

CITY OF UNALASKA
UNALASKA, ALASKA
SPECIAL MEETING
August 31, 2010

The special meeting of the Unalaska City Council was called to order by Mayor Shirley Marquardt at 7:00 p.m., August 31, 2010, in the Unalaska City Hall Council Chambers. Roll call was taken:

PRESENT

Mayor -Shirley Marquardt

Members -Dennis Robinson
-Katherine McGlashan
-Dick Peck
-Zac Schasteen

ABSENT -David Gregory-excused
-Roger Rowland-excused

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

RECOGNITION OF VISITORS: Mayor Marquardt recognized Leslie Ridle, Senator Begich's Deputy Chief of Staff overseeing constituent relations; Marion Davis and Kenny Gill of Horizon Lines; and Gene Makarin of APL.

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

MINUTES: Hearing no revisions, Mayor Marquardt declared the minutes of the August 10, 2010 Regular Meeting approved.

FINANCIAL REPORT: NONE

BOARD/COMMISSION REPORTS: NONE

AWARDS/PRESENTATIONS: NONE

MANAGER'S REPORT:

1. City Manager and Finance Director have been working with Brooks Chandler on a Finance Plan for the landfill project, the water plant, and the wastewater treatment plant.
2. A deposition for the PCB lawsuit against the federal government is coming up on October 18th in Anchorage. Mediation is expected sometime in December.

COMMUNITY INPUT/ANNOUNCEMENTS:

1. The Community Health Needs Assessment is underway, and the public is invited to participate in a meeting to be held in the Burma Road Chapel this Friday.
2. The Public Library Summer Reading Club party will be held at the pool on Saturday.
3. Marion Davis of Horizon Lines spoke to the issues surrounding the renewal of Horizon's Preferred Use Agreement with the City. He suggested a 90-day extension to provide an opportunity for the City and Horizon to get together to develop a long-term agreement. He would like to see a minimum of five years with a number of options.
4. Ron Hildebrand of Trident Seafoods supports the City studying dockage and wharfage increases and when negotiating with Horizon, and he urged the City to consider possible losses of revenue because of diversion.
5. The fall season of activities begins for PCR on September 1st. All of the programs available through the PCR will be included in the PCR's calendar brochure which will be available this week.
6. Wilma Adams's last day as a lifeguard was today. She has been a lifeguard for the City for many years and has helped teach a great number of children how to swim and how to be safe in the water.
7. Gene Makarin of APL mentioned that the APL crane is back in service. He also pointed out that with the improvements to the City's power house, APL plans to move to City power and use its power house only for emergencies.
8. Gene Makarin said that APL does not share Horizon's feelings about their investment in the City's dock. APL has invested more over the years. This is not a good time for the City to

subsidize one carrier and not the others. The break Horizon received for the past 20 years has been good, but it is time for that preferential use to end.

9. A farewell party will be held tomorrow for the National Park Service employees, the *Tiglax* crew, and descendants of the lost villages, all of whom will travel to Kashega and Biorka on board the *M/V Tiglax*. The *M/V Tiglax*, which is based in Homer, AK, is a 120-foot research vessel that belongs to the US Fish and Wildlife Service, but that is used mainly by the Alaska Maritime National Wildlife Refuge.
10. Frank Kros will in town this week to help build the assts program in the community and in the school. He will meet with the public at 7:00 p.m. Thursday in the big gym at the high school.
11. FilAm did a wonderful job with the celebration and coronation ceremony for the Santa Cruzen this last weekend.

PUBLIC TESTIMONY ON AGENDA ITEMS: NONE

PUBLIC HEARING

1. **ORDINANCE NO. 2010-11:** AMENDING SECTIONS 6.04.010 AND 6.40.030 OF THE UNALASKA CODE OF ORDINANCES TO DELETE AN EXEMPTION FOR OUT OF TOWN SALES AND MODIFY DEFINITIONS FOR SALE FOR RESALE AND RETAIN SALE MADE WITHIN THE CITY OF UNALASKA.

Archie Stepp of Northern Mechanical asked about the impact of this change on his contract to supply Akutan with rock since the contract is already in effect.

WORK SESSION

Peck moved to adjourn into a Work Session at 7:20 p.m.; Schasteen seconded.

The following items were presented at the Work Session:

1. **PRESENTATION:** Evan Rose, Financial Manager, reported on the City's financial investments.
2. **APPEAL:** Council moved into an Open Hearing for the Appeal of Revocation of Taxi Permit and Chauffeur's License.

In the interest of transparency, Council Member Schasteen stated that he was a police officer with the City of Unalaska from 2003 to 2008, at which time he worked under Director of Public Safety Jamie Sunderland, and he came in contact with Ms. Lee. He believes that he can remain unbiased in his dealing with the issue before the Council.

Joanne Lee was asked if she would like to address the Council, and she declined. After being sworn in, Jamie Sunderland presented the case for revocation of the taxi permit and chauffeur's license. Attorneys Brooks Chandler and Meredith Montgomery appeared telephonically.

Peck made a motion to affirm the revocation of the taxi permit and chauffeur's license; McGlashan seconded.

VOTE: Unanimous

3. **UPDATE:** Following the Open Hearing, Council returned to presentations as part of the Work Session with a fisheries update by Frank Kelty.

The meeting reconvened at 8:40 p.m.

CONSENT AGENDA

1. **RESOLUTION 2010-52:** ACCEPTING THE ALASKA SMALL CITY ENERGY EFFICIENCY & CONSERVATION BLOCK GRANT (EECBG)
2. **RESOLUTION 2010-53:** CONFIRMING THE APPOINTMENT OF FRANK KELTY TO THE ILIULIUK FAMILY & HEALTH SERVICES BOARD OF DIRECTORS

3. RESOLUTION 2010-54: ACKNOWLEDGING THE CLOSURE AND COMPLETION OF VARIOUS CAPITAL PROJECTS AND PURCHASES.

At the request of McGlashan, Resolution 2010-54 was moved to Unfinished Business. Hearing no further changes, Mayor Marquardt declared the revised consent agenda adopted.

UNFINISHED BUSINESS

1. ORDINANCE NO. 2010-11 SECOND READING: AMENDING SECTIONS 6.04.010 AND 6.40.030 OF THE UNALASKA CODE OF ORDINANCES TO DELETE AN EXEMPTION FOR OUT OF TOWN SALES AND MODIFY DEFINITIONS FOR SALE FOR RESALE AND RETAIN SALE MADE WITHIN THE CITY OF UNALASKA.

Peck moved to approve Ordinance No. 2010-11; McGlashan seconded.

DISCUSSION: Peck asked if Ordinance 2010-11 can be brought up again after the research is done into a response to Mr. Stepp's question that was presented during the Public Hearing.

Peck moved to postpone second reading of Ordinance 2010-11 to the September 14, 2010 Council meeting; McGlashan seconded.

VOTE: Unanimous

NEW BUSINESS:

1. RESOLUTION NO. 2010-51: AUTHORIZING THE CITY MANAGER TO AMEND THE DESIGN-BUILD AGREEMENT WITH PACIFIC PILE AND MARINE, L.P., TO ALLOW THE CONTRACTOR TO PROVIDE A RETAINAGE BOND IN LIEU OF RETAINING FUNDS FROM PROGRESS PAYMENTS.

McGlashan moved to approve Resolution No. 2010-51; Peck seconded.

DISCUSSION: Providing a retainage bond in lieu of retaining funds from progress payments saves the City from having to pay interest.

VOTE: Unanimous

2. ORDINANCE 2010-12 FIRST READING: AMENDING CHAPTER 10.04 OF THE UNALASKA CODE OF ORDINANCES IN ORDER TO REDUCE THE TIME AFTER WHICH AN UNPAID UTILITY INVOICE WILL BE CONSIDERED DELINQUENT AND ADDRESSING PROPERTY OWNER RESPONSIBILITY FOR UTILITY SERVICE PROVIDED TO RENTAL PROPERTIES AND AMENDING CONDITIONS OF RESTORATION OF UTILITY SERVICE.

Peck moved to move Ordinance No. 2010-12 to Public Hearing and Second Reading on September 14, 2010; Robinson seconded.

DISCUSSION: Finance Director Tonya Miller explained the suggested changes to the Code of Ordinances.

By allowing less exposure for the City, the controls are strengthened and the City not only reduces its risk, but the City is brought within industry norms. Instead of raising rates to cover for people who do not pay their bills, the City would become more aggressive in collecting debt from those who owe. The suggested changes would allow collection of debt without raising the rates to residents.

Concern was expressed about passing the bad debt to individual residents. Concern was also expressed about the fact that work in our community is often seasonal, and people have months when they may not have work followed by months when they do work, but eventually they pay their bills. Bad debt should be written into the rates as an insurance policy.

VOTE: Aye: 1; Nay: 3. MOTION FAILED.

3. RESOLUTION 2010-54: ACKNOWLEDGING THE CLOSURE AND COMPLETION OF VARIOUS CAPITAL PROJECTS AND PURCHASES.

McGlashan moved to approve Resolution 2010-54; Peck seconded.

DISCUSSION: The City Manager reviewed the various projects to be closed indicating that some projects are now complete, and others were for grants that were never received.

VOTE: Unanimous

4. MAYOR AND COUNCIL TRAVEL: 1. AML BOARD MEETING IN ANCHORAGE; 2. NPFMC THE WEEK OF OCTOBER 5TH.

Peck moved to send the Mayor to the AML Board meeting in Anchorage and to send Council Member McGlashan and Mayor Marquardt to NPFMC the week of October 5th; Schasteen seconded.

DISCUSSION: Since the Mayor is a member of the AML Board, the City will be reimbursed for the cost of her trip to that meeting. Since the Mayor will already be in Anchorage, it would prudent simply to pay for three more nights at a hotel for her to attend NPFMC.

VOTE: Unanimous

COMMUNITY INPUT/ANNOUNCEMENTS:

1. There will be a Pin Shoot on Sunday at 2:00 p.m. at the gun range.
2. Silver salmon are back in Nateekin Creek.

COUNCIL DIRECTIVES: NONE

ADJOURNMENT: Mayor Marquardt adjourned the meeting at 9:15 p.m.



Elizabeth Masoni
City Clerk