

**CITY OF UNALASKA
UNALASKA, ALASKA
REGULAR MEETING
TUESDAY, JANUARY 13, 2015, 6:00 P.M.
UNALASKA CITY HALL COUNCIL CHAMBERS
AGENDA**

The regular meeting of the Unalaska City Council was called to order at 6:00 pm, January 13, 2015, in the Unalaska City Hall council chambers. Roll was taken:

PRESENT: Shirley Marquardt, Mayor
Roger Rowland
Zoya Johnson
Alejandro Tungul
David Gregory
Yudelka Leclere

ABSENT: Tom Enlow (Excused)

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

RECOGNITION OF VISITORS: Dan Rozema, KMPG.

ADDITIONS TO AGENDA: None.

MINUTES: The minutes of the December 23, 2014 meeting was adopted as submitted.

FINANCIAL REPORT: FY 16 Revenue Projections included in the packet.

BOARD/COMMISSION REPORTS: The minutes of the November 20, 2014 meeting of the Planning Commission and Historic Preservation Commission were included in the packet.

AWARDS/PRESENTATIONS: Mayor Marquardt gave the Oath of Office to Police Officer Michael Dassler. Mayor and Council welcomed Michael and Michaela Dassler to the community.

MANAGER'S REPORT: None.

COMMUNITY INPUT/ANNOUNCEMENTS:

1. Mayor Marquardt commented on the concerns of community members regarding the "Deadliest Catch" helicopter flying too low. The Chief Operations Pilot in Homer was apologetic and said he would communicate this concern to his pilots.
2. Mayor Marquardt mentioned the upcoming Raider Boys and Girls Basketball games between Unalaska and Bristol Bay and encouraged community support and acknowledged the hard work of the Raider athletes.
3. Director of Public Utilities Dan Winters thanked the volunteers who participated in the production of the New Year's Eve fireworks. He mentioned it was the 20th show he and Director of Public Safety Sunderland had worked on together.
4. Mayor and Council thanked Dan Winters and Jamie Sunderland and the volunteers for their hard work.
5. Annie Ropeik from KUCB announced the beginning of live broadcasts of council meetings with a rebroadcast on Fridays on Channel 8.
6. City Clerk Cat Hazen announced the filing period for the Senior Citizen Property Tax Exemption and Senior Citizen Sales Tax Refund had begun; City Clerk Hazen stated notices had been posted, Public Service Announcements were playing on the radio and this year a flyer will be mailed out; City Clerk Hazen stated a notice had previously been mailed out in June with the Property Tax bills.

PUBLIC INPUT ON AGENDA ITEMS: None.

Mayor Marquardt opened the Public Hearing.

PUBLIC HEARING

1. **RESOLUTION 2015-03:** ESTABLISHING TAXICAB RATES FOR THE CALENDAR YEAR 2015 AS REQUIRED BY THE UNALASKA CODE OF ORDINANCES

Mayor Marquardt closed the Public Hearing.

Johnson motioned to move into work session; Leclere seconded. Motion passed by consensus 5-0.

WORK SESSION

1. **PRESENTATION:** KPMG - FY14 AUDIT RESULTS

Finance Director Soule gave a brief introduction and overview.

Dan Rozema of KPMG gave a presentation on the City of Unalaska FY 14 Audit Results and answered Mayor and Council's questions.

Mayor Marquardt stated she hoped to have next year's audit done before Christmas and before the turn of the New Year.

Mayor Marquardt expressed appreciation for Mr. Rozema coming to Unalaska and acknowledged the work of the Finance Department.

2. **DISCUSSION:** RESOLUTION 2015-01: AUTHORIZING THE CITY MANAGER TO ENTER INTO AN AGREEMENT WITH HATTENBURG DILLEY & LINNEL IN THE AMOUNT OF \$93,662 FOR THE PRELIMINARY DESIGN OF THE CHLORINE CONTACT / STORAGE TANK PROJECT

Assistant City Manager Jordan reported there were 6 responses to the RFP, 2 bids were very close and staff recommended Hattenburg Dilley & Linnel.

Assistant City Manager Jordan stated the project is 4-5 years out and will have multiple funding services; he stated this project would give the City a second source to the current water system and help satisfy peak demand which is currently around 9 million gallons.

Mayor Marquardt stated DEC and State had matching grant programs for water projects.

Council Member Johnson asked a question regarding the dollar figure listed.

Assistant City Manager Jordan answered Council's question.

3. **DISCUSSION:** REVENUE PROJECTIONS FOR FY16

Finance Director Soule presented a report on the Revenue Projections for FY 16.

Natural Resources Analyst Kelly reported on the Raw Seafood Tax and the pricing of Crab and Pollack and stated although the volume of fish was present the value was low which made for a soft market.

Mayor Marquardt stated important to note historically the Revenue Projections for the City are made very conservatively.

Council Member Tungul asked for clarification.

Finance Director Soule answered Council's question.

4. **DISCUSSION:** HOUSING FOLLOW-UP: BUSINESS PERSONAL PROPERTY TAX

Assistant City Manager Jordan stated an exemption for businesses with \$30,000 in business personal property tax or below was being considered; Assistant City Manager Jordan stated State Assessor's office confirmed with City Clerk Hazen that the exemption had to be offered to all businesses; Assistant City Manager Jordan stated the current numbers in the Council Packet did include all businesses.

Assistant City Manager Jordan stated an estimated loss of \$36,000 in business personal property tax revenue could be expected if a \$30,000 exemption were given to all businesses; Assistant City Manager Jordan commented City Clerk Hazen thought an exemption would save administrative time and give the Clerk's office additional time to audit larger businesses.

Assistant City Manager Jordan stated City Manager Hladick recommended passage but City Manager Hladick was not aware the City would be required to offer the \$30,000 exemption all businesses; Assistant City Manager Jordan requested direction from Council.

Mayor Marquardt stated previous discussions on the housing issue included possible exemptions from the Business Personal Property Tax for residential rental businesses; previous discussions also included trying to determine what cost factors kept people from providing rental units or building homes.

Mayor Marquardt stated the idea of a cap of \$30,000 was discussed as well as the effectiveness of City's current practice regarding the Business Personal Property Tax.

Mayor Marquardt stated the need for feedback from Council.

Council Member Leclerc commented this was good starting point and requested more information.

City Clerk Hazen answered Council's question.

Council Member Rowland in favor of exemption and to move forward.

Council Member Gregory requested information about the possible savings to the clerk's office and an estimate increased tax revenue.

City Clerk Hazen stated she could possibly provide an estimate of savings in administrative costs to the clerk's office and provide an estimate on tax revenue not currently collected.

Council Member Johnson asked for information regarding the minimum required dollar amount when reporting business personal property tax.

City Clerk Hazen answered Council's question; City Clerk Hazen provided Council a redacted example of a Business Personal Property Tax filing.

Council Member Leclerc asked about itemization of personal property.

City Clerk Hazen answered Council's question.

Council Member Rowland stated the form contained confusing on instructions.

City Clerk stated a revision of the form could be possible.

Mayor Marquardt reconvened back to Regular Session

RECONVENE TO REGULAR SESSION

CONSENT AGENDA:

1. **RESOLUTION 2015-02:** ADOPTING AN ALTERNATIVE ALLOCATION METHOD FOR THE FY15 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.
2. **RESOLUTION 2015-03:** ESTABLISHING TAXICAB RATES FOR THE CALENDAR YEAR 2015 AS REQUIRED BY THE UNALASKA CODE OF ORDINANCES

UNFINISHED BUSINESS: None.

NEW BUSINESS

1. **RESOLUTION 2015-01:** AUTHORIZING THE CITY MANAGER TO ENTER INTO AN AGREEMENT WITH HATTENBURG DILLEY & LINNEL IN THE AMOUNT OF \$93,662 FOR THE PRELIMINARY DESIGN OF THE CHLORINE CONTACT / STORAGE TANK PROJECT

Johnson made a motion to adopt Resolution 2015-01; Leclere seconded.

Vote: Unanimous. Resolution passes 5-0.
2. **ORDINANCE 2015-01- FIRST READING:** AMENDING UNALASKA CODE OF ORDINANCES CHAPTERS 2.40 AND 2.50 TO CLARIFY DEPARTMENTAL ROLES AS THEY RELATE TO THE HISTORIC PRESERVATION COMMISSION AND CHAPTER 2.76 TO IDENTIFY SUPPORT STAFF FOR THE HISTORIC PRESERVATION COMMISSION

Rowland made a motion for Ordinance 2015-01 to move to second reading and Public Reading on January 27, 2015; Tungul seconded.

Assistant City Manager Jordan commented on the need for reassignment of staff.

Vote: Unanimous. Ordinance 2015-01 moves to Public Hearing and Second Reading on January 27, 2015 5-0.

COUNCIL DIRECTIVES TO MANAGER

COMMUNITY INPUT

ANNOUNCEMENTS

ADJOURNMENT: The meeting adjourned at 7:00 pm.


City Clerk