

CITY OF UNALASKA
UNALASKA, ALASKA
REGULAR MEETING
JUNE 12, 2007

The regular meeting of the Unalaska City Council was called to order by Mayor Marquardt at 7:00 p.m., June 12, 2007, in the Unalaska City Hall Council Chambers. Roll call was taken and the following members were present:

Mayor	-Shirley Marquardt
Members	-Juanita Lewis -Dick Peck -D. H. "Kris" Flanagan -Roger Rowland -Katherine McGlashan -Rocky Caldero
Absent	-None

PLEDGE OF ALLEGIANCE: Mayor Marquardt led the Pledge of Allegiance.

RECOGNITION OF VISITORS:

1. Shaun Combs, Alaska DOT, Bridge project.
2. Mike Yarbrough and Jason Rogers, Bridge dig project
3. Mike Hubbard, Financial Engineering Inc.

APPROVAL OF AGENDA: Hearing no revisions, Mayor Marquardt declared the agenda adopted.

MINUTES: Hearing no revisions, Mayor Marquardt declared the May 22, 2007 minutes adopted.

FINANCIAL REPORT: None

BOARD/COMMISSION REPORTS: None

AWARDS/PRESENTATIONS: None

MANAGER'S REPORT: Chris Hladick, City Manager, reviewed the meetings attended in Anchorage last week regarding geothermal, labor issues; met with Fish & Wildlife Service regarding the mitigation projects for LSA boat harbor; discussed the Steller eiders studies; have found sick eiders, and have stopped the permitting process for the wastewater treatment plant; will be working more on this issue; met with Dave Burlingame and Jim Vogle; Wartsilla will no longer build the engines we wanted for the Powerhouse Phase II; all new engines will have SCR's.

COMMUNITY INPUT/ANNOUNCEMENTS:

1. Annual Legislative Fly In is scheduled for August 21st – Sept. 2nd; about 15 people are interested in visiting Unalaska.
2. Have scheduled a water exercise to test the Emergency Towing System for July 21st.
3. Council will travel to Washington DC Sept. 11th – add to June 26th agenda

PUBLIC TESTIMONY ON AGENDA ITEMS: None

PUBLIC HEARING: None

CONSENT AGENDA: None

ADJOURN INTO WORK SESSION:

Regular meeting adjourned to a work session at 7:09 p.m. Items discussed in the work session:

1. SOUTH CHANNEL BRIDGE PROJECT: SHAUN COMBS- ALASKA DOT REPRESENTATIVE.
2. DIG SITE FOR THE SOUTH CHANNEL BRIDGE PROJECT.
3. ELECTRIC RATE STUDY: MIKE HUBBARD, FINANCIAL ENGINEERING, INC.

Meeting reconvened to regular meeting at 8:30 p.m.

UNFINISHED BUSINESS:

1. **ORDINANCE NO. 2007-05:** ADOPTING THE CITY OF UNALASKA FY08 OPERATING AND CAPITAL BUDGETS

Rowland move to adopt Ordinance No. 2007-05, McGlashan second.

AMENDMENT: McGlashan move to amend Ordinance No. 2007-05 to reduce Council travel from \$70,000 to \$50,000, Peck second.

1. ORDINANCE NO. 2007-05 – CONT.

DISCUSSION: Council discussion that \$70,000 is too high when compared to last year's budget; believe \$50,000 is a good budget number.

VOTE ON AMENDMENT: UNANIMOUS.

AMENDMENT: McGlashan move to amend Ordinance No. 2007-05, FY08 Capital Budget, to reduce the S-Curves project from \$500,000 to \$66,000, Caldero second.

DISCUSSION: Council discussion that the \$66,000 would be for engineering services.

VOTE ON AMENDMENT: UNANIMOUS

AMENDMENT: McGlashan move to amend Ordinance No. 2007-05, FY08 Capital Budget to delete the floating dock project at \$40,000 and the park safety surface replacement project at \$343,000, Lewis second.

DISCUSSION: Council discussion in support of removing these projects from the budget and inserting into 2010 CMMP; Discussion in support of deleting the playground project for another year, but don't support putting the floating dock off for 2 years; it is a good need for community; will not support amendment.

Discussion in agreement with amendment; park project would be nice, but should be cautious; need to hold back on floating dock.

VOTE ON AMENDMENT: LEWIS-AYE, CALDERO-AYE, MCGLASHAN-AYE, PECK-NAY, FLANAGAN-NAY, ROWLAND-AYE. Motion passes 4-2.

AMENDMENT: Peck move to amend Ordinance No. 2007-05, FY08 Operating Budget, to include \$6,500 for vocational education scholarships, Flanagan second.

DISCUSSION: Council discussion that Unalaska is very fortunate to have great quality students; there are areas of vocational education that we need to address; these scholarships would be a good way to show support.

Council discussion not in support of this amendment; this year, graduating seniors received over \$300K in scholarships; believe they are well taken care of; support remaining with the \$8K for scholarships; this amount can include vocational scholarships if we wish.

VOTE ON AMENDMENT: MCGLASHAN-NAY, FLANAGAN-AYE, LEWIS-NAY, CALDERO-NAY, PECK-AYE, ROWLAND-AYE. Tie vote. MAYOR MARQUARDT- NAY. Motion fails 4-3.

DISCUSSION: Chris Hladick, City Manager, discussed three projects that were brought up in the CMMP; three are in the electric fund – APL upgrade, PacSteve upgrade, and Harbor Crown upgrade; also added Airport parking engineering for \$50,000; could bring back more information on the airport parking lot with a budget amendment.

AMENDMENT: McGlashan move to amend Ordinance No. 2005-07, FY08 Capital Budget to include electrical projects – APL upgrade for \$12,500, PacSteve upgrade for \$8,400, and Harbor Crown upgrade for \$32,000, Caldero second.

DISCUSSION: Council discussion that the CMMP is a planning document, and these electric projects were added to the CMMP after adoption.

VOTE ON AMENDMENT: UNANIMOUS.

DISCUSSION: Council discussion regarding the airport parking lot paving, and should we be improving in light of the State holding several meetings on airport improvements; State is working on the Airport Master Plan; pre-planning phase and EIS; could be years before any decision is made and funding available.

Council discussion regarding the relationship between debt and equity; even though we are voting on capital budget tonight, we will still have the option of using debt or equity for projects; would like to see analysis of using debt or equity. Can have that analysis for the Housing project in a couple of weeks.

Mayor Marquardt thanked everyone for all the hard work on the FY08 budget; this year was a new and open process

VOTE ON MAIN MOTION AS AMENDED: PECK-AYE, LEWIS-AYE, ROWLAND-AYE, CALDERO-AYE, MCGLASHAN-AYE, FLANAGAN-AYE. Motion passes 6-0.

NEW BUSINESS:

1. ORDINANCE NO. 2007-07: FIRST READING: AMENDING THE SCHEDULES OF FEES AND CHARGES TO BE ASSESSED FOR CITY-PROVIDED SERVICES.

1. **ORDINANCE NO. 2007-07 – CONT.:**

Peck move to schedule for public hearing and second reading on June 26, 2007, Caldero second.

DISCUSSION: Chris Hladick, City Manager, explained that this is an annual review of the City's fees and charges. Council discussion that we are not following what our agenda was for the Landfill; concerned that we are not raising the fees enough; raising the maintenance fee will not raise revenue by much; are not raising the tipping fee; to reduce the subsidy to this fund, should raise the tipping fee to \$221, but had set a goal of \$161.

Discussion that the batteries and scrap metal are also being raised; need to establish the City's policy on subsidizing utility funds; this is the last increase from what Council was attempting to do over the last three years; when Cell 4 is complete, will need to revisit the rate study; haven't recommended the increase yet; reviewed the rate study; recommend that we raise the tipping fee, and not raise the maintenance fee; Council can request additional information for the next meeting; discussed the recommendations in the solid waste rate study.

AMENDMENT: Peck to amend Ordinance No. 2007-07 to increase Solid Waste tipping fee to \$120 for 2008, and remove the increase to the maintenance fee, motion dies from lack of a second.

DISCUSSION: Lewis move to postpone Ordinance No. 2007-07 until more information is presented, motion withdrawn.

Discussion that Council would like additional information showing examples of what the different numbers would be if the tipping fee and maintenance fee were revised.

Council discussion that we have looked at this many times; don't think we wanted to hit the customer too hard; don't have a problem with what is presented; this is the second baby step in a three year process. Discussion that the power factor fee should be revised to 95%.

VOTE: AYE-5, NAY-1. Motion passes 5-1.

2. **RESOLUTION NO. 2007-31:** AMENDING RESOLUTION NO. 2006-48 WHICH DEFINES THE CITY'S POLICY ON PARTICIPATION IN FUNDING OF WATER AND SEWER UTILITY EXTENSION COSTS.

Peck move to adopt Resolution No. 2007-31, Rowland second.

DISCUSSION: City Manager explained that these policies are annual programs that Council reviews and approves.

VOTE: UNANIMOUS.

3. **RESOLUTION NO. 2007-32:** WHICH DEFINES THE CITY'S POLICY ON PARTICIPATION IN FUNDING OF ELECTRIC UTILITY EXTENSION COSTS.

Peck move to adopt Resolution No. 2007-32, Caldero second.

DISCUSSION: None

VOTE: UNANIMOUS.

4. **RESOLUTION NO. No. 2007-33:** AUTHORIZING THE WRITE-OFF OF VARIOUS ACCOUNT RECEIVABLES.

McGlashan move to adopt Resolution No. 2007-33, Lewis second.

DISCUSSION: City Manager explained that the majority of the write-off is Factory Trawl Supply who is in bankruptcy; appreciate the work Finance and Clerk's do on collections.

VOTE: UNANIMOUS.

COMMUNITY INPUT/ANNOUNCEMENTS:

1. Welcome home to Monica Southworth; she will be working for the paper this summer.
2. Appreciate the Roads crew's work putting calcium chloride on the roads.
3. Council Member Rowland will be traveling to Chignik; will be back for July meetings.
4. Council Member Peck will be out July 5th through July 12th.
5. Softball schedule reviewed.
6. Mayor Marquardt will be out of town June 20th through end of July.

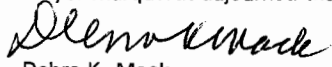
5. **EXECUTIVE SESSION:** UPDATE ON PSEA-UNION NEGOTIATIONS.

Caldero move to adjourn into executive session at 9:10 p.m. for an update on PSEA union negotiations, Roland second. Meeting reconvened to regular session at 9:55 p.m. No action taken in executive session.

COUNCIL DIRECTIVES: None

UNALASKA CITY COUNCIL
MINUTES, JUNE 12, 2007

Mayor Marquardt adjourned the meeting at 9:55 p.m.


Debra K. Mack
City Clerk

APPROVED
6/26/07