

CITY OF UNALASKA
UNALASKA, ALASKA
REGULAR MEETING
DECEMBER 30, 2008

The regular meeting of the Unalaska City Council was called to order by Mayor Shirley Marquardt at 7:00 p.m., December 30, 2008, in the Unalaska City Hall Council Chambers. Roll call was taken and the following members were present:

Mayor - Shirley Marquardt

Members - Katherine McGlashan
- Dick Peck
- Dennis Robinson
- Earl "Skip" Southworth
- David Gregory

Absent - Roger Rowland (excused)

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

RECOGNITION OF VISITORS: None

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

MINUTES: Hearing no revisions, Mayor Marquardt declared the minutes of November 30, 2008 regular meeting adopted.

FINANCIAL REPORT: November financial report in packet; discussion regarding the price of fuel in the electric utility fund; will not be changing the COPA rate with the reduction in fuel price, and will continue to review; December report will reflect the \$9 million deferred revenue as shared fish tax revenue.

BOARD/COMMISSION REPORTS: Library Advisory Committee minutes in packet.

AWARDS/PRESENTATIONS: None

MANAGER'S REPORT: Chris Hladick, City Manager, has been out of town; Mayor Marquardt reported that incoming Senator Begich held teleconference with Alaskan Mayors regarding the economic stimulus package that Congress will address in January; Unalaska projects submitted include the powerhouse project, Phase II boat harbor project, and Ballyhoo Road paving.

COMMUNITY INPUT/ANNOUNCEMENTS:

1. Alaska's 50th anniversary of statehood celebration will be held January 3rd; community potlatch at the school and bonfire on Front Beach.
2. Thank you to Dan Winters and everyone who worked on the fireworks; appreciate all the work; fireworks will be held at 10 pm tomorrow.
3. Jennifer Shockley, President of PSEA Unalaska chapter, representing Dept. of Public Safety, spoke on the recent contract negotiations with the City.
4. TWIC representatives will be back in Unalaska January 12 – 16, 2009.

PUBLIC TESTIMONY ON AGENDA ITEMS: None

LEGISLATIVE

1. **PROCLAMATION:** RECOGNITION OF THE STATE OF ALASKA'S 50TH YEAR OF STATEHOOD.
Mayor Marquardt read a proclamation which proclaims January 3, 2009 as Alaska Statehood Day in Unalaska.

PUBLIC HEARING:

1. **ORDINANCE NO. 2008-23:** AMENDING CHAPTERS 8.06, 8.12, 11.20 AND TITLE 17 OF THE UNALASKA CODE OF ORDINANCES TO REGULATE THE LOCATION, CONSTRUCTION AND OPERATION OF WIND GENERATORS.

Mayor Marquardt opened the public hearing on Ordinance No. 2008-23.
Mayor Marquardt closed the public hearing on Ordinance No. 2008-23. No public testimony.

WORK SESSION: Southworth move to adjourn to work session at 7:14 pm, Peck second. Unanimous vote. Meeting reconvened to regular session at 9:05 p.m. Items discussed in the work session:

1. AMENDING UNALASKA CITY CODE TITLE 11 – HEALTH AND SAFETY BY ENACTING A NEW CHAPTER REGULATING SMOKING.
2. POWER HOUSE PROJECT FUNDING OPTIONS.
3. NORTH PACIFIC FISHERIES MANAGEMENT COUNCIL MEETING – DECEMBER 2008.

CONSENT AGENDA

1. **RESOLUTION NO. 2008-81:** CONFIRMING THE MAYOR'S APPOINTMENT OF KELLY STILES TO THE UNALASKA PARKS, CULTURE & RECREATION ADVISORY COMMITTEE.
2. **RESOLUTION NO. 2008-85:** CONFIRMING THE MAYOR'S APPOINTMENT OF TRACY MILLER TO THE UNALASKA PARKS, CULTURE & RECREATION ADVISORY COMMITTEE.

UNALASKA CITY COUNCIL
MINUTES, DECEMBER 30, 2008

3. **RESOLUTION NO. 2008-87:** ESTABLISHING DATES FOR THE FISCAL YEAR 2010 REAL PROPERTY TAX AND BUSINESS PERSONAL PROPERTY TAX COLLECTION EFFORT.

4. **RESOLUTION NO. 2008-94:** AUTHORIZING THE CITY MANAGER TO ENTER INTO AN AGREEMENT WITH SHANNON AND WILSON TO PROVIDE CONSULTING SERVICES FOR THE DEVELOPMENT OF A ROAD IMPROVEMENT PLAN IN AN AMOUNT NOT TO EXCEED \$147,267.

5. **RESOLUTION NO. 2008-88:** AUTHORIZING AN EXPENDITURE IN AN AMOUNT NOT TO EXCEED \$1,000 FROM COUNCIL CONTINGENCY TO SPONSOR THE STATE OF ALASKA 50TH ANNIVERSARY OF STATEHOOD ACTIVITIES IN UNALASKA.

Resolution No's 2008-86, 2008-82, 2008-83, 2008-84 and 2008-93 were moved to New Business.

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

UNFINISHED BUSINESS:

1. **ORDINANCE NO. 2008-23: SECOND READING:** AMENDING CHAPTERS 8.06, 8.12, 11.20 AND TITLE 17 OF THE UNALASKA CODE OF ORDINANCES TO REGULATE THE LOCATION, CONSTRUCTION AND OPERATION OF WIND GENERATORS.

Peck move to adopt Ordinance No. 2008-23, McGlashan second.

DISCUSSION: Public testimony in support of wind power; do own a tower, and have researched other towers; changed mind on installing; regarding the issue of noise, think ordinance is needed; concerned about the noise issue, not just decibel levels; want to see wind generation, but ambient level vs decibel levels should be looked into; support ordinance, but would like consideration given to decibel levels above ambient noise.

Discussion that the Planning Commission has reviewed and worked hard on this ordinance; this ordinance and proposed amendment are a place to start; discussion regarding existing noise ordinance; people don't want to disturb neighbors; can amend ordinance at a later date.

AMENDMENT: McGlashan move to amend Ordinance No. 2008-23 per Proposed Amendment No. 1, Robinson second.

DISCUSSION: None

VOTE: UNANIMOUS

AMENDMENT: Peck move to amend Ordinance No. 2008-23 to insert 60 in the blank in Section 13(Q)(4)a, and insert 45 in Section 13(Q)(4)b, McGlashan second.

DISCUSSION: Council discussion that this amendment eliminates ambient noise; intent of the blanks are to set a cap which shall not be exceeded. Motion withdrawn, second concurs.

AMENDMENT: Robinson move to amend Ordinance No. 2008-23 to insert 100 in the blank in Section 13(Q)(4)a, and 85 in the blank in Section 13(Q)(4)b. Motion fails due to lack of second.

DISCUSSION: Discussion that there are more wind storms above 60 decibels; the first concern is that neighbors are getting along; 65 db and under is considered neighborly; should eliminate all language after "ambient noise".

Robinson move to postpone Ordinance No. 2008-23 until more information is received, Southworth second. VOTE: UNANIMOUS

NEW BUSINESS:

1. **ORDINANCE NO. 2008-24: FIRST READING:** AN ORDINANCE OF THE CITY OF UNALASKA, ALASKA, AMENDING ORDINANCE NO. 2008-21 TO INCREASE THE MAXIMUM TRUE INTEREST COST FROM 6.0 PERCENT TO 8.0 PERCENT ON THE SERIES OF ELECTRIC UTILITY REVENUE BONDS AUTHORIZED BY ORDINANCE NO. 2008-21.

Robinson move to schedule Ordinance No. 2008-24 for public hearing and second reading on January 13, 2009, Gregory second.

DISCUSSION: Council discussion regarding providing power; need a program implemented for energy conservation that recognizes the supply side; the State will soon have an energy plan; will vote no on this motion.

Council discussion very concerned about the 8% interest rate; would like the rate to be under 6%; could use general fund money, and not go to 8%; intent is not to go 8%; will support this ordinance with instruction that we need to be under 6%; should not

1. **ORDINANCE NO. 2008-24 – CONT:**

deplete our general fund; will support, but hope we will not go to 8%.

VOTE: 4- AYE, 1-NAY. Motion passes 4-1.

2. **RESOLUTION NO. 2008-90:** AUTHORIZING AN INTER-FUND LOAN FROM THE GENERAL FUND TO THE ELECTRIC FUND FOR THE PURPOSE OF FINANCING THE POWERHOUSE EXPANSION PROJECT.

McGlashan move to adopt Resolution No. 2008-90, Gregory second.

UNALASKA CITY COUNCIL
MINUTES, DECEMBER 30, 2008

DISCUSSION: Council discussion that this is intended to work with the bond ordinance, and is a stop gap measure to continue with the project; discussion regarding the proposed interest rate; why is it 5.5%, and not the 3.9% rate that our investments are currently earning.

AMENDMENT: Peck move to amend Resolution No. 2008-90 to reduce the interest rate to 3.9%, Gregory second.

DISCUSSION: Considerable discussion regarding the interest rate that the Electric Enterprise Fund would pay the General Fund; the presentation showed a win/win situation for 5.5%; the rate is Council's decision; management has spent a lot of time on this issue and 5.5% is management's recommendation.

VOTE ON AMENDMENT: MCGLASHAN-NAY, GREGORY-NAY, PECK-AYE, ROBINSON-NAY, SOUTHWORTH-AYE. Motion fails 3-2.

DISCUSSION: Council discussion thanking staff for clarification of the interest rate; was very clear at last meeting; will support resolution as presented; will support as a stop gap measure to keep this project moving forward.

Council discussion will schedule some time with Finance for further explanation; will vote no on resolution.

VOTE: AYE – 4, NAY – 1. Motion passes 4-1.

3. RESOLUTION NO. 2008-91: DESIGNATING THE UNRESERVED PORTION OF FUND BALANCES IN THE GENERAL FUND AND 1% SALES TAX SPECIAL REVENUE FUND

McGlashan move to adopt Resolution No. 2008-91, Gregory second.

DISCUSSION: Council discussion that this is the third piece of the funding option; if funds from the general fund are used for the powerhouse project, the designations need to be adjusted.

VOTE: AYE – 4, NAY – 1. Motion passes 4-1.

4. RESOLUTION NO. 2008-92: AUTHORIZING THE CITY MANAGER TO ENTER INTO AN AGREEMENT WITH SKW ESKIMOS, INC. FOR THE CONSTRUCTION OF THE UNALASKA POWERHOUSE RENOVATION PROJECT IN THE AMOUNT OF \$23,997,000.

McGlashan move to adopt Resolution No. 2008-92, Gregory second.

DISCUSSION: The resolution authorizing the lawsuit to pursue reimbursement for funds spent on the PCB project will be on next agenda.

VOTE: AYE – 4, NAY – 1. Motion passes 4-1.

5. RESOLUTION NO. 2008-89: APPROVING THE CITY TO BE DESIGNATED AS AN IN-HOUSE TWIC ENROLLMENT AGENT, AUTHORIZING THE APPLICATION OF A 2009 PORT SECURITY GRANT AND AGREEING TO PROVIDE THE REQUIRED MATCH FOR THE GRANT.

McGlashan to adopt Resolution No. 2008-89, Gregory second.

DISCUSSION: Council discussion that this has been an ongoing headache for industry and those required to have a TWIC card; beginning in February, must have a TWIC card in order to work on the dock; the City will pursue becoming a trusted agent in Unalaska; Homeland Security will only train 6 or more, so will look to industry also; City will apply for grant for equipment.

VOTE: UNANIMOUS

6. ANNUAL LIQUOR LICENSE REVIEW:

Each year, the City reviews liquor licenses operating in Unalaska; discussion that stats show a reduction in number of Public Safety incidents.

MOTION: McGlashan move to direct the City Clerk to notify the ABC Board that no protests will be filed this year, Peck second.

DISCUSSION: None

VOTE: UNANIMOUS

7. RESOLUTION NO. 2008-86: APPROVING THE FY08 AUDITED COMPREHENSIVE ANNUAL FINANCIAL REPORT (CAFR) OF THE CITY OF UNALASKA.

Peck move to adopt Resolution No. 2008-86, Robinson second.

DISCUSSION: Thank you to staff for good job; discussion regarding capital assets, solid waste policy to have negative cash flow after depreciation costs are taken out, and solid waste closure/post closure costs.

VOTE: UNANIMOUS.

8. RESOLUTION NO. 2008-82: AUTHORIZING THE CITY MANAGER TO ENTER INTO AN AGREEMENT WITH NC POWER SYSTEMS FOR THE SUPPLY OF ONE BLACK START UNIT FOR THE POWERHOUSE EXPANSION PROJECT IN THE AMOUNT OF \$127,059.

McGlashan move to adopt Resolution No. 2008-82, Gregory second.

DISCUSSION: Council discussion regarding the black start unit; analysis found that the cost would be higher if using a rebuilt one.

UNALASKA CITY COUNCIL
MINUTES, DECEMBER 30, 2008

VOTE: UNANIMOUS

9. **RESOLUTION NO. 2008-83:** AUTHORIZING THE CITY MANAGER TO ENTER INTO AN AGREEMENT WITH G & W ELECTRIC CO. FOR THE SUPPLY OF RECLOSERS FOR THE POWERHOUSE EXPANSION PROJECT IN THE AMOUNT OF \$239,095.

McGlashan move to adopt Resolution No. 2008-83, Gregory second.

DISCUSSION: Council discussion regarding matching up with other equipment currently in the powerhouse.

VOTE: UNANIMOUS

10. **RESOLUTION NO. 2008-84:** AUTHORIZING THE CITY MANAGER TO ENTER INTO AN AGREEMENT WITH GENERAL SWITCHGEAR FOR THE SUPPLY OF ONE 5 kV SWITCHGEAR FOR THE POWERHOUSE EXPANSION PROJECT IN THE AMOUNT OF \$603,195.

McGlashan move to adopt Resolution No. 2008-84, Gregory second.

DISCUSSION: Council discussion that this has been coordinated with existing switch gear.

VOTE: UNANIMOUS.

11. **RESOLUTION NO. 2008-93:** AUTHORIZING THE CITY MANAGER TO ENTER INTO AN AGREEMENT WITH ALEUTIAN ELECTRICAL CONTRACTORS, INC. FOR THE INSTALLATION OF A SECURITY SYSTEM AT THE MUSEUM OF THE ALEUTIANS, IN THE AMOUNT OF \$54,395.

McGlashan move to adopt Resolution No. 2008-93, Gregory second.

DISCUSSION: None

VOTE: UNANIMOUS

COUNCIL DIRECTIVES:

1. Should invite oil industry representatives to Unalaska.

COMMUNITY INPUT/ANNOUNCEMENTS:

1. Fireworks tomorrow at 10 pm.
2. Hope all had happy holidays.
3. Wish employees, Council, Mayor, and residents a Happy New Year.

Mayor Marquardt adjourned the meeting at 10:34 pm.



Debra K. Mack
City Clerk

Approved
1/13/09