could linger. This was similar to the decision to defer tax on a minimum subdivision to three lots or more, so that people would not sit on subdivided property.

Assembly Action:

MOTION, by Becker, to adopt Ordinance 2013-20(b). Hearing no objection, it was so ordered.

VIII. UNFINISHED BUSINESS

A. Appeal: Bicknell Inc., - AME2013-0007 Comprehensive Plan Map Amendment for Honsinger Pond Stipulation for Dismissal

Administrative Report: Attached. The manager made no recommendation.

Public Comment: None.

Assembly Action:

Mr. Smith recused himself due to a conflict.

MOTION, by Becker, to accept the request for a stipulated dismissal and refund the appeal filing fee of \$250 to Bicknell, Inc. Hearing no objection, it was so ordered.

Mr. Smith returned to the meeting.

B. City Manager Evaluation Subcommittee – Final Recommendation

Mayor Sanford distributed a report from the subcommittee which reviewed the City Manager’s evaluation and compensation plan. The subcommittee recommended a 3% merit increase effective April 1, 2013.

MOTION, by Crane, to establish the compensation plan at \$149,350, which was a 3% merit increase, to be effective April 1, 2013, and with the employment benefits outlined in the letter from the subcommittee.

Mr. Wanamaker objected and said he was not able to support the motion because he said the evaluation process was flawed, issues identified in the evaluation were not satisfactorily

addressed by the suggestions for improvement plan and the improvement plan was unclear and not fair to the citizens of the community, the Assembly or the City Manager.

Mr. Nankervis asked to discuss his concerns in executive session. Mayor Sanford said that the Assembly would not meet in executive session on this matter and Mr. Nankervis said that he maintained his objection to the motion.

Roll call:

Aye: Becker, Crane, Dybdahl, Jones, Kiehl, Smith, Sanford

Nay: Nankervis, Wanamaker

Motion passed, 7 ayes, 2 nays.

IX. NEW BUSINESS – None.

X. STAFF REPORTS – None.

XI. ASSEMBLY REPORTS

A. Mayor's Report

Mayor Sanford said he visited the City of Kake with the Alaska Energy Authority and the Southeast Conference. He met Mayor Kadake and Gary Williams, the Executive Director of the Organized Village of Kake in two days of meetings. They looked at the aging tank farm, the IPEX Generator shed and discussed the electrical intertie system from Petersburg to Kake with representatives from Petersburg. He said there were efforts to save the historic cannery in Kake. He said he was there on behalf of Southeast Conference as well as for CBJ to show support for the community of Kake.

Mayor Sanford said there would be a public meeting held by the State of Alaska Department of Transportation regarding the Alaska Marine Highway System and plans for a day boat system. The meeting would be at Centennial Hall from 5 p.m. – 7 p.m. Mayor Sanford said his concern about the proposal was the open car deck on the vessels but that had been changed and the back end of the boat would be covered, so he planned to show support for the day boat concept and for the construction of the two new boats.

Mayor Sanford said he and City Manager Kiefer had prepared a list of potential CBJ lobbyists of those lobbyists which had shown interest and contacted CBJ and/or had significant experience as municipal lobbyists. If Assemblymembers had other suggestions, he asked for those names and said that this would be a Professional Services Contract in which CBJ would distribute a Request for Proposal to those names. He suggested that an Assembly subcommittee of three members review proposals and bring a reduced list of names to the Assembly as a whole to choose from.

Mr. Smith, Ms. Crane and Mr. Wanamaker indicated interest in serving on the subcommittee.

Mr. Kiehl said the list referred to four names on the "short list" and asked what that referred to. Ms. Kiefer said four were chosen from the 63 page list of lobbyists in Alaska that demonstrated the greatest experience with municipal government. Mayor Sanford said the rest were those who directly contacted CBJ to express interest.

Mr. Nankervis asked if any of the four had contacted CBJ. Ms. Kiefer said the four had multiple municipal clients and she had asked them if they were interested and they had all expressed interest.

Mayor Sanford asked if the rest had been contacted directly and Ms. Kiefer said that since those names came from Assemblymembers who had been contacted about the lobbyist's interest, that she assumed they were still interested, but she had only contacted one of them.

Mr. Dybdahl asked for the names to be read, as he did not have the memo before him. Mr. Sanford read the list: Linda Anderson, Wendy Chamberlain, Mark Hickey, Raymond Matiashowski, Frank Bickford, Sam Kito, Bruce Baker, Bob Evans, and Sheldon Winters.

Mr. Wanamaker asked to review the process used to identify the skills used when CBJ hired Jerry Mackie to lobby.

Ms. Kiefer asked for clarity on the process the Assembly wanted to use. Mayor Sanford asked the subcommittee to set an early date to meet. Ms. Crane said she would be attending the AML Legislative Meetings this week and deferred to Mr. Kiehl to take her place. Mayor Sanford said that would work and the Subcommittee agreed to meet Friday morning, August 23 and Mr. Smith agreed to serve as Chair.

Mayor Sanford proposed to the Assembly to send a resolution regarding the Alaska Marine Highway System supporting a request that AMHS meet the minimum core services for Southeast. He said Sitka, Petersburg and the Southeast Conference had adopted similar resolutions. Ms. Becker and Ms. Crane asked for background information and an opportunity to review a proposed resolution. Mayor Sanford asked for an Assembly motion to prepare a resolution for review and adoption by the Assembly at its next meeting.

MOTION, by Becker, to authorize the Law Department to draft a resolution in support of the ferry system and a method that CBJ would like them to use in such support for presentation to the Assembly.

Mr. Kiehl said he had struggled with the reference to a "core schedule" since the Marine Transportation Advisory Board began its discussion of the idea. He said the challenge was that a floor is likely to become a ceiling. If the communities of Southeast Alaska come together and say this is what we need, that is all that would likely be provided, as opposed to the idea of working towards the best transportation system for the region that would be possible. He understood the appeal of a minimum because the risk of not getting a minimum was also real. He supported work on a draft resolution.

Mayor Sanford said it was a difficult to find the balance.

Mr. Jones asked if the resolution would only address Southeast. The new day boats would not benefit or be able to be used in the Kodiak area. He would be attending the AML Legislative meetings soon and said those ferry issues could arise and he wanted clarification.

Mayor Sanford said from Southeast Conference's perspective, the point was to address core service in Southeast Alaska, realizing there are problems with the Tustumena and it was important for the state to get a new ship for that run. There may be separate resolutions to

address that. There were many issues to support but they did not all have to be in one resolution.

Mayor Sanford said the Chamber of Commerce helped him to draft an Economic Development Plan, which he forwarded to the city manager to prepare a Request for Proposals. The cost is estimated to be \$50,000 – 100,000 to do a complete plan. He encouraged the Assembly to contribute thoughts and ideas to the city manager to incorporate – a draft RFP would be distributed to the Assembly and the Assembly needed to determine where the funds would come from.

B. Committee Reports

Committee of the Whole: Chair Becker said the COW met on August 5 and discussed the subdivision tax deferral ordinance adopted at this meeting. The “noise” ordinance was discussed and would be returned with some changes to the COW on Monday, August 26, at 6 p.m. Also on that meeting would be a continuation of the discussion of the Comprehensive Plan and discussion of the Bear Attraction Ordinance.

Public Works and Facilities Committee: Chair Wanamaker said the next meeting was set for Monday, August 26, at Noon.

Human Resources Committee: Chair Kiehl said the next meeting was set for Monday, September 9.

Finance Committee: Chair Crane said the next meeting was set for Wednesday, Sept. 11 and monthly meetings would begin in October. The Finance Committee would conduct a comprehensive review of department budgets.

Lands and Resources Committee: Chair Smith said the next meeting was set for Monday, August 26.

C. Liaison Reports

Juneau Commission on Sustainability: Liaison Nankervis forwarded a letter from JCOS supporting JEDC’s renewable energy working group and electric vehicles in Juneau and with that a draft resolution for Assembly consideration.

Airport Board: Liaison Nankervis said the Board met on August 14 and held an award ceremony for Nicole Nelson for her “Fuel the Spark for Art” project regarding youth art for display at the airport. The Republic Parking contract was extended for 7 years and they planned to install new equipment with an intercom at the gate before entering the parking lot. Changes to the land lease procedures were made to allow the manager to negotiate and approve leases, giving the manager greater authority as they had been approved by the board before. Runway improvement design funds and master planning grant funds were appropriated. The Airport Dike trail would be closing Monday through Wednesday for several weeks to install lights. Mr. Nankervis said the visitor survey results were provided at the Airport Board and two highlights were that visitors said that Juneau was a great place to visit and two things to fix were food at the airport and parking downtown. He noted many kudos for Patti DeLaBruere at the board meeting as well.

Affordable Housing Commission: Liaison Kiehl said the commission met last week and continued work on ideas for the affordable housing fund. Efforts to improve the financing opportunities for mobile homes had lots of issues, so the commission was now exploring ideas regarding financing accessory apartments and creating incentives to leverage the housing fund. The AHC supported the adoption of the subdivision tax deferral ordinance.

Juneau Economic Development Council: Liaison Wanamaker said he met with the non-profit group interested in assisted living facilities for seniors regarding the types of things that could be done in Juneau but there was no concrete proposal yet.

Alaska Committee: Liaison Becker said the committee met on August 14 and discussed the state fairs. Alaska Airlines would continue the constituent air fare offering. The Alaska Committee wrote a letter of opposition regarding the relocation of the F-16 from Eielson Air Force Base. They received a report on the recent visitor survey.

D. Presiding Officer Reports

Mr. Jones said that a Pre-Hearing Conference was set for the two senior citizen hardship exemption appeals on Tuesday, August 27, at 1 p.m., in City Hall Conference Room 224 and Ms. Sebens had been assigned to this matter.

XII. ASSEMBLY COMMENTS AND QUESTIONS

Mr. Dybdahl said the Millennium cruise ship had some difficulty and had not made the last two trips and were docked in Vancouver.

Mr. Wanamaker gave a reminder about school starting the next day and asked everyone to watch for students and to drive carefully.

Mr. Kiehl said he also attended the meeting regarding assisted living and said it was a promising possibility and the group that attended was broad and deep. There were representatives from Alaska Housing Finance Corporation from Anchorage and Juneau Economic Development Council, which was recognized for its work on housing data. Mr. Kiehl said he attended a thank you send-off for Dan Fauske, who was executive director of AHFC for many years. His replacement, Bryan Butcher, knew Juneau well.

Mr. Kiehl said he attended a graduation for SAGA and AmeriCorps students working on trails and public works projects. It was an inspiring group and he said they work like crazy for nothing and everyone benefitted. He said the young people learn many lasting skills through this program.

Mr. Kiehl said there would be a celebration for the 50th Anniversary of the Alaska Marine Highway System at the Frank Palmer Auke Bay ferry terminal on Saturday, August 24 at 11 a.m. to 5 p.m. It was a family event and he invited public participation.

Mr. Dybdahl thanked the Mayor for his generous characterization of Mr. Dybdahl's public service on the radio, which reminded people that he was still alive and around.

Mr. Smith said he had participated in the League of Women Voters meeting. The LOWV was polling the Assembly to find out about public participation and public process. He said the

League had asked for the top three issues the Assemblymembers saw on the five year horizon. He was looking forward to seeing that feedback.

XIII. CONTINUATION OF PUBLIC PARTICIPATION ON NON-AGENDA ITEMS – None.

XIV. EXECUTIVE SESSION

A. Land Purchase Negotiations

Mr. Smith noted a conflict of interest, and hearing no objection, Mr. Smith was excused from the remainder of the meeting.

MOTION, by Becker, to enter into executive session, to discuss a matter, the immediate knowledge of which could have an adverse effect on CBJ finances, namely land purchase negotiations.

Hearing no objections, the Assembly entered into executive session at 8:05 p.m. and returned to regular session at 8:32 p.m.

Mayor Sanford said that in executive session, the Assembly gave direction to staff on land purchase negotiations.

XV. ADJOURNMENT – 8:33 pm

Signed: _____
Laurie Sica, Municipal Clerk

Signed: _____
Merrill Sanford, Mayor