

CITY OF UNALASKA  
UNALASKA, ALASKA  
REGULAR MEETING  
OCTOBER 28, 2008

The regular meeting of the Unalaska City Council was called to order by Mayor Shirley Marquardt at 7:10 p.m., October 28, 2008, in the Unalaska City Hall Council Chambers. Roll call was taken and the following members were present:

|         |   |
|---------|---|
| Mayor   | -Shirley Marquardt  |
| Members | -Katherine McGlashan<br>-Dick Peck<br>-Dennis Robinson<br>-Earl "Skip" Southworth<br>-Roger Rowland<br>-David Gregory |
| Absent  | -None   |

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

**RECOGNITION OF VISITORS:**

1. Mike Hubbard, Financial Engineering.

**APPROVAL OF AGENDA:** Hearing no objections, Mayor Marquardt declared the agenda approved.

**MINUTES:** Hearing no revisions, Mayor Marquardt declared the minutes of October 15, 2008 special meeting and October 15, 2008 regular meeting adopted.

**FINANCIAL REPORT:** Financial reports for the month ending September 2008 were included in packet. Council discussion regarding how the information in the reports do not show the total amount that was budgeted; questioned the margins in the Electric Fund which are high; results from costs not catching up yet; will review in December; if too high, may lower rates; inquiry on tracking COPA.

**BOARD/COMMISSION REPORTS:** None

**AWARDS/PRESENTATIONS:** None

**MANAGER'S REPORT:** Chris Hladick, City Manager's report is in packet; inquiry about the status of the smoking ordinance; has been reviewed by City Attorney.

**COMMUNITY INPUT/ANNOUNCEMENTS:**

1. Public testimony regarding the draft ordinance regarding smoking in public that was submitted to the City; request that the ordinance be brought to Council for a vote; smoking is a safety and health issue; feel we should have a smoking ban in all public facilities.
2. Inquiry as to why the City library does not have wireless capabilities.
3. PCR Halloween event this Friday.
4. Haunted House fund raiser for Channel 8 at the old hospital building on East Point Road.
5. Next Council meeting will be Friday, November 7<sup>th</sup> due to Council travel.

**PUBLIC TESTIMONY ON AGENDA ITEMS:** None

**LEGISLATIVE:**

1. **OATH OF OFFICE:**

Debra Mack, City Clerk, administered the Oath of Office to Council Members Dennis Robinson, Katherine McGlashan, and Earl "Skip" Southworth.

**PUBLIC HEARING:**

1. **ORDINANCE NO. 2008-20:** CREATING BUDGET AMENDMENT NO. 4 TO THE FY09 BUDGET FOR GRANT REVENUES FOR THE DEPARTMENT OF PUBLIC SAFETY.

Mayor Marquardt opened the public hearing on Ordinance No. 2008-20.  
Mayor Marquardt closed the public hearing. No public testimony.

2. **ORDINANCE NO. 2008-18:** AMENDING UNALASKA CITY CODE SECTION 7.20.010 TO ALLOW THE CITY MANAGER TO AUTHORIZE THE ABANDONMENT, DESTRUCTION & RECYCLING OF CITY PERSONAL PROPERTY WITH NO COMMERCIAL VALUE.

Mayor Marquardt opened public hearing on Ordinance No. 2008-18.

Public testimony in support of being able to discard items that have no value; there is a lot of time spent putting it for surplus; City would establish steps for determining if the item has no value.

2. **ORDINANCE NO. 2008-18 – CONT:**

Public testimony that if the item is something that someone can use, should ensure that it doesn't go into the landfill; City might perceive it as useless but someone else might not.

Public testimony that by the time computers are surplus from the library; they are completely used and of no value; have spent so much time attempting to give items away that had no value.

Mayor Marquardt closed public hearing.

**WORK SESSION:** Rowland move to adjourn into a work session at 7:30 p.m., Southworth second. Unanimous vote. Items discussed in the work session were:

1. **RESOLUTION NO. 2008-62:** DESIGNATING THE UNRESERVED PORTION OF FUND BALANCE IN THE GENERAL FUND AND 1% SALES TAX SPECIAL REVENUE FUND.
2. **ORDINANCE NO. 2008-22:** ESTABLISHING A RESIDENTIAL UTILITY CREDIT PROGRAM, ESTABLISHING PARAMETERS FOR THE PROGRAM, AND BUDGETING FUNDS FOR PROGRAM.

Reconvened to regular session at 8:21 p.m.

**CONSENT AGENDA**

1. **RESOLUTION NO. 2008-67:** AUTHORIZING THE SALE OF CITY OF UNALASKA SURPLUS PERSONAL PROPERTY.
2. **RESOLUTION NO. 2008-68:** ADOPTING AN ALTERNATIVE ALLOCATION METHOD FOR THE FY09 SHARED FISHERIES BUSINESS TAX PROGRAM AND CERTIFYING THAT THIS ALLOCATION METHOD FAIRLY REPRESENTS THE DISTRIBUTION OF SIGNIFICANT EFFECTS OF FISHERIES BUSINESS ACTIVITY IN THE ALEUTIAN ISLANDS FISHERIES MANAGEMENT AREA.

Resolution No. 2008-71 is moved to New Business.

Hearing no objections, Mayor Marquardt declared the Consent Agenda adopted.

**UNFINISHED BUSINESS:**

1. **ORDINANCE NO. 2008-20: SECOND READING:** CREATING BUDGET AMENDMENT NO. 4 TO THE FY09 BUDGET FOR GRANT REVENUES FOR THE DEPARTMENT OF PUBLIC SAFETY.

Robinson move to adopt Ordinance No. 2008-20, McGlashan second.

DISCUSSION: Council thanked Director of Public Safety Jamie Sunderland for pursuing grants for Public Safety.

VOTE: UNANIMOUS

2. **ORDINANCE NO. 2008-18: SECOND READING:** AMENDING UNALASKA CITY CODE SECTION 7.20.010 TO ALLOW THE CITY MANAGER TO AUTHORIZE THE ABANDONMENT, DESTRUCTION OR RECYCLING OF CITY PERSONAL PROPERTY WITH NO COMMERCIAL VALUE.

Gregory move to adopt Ordinance No. 2008-18, Southworth second.

DISCUSSION: None

VOTE: UNANIMOUS.

**NEW BUSINESS:**

1. **RESOLUTION NO. 2008-69:** IDENTIFYING THE CITY OF UNALASKA'S STATE LEGISLATIVE FUNDING PRIORITIES FOR THE FISCAL YEAR 2010.

McGlashan move to adopt Resolution No. 2008-69, Southworth second.

DISCUSSION: Chris Hladick, City Manager, explained that the funding priorities for FY10 include \$5 million for powerhouse project, \$5 million for Ballyhoo Road Paving, and \$1.5 million for a new water plant facility; try to always identify three priorities; have submitted a request for the wastewater plant through DEC matching grant program. Council discussion that we should reach out to processing facilities for lobbying efforts for this funding.

VOTE: UNANIMOUS.

2. **RESOLUTION NO. 2008-62:** DESIGNATING THE UNRESERVED PORTION OF FUND BALANCE IN THE GENERAL FUND AND 1% SALES TAX SPECIAL REVENUE FUND.

Rowland move to adopt Resolution No. 2008-62, McGlashan second.

2. **RESOLUTION NO. 2008-62: Cont.:**

DISCUSSION: Chris Hladick, City Manager, explained that it would be appropriate to discuss the contribution to the powerhouse project as it pertains to the bonds.

AMENDMENT: Robinson move to amend Resolution No. 2008-62 to only include the designations as Rainy Day Fund at \$15 million, Power House project at \$3.5 million, \$1 million for compensated absences, and \$1.3 million for the boat harbor matching grant, McGlashan second

DISCUSSION: Council discussion that the other designations can be taken up at a later date; recycling should be an issue for designations.

Discussion not in favor of amendment and will not vote for amendment; should have a strategic plan.

Discussion in support and will be voting for this amendment; Council will review designations at a later date; agree that this should be addressed after strategic planning.

Discussion will vote against the amendment; should have the amounts delineated because there is not a current strategic plan; will provide direction to management; designations may change at a later date, but for now, should remain as presented.

Council discussion that all the projects are needed; the amendment is not meant to negate any project; all the designations are not critical; the amendment just makes things clearer. Powerhouse is biggest project; do want to see a strategic plan, as one hasn't been done since 2006; don't have to vote on this tonight; the intent of exercise is the bonding issue; the amendment is a step forward; CMMP projects are known, and remaining projects will come forward later. Will support amendment.

VOTE ON AMENDMENT: MCGLASHAN-AYE, ROBINSON-AYE, PECK-AYE, SOUTHWORTH-NAY, GREGORY-NAY, ROWLAND-NAY. Motion tie 3-3, MAYOR-NAY. Motion fails 4-3.

DISCUSSION: Council discussion that strategic planning will be held and council can revise the designations after; will be voting no; doesn't need to be adopted tonight; can look at the designations again later with the power house numbers; understand it's a tool; will vote in favor; can review again in December; these designation will give the community some idea of where the money is going.

Thank you to City Manager Chris Hladick and Finance Director Tonya Miller for their work on this; will be supporting the recommendation; will vote yes.

VOTE: GREGORY-AYE, PECK-AYE, ROBINSON-NAY, MCGLASHAN-AYE, ROWLAND-AYE, SOUTHWORTH-AYE. Motion passes 5-1.

Peck move to reconsider the previous vote; motion fails due to lack of second.

3. **ORDINANCE NO. 2008-22: FIRST READING:** ESTABLISHING A RESIDENTIAL UTILITY CREDIT PROGRAM, ESTABLISHING PARAMETERS FOR THE PROGRAM, AND BUDGETING FUNDS FOR PROGRAM.

McGlashan move to schedule Ordinance No. 2008-22 for public hearing and second reading on November 7, 2008, Southworth second.

DISCUSSION: Public testimony that there will be someone unhappy about this; should be an application that someone could complete if they fall through the cracks; support the program.

Public testimony in appreciation of Council Member Rowland's comments during the work session, as it is not a popular view point to express; agree with the comments; City has already reduced the mil rate, exempted fuel from sales tax, and the State has provided an energy credit; City provides infrastructure, and has done enough; \$60 a month is not a huge benefit for any resident; stopping the program will be hard; don't believe it will add value to what has already been done.

AMENDMENT: Peck move to amend Ordinance No. 2008-22 to eliminate all language after the first paragraph, Southworth second.

DISCUSSION: Council discussion that if the business section is eliminated, will make businesses eligible for credit; the Whereas's in the ordinance should be revised.

Motion was withdrawn.

Council discussion not in support of this ordinance; this credit will turn into an entitlement; what if the price of energy is higher later; City has done a lot in the last few months; would like to hold this until next year. Discussion will vote in favor of the ordinance since we will look at an amendment at second reading to increase to 690 meters at \$60 per month; would not support as written due to legal challenges.

VOTE: AYES-5, NAYS-1. Motion passes 5-1.

4. **ORDINANCE NO. 2008-19: FIRST READING:** AUTHORIZING ELECTRIC UTILITY REVENUE BONDS OF THE CITY TO BE ISSUED IN SERIES TO FINANCE ELECTRIC UTILITY IMPROVEMENTS; CREATING A LIEN UPON NET REVENUE OF THE ELECTRIC UTILITY FOR THE PAYMENT OF THE BONDS; AND ESTABLISHING COVENANTS OF THE CITY RELATED TO THE BONDS.

Rowland move to schedule Ordinance No. 2008-19 for public hearing and second reading on November 7, 2008, McGlashan second.

4. **ORDINANCE NO. 2008-19: Cont.:**

DISCUSSION: Chris Hladick, City Manager, explained that two ordinances are required for the power house bonding issue; these have been prepared by the City's bond counsel; this ordinance does not appropriate funding if Council chooses to provide a grant to the project. Discussion that the City desperately needs the new power house and this ordinance moves it forward.

VOTE: UNANIMOUS

5. **ORDINANCE 2008-21: FIRST READING:** AUTHORIZING THE ISSUANCE AND SALE OF A SERIES OF ELECTRIC UTILITY REVENUE BONDS BY THE CITY IN THE PRINCIPAL AMOUNT OF NOT TO EXCEED \$27,600,000 FOR THE PURPOSE OF FINANCING THE DESIGN, CONSTRUCTION AND ACQUISITION OF ELECTRIC GENERATION AND RELATED CAPITAL IMPROVEMENTS; ESTABLISHING THE TERMS OF THE BONDS; AND AUTHORIZING THE SALE OF THE BONDS.

Rowland move to schedule Ordinance No. 2008-21 to public hearing and second reading on November 7, 2008, McGlashan second.

DISCUSSION: Council discussion that the bond amount needs to be decided; if Council authorizes the maximum amount, that is not the amount that has to be bonded; do believe the amount can be reduced; can bring back the answer at the next meeting; better to have a higher limit, then reduce if necessary.

AMENDMENT: Peck move to amend Ordinance No. 2008-21 to increase the bonding amount to \$30 million, Rowland second.

DISCUSSION: Discussion that there is a 10% contingency that the bond bank can change; will notify the bond bank that the amount has been increased to \$30 million; in support of the amendment due to our recent dealing with PCB's at the site.

VOTE ON AMENDMENT: UNANIMOUS

DISCUSSION: None

VOTE ON MAIN MOTION AS AMENDED: UNANIMOUS

6. **RESOLUTION NO. 2008-70:** AUTHORIZING AN EXPENDITURE IN AN AMOUNT NOT TO EXCEED \$\_\_\_\_\_ FROM COUNCIL CONTINGENCY TO SPONSOR THE PUBLISHING OF "*MARINE LIFE OF THE ALEUTIAN ISLANDS*".

Peck move to adopt Resolution No. 2008-70, Southworth second.

DISCUSSION: Council discussion that the City has supported other publications about the Aleutians in the past; would support \$6,000; would like to ensure that all other funding comes through before authorizing the actual payment.

Reid Brewer explained that the Aleutians have been misrepresented; look at this book as a new way of outreach; have raised \$10K so far.

Council discussion regarding approving the resolution, but not have the funds expended until publication; reminder that with the approval of \$6K, will leave \$10K remaining in council contingency; would like to stay in line with other previous donations.

AMENDMENT: Peck move to amend Resolution No. 2008-70 to insert \$6,000 in the blanks, Rowland second

DISCUSSION: None

VOTE ON AMENDMENT: UNANIMOUS

DISCUSSION: None

VOTE ON MAIN MOTION AS AMENDED: UNANIMOUS

7. **RESOLUTION NO. 2008-71:** CONFIRMING THE MAYOR'S APPOINTMENT OF ZOYA JOHNSON TO THE UNALASKA PLANNING COMMISSION/PLATTING BOARD.

McGlashan move to adopt Resolution No. 2008-74, Rowland second.

DISCUSSION: Council discussion that when there is a vacancy, usually accept letter of interests for a week; would like this vacancy posted. Discussion that the City accepts board applications year round; the notice is posted on the web site; can vote down the resolution or postpone until November 7, 2008; will post the vacancy.

VOTE: AYE-2 NAY-4. Motion fails 4-2.

**COUNCIL DIRECTIVES:**

1. **ORDINANCE NO. 2008-22:**

Peck move to direct the City Manager to bring an amendment to Ordinance No. 2008-22 that defines the eligibility for the energy credit as defined in Title 10, Robinson second.

UNALASKA CITY COUNCIL  
MINUTES, OCTOBER 28, 2008

1. ORDINANCE NO. 2008-22: Cont.:

DISCUSSION: Discussion that the amendment will incorporate the 690 meters; interested in eliminating the restriction of outside addresses; should be all who qualify for PCE; also amend the Whereas's.

VOTE: AYE-4, NAY-2. Motion passes 4-2.

COMMUNITY INPUT/ANNOUNCEMENTS:

1. Museum of the Aleutians annual fundraiser November 8, 2008.
2. Would like to see all those interested in the vacant Planning Commission seat attend the next meeting.
3. Presidential election next Tuesday.

Mayor Marquardt adjourned the meeting at 9:37 pm.



Debra K. Mack  
City Clerk

APPROVED  
11/7/08