

**CITY OF UNALASKA
UNALASKA, ALASKA
REGULAR MEETING
TUESDAY, MARCH 10, 2015, 6:00 P.M.
UNALASKA CITY HALL COUNCIL CHAMBERS
MINUTES**

The regular meeting of the Unalaska City Council was called to order at 6:00 pm, March 10, 2015, in the Unalaska City Hall council chambers. Roll was taken:

PRESENT:

Shirley Marquardt, Mayor
Tom Enlow
Zoya Johnson
Alejandro Tungul
David Gregory
Yudelka Leclere

ABSENT:

Roger Rowland (Excused)

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

RECOGNITION OF VISITORS: None.

ADDITIONS TO AGENDA: Mayor Marquardt announced the Awards/Presentations would be moved to the end of the meeting.

MINUTES: The minutes of the February 20, 2015 meeting was adopted as submitted.

BOARD/COMMISSION REPORTS: The minutes for the Planning Commission/Historic Preservation Committee were adopted as submitted.

FINANCIAL REPORT: In the packet.

MANAGER'S REPORT: City Manager Hladick expressed his appreciation for working as City Manager for the City of Unalaska for 14 years.

COMMUNITY INPUT/ANNOUNCEMENTS:

M. Lynn Crane announced the upcoming "Soup Off" sponsored by USAFV.

Matt Lightner announced the date for the Airline Ticket drawing by Channel 8.

Mayor Marquardt announced the Raider Boys Basketball Team traveling to State and KUCB will air the games.

Kelly Stiles announced the upcoming "Second Blessings" at the United Methodist Church and the upcoming Art Show sponsored by the Aleutian Art Council.

AB Rankin announced the upcoming fund raiser in March for the Foreign Language Club held at the Unalaska City School small gym.

PUBLIC INPUT ON AGENDA ITEMS: None.

LEGISLATIVE:

1. **UNALASKA PLANNING COMMISSION:** 2014 ANNUAL PLANNING COMMISSION & PLATTING BOARD REPORT TO COUNCIL.

Planning Director Erin Reinders and Commission Chair Doanh Tran presented an annual report to council.

2. **UNALASKA HISTORIC PRESEVATION COMMISSION:** 2014 ANNUAL HISTORIC PRESERVATION COMMISSION REPORT TO COUNCIL.

Planning Director Erin Reinders and Commission Chair Doanh Tran presented an annual report to council.

3. **UNALASKA PCR ADVISORY COMMITTEE:** 2014 ANNUAL PARKS, CULTURE, AND RECREATION ADVISORY COMMITTEE REPORT TO COUNCIL.

Matt Lightner and Kelly Stiles presented an annual report to council.

4. **UNALASKA LIBRARY ADVISORY COMMITTEE:** 2014 ANNUAL LIBRARY ADVISORY COMMITTEE REPORT TO COUNCIL.

M. Lynn Crane and Librarian Karen Kresh presented an annual report to council.

Mayor Marquardt opened the Public Hearing.

PUBLIC HEARING:

1. **ORDINANCE 2015-05:** CREATING BUDGET AMENDMENT NO. 8 TO THE FY15 OPERATING BUDGET TO INCREASE THE CCIAP UNALASKA LAKE RESTORATION PROJECT BY \$95,000.

Frank Kelty stated his support and urged the City Council to support Ordinance 2015-05.

Mayor Marquardt closed the Public Hearing.

Johnson made a motion to move into Work Session; Enlow seconded. Motion passed by consensus.

WORK SESSION:

1. **DISCUSSION:** RESOLUTION 2015-16 APPROVAL TO PUBLISH A REQUEST FOR PROPOSALS TO SHIPPING COMPANIES FOR A PREFERENTIAL USE AGREEMENT AT UNALASKA MARINE CENTER POSITIONS 4-7.

City Manager Hladick introduced Ports Director McLaughlin.

Ports Director McLaughlin presented information and changes to the RFP since the last council meeting.

Dennis Robinson stated the current tenant may not be in a position to make a long-term agreement with the City of Unalaska and suggested Council not enter into a negotiation for a PUA with Horizon Lines but simply write in the RFP the current time slot used by Horizon Lines.

Kenny Gil, Senior Director of Operations for Horizon Lines, made comments he felt were pertinent to the Council's decision making process. He stated the current conditions of the dock are fine for Horizon Lines and improvements were not necessary. Mr. Gil stated Horizon Lines was interested in a PUA and the company was here for the long term. Mr. Gil mentioned receiving a proposed PUA from the City of Unalaska but that it was unacceptable.

Mr. Gil went on to say, negotiations in 2013 broke off because it came to the attention of Horizon Lines that statements made by individuals, including a former City Council Member negotiating on behalf of the City, was the basis of an investigation of 12 off loaded containers conducted by UDPS. Mr. Gil restated Horizon Lines was here to stay and was interested in negotiating a long-term deal with the City of Unalaska.

Dale Howard commented he was interested in having the second half of his question answered.

Abe Palmer, Safeway Grocery Manager, commented on the good working relationship between Safeway and Horizon Lines and how the inability to receive retail merchandise on a weekly schedule from Anchorage would negatively impact the stores efficiency thereby driving up the prices which would then be passed along to the consumer.

LeeAnn Baker stated the Council is risking the community's future and would like to see the Council give the PUA to Horizon Lines at the requested time slot.

Eric Southworth stated there is more than labor at issue such as health and welfare, insurance, families; a lot more than just jobs.

Dennis Robinson stated he is in favor of the dock upgrades and that the City needed to secure the funding for the upgrades.

Michelle Brown stated the importance of figuring out how to get all the parties to work together to share this port.

Mayor Marquardt stated, for the record, there has not been a PUA between the City of Unalaska and Horizon Lines for the past year and nothing has changed. Mayor Marquardt stated markets and shipping operations have changed in 25 years and therefore it is important to upgrade the dock in order to move forward and handle more business. Mayor Marquardt also stated the City did not realize that the labor force was led to believe their jobs were at risk as it was never part of the plan. Mayor Marquardt went on to say one of the goals of the public relations campaign was to encourage investments from industry, developers and business by providing information about this port; a point the newspaper story missed. Mayor Marquardt stated as we look forward, the City's international connectivity, infrastructure and a local full-time dedicated work force help to bring future investments to our port.

Council Member Enlow asked for clarification about one of the two line haul shippers currently using the dock and if one company controlled the labor for both companies and if Ports Director McLaughlin was aware of any issues as to how conflicts were worked out.

Council Member Leclere asked what it will take for the City to have an agreement with the current tenant and put out an RFP and PUA for the remainder of the dock. Council Member Leclere requested more information on the Jones Act.

Council Member Gregory asked if a current lease with Horizon Lines for the back reach was in place and would a lease be part of the PUA.

City Manager Hladick stated the evolution of the project had been over many years and started as a result of long-term planning. City Manager Hladick explained to Council the need for an RFP and had never envisioned it to be about labor. This process was all about growing and trying to get more people involved. City Manager Hladick stated due to cuts in the State and Federal budget, the City would need figure out how to finance the project ourselves.

Council Member Enlow stated it makes sense to have signed commitments and make the project viable. Council Member Enlow also stated he envisioned Horizon Lines and Maersk to be responders to the RFP for the PUA and the City could then lock in preferential use agreements with the 2 companies and then do 2 things; better manage the facility and take those agreements to the funding sources.

Council Member Leclere stated a need to define local labor. Council Member Leclere supports the City entering into an agreement with Horizon Lines. Council Member Leclere is in favor of putting into writing an agreement for use of the dock for a 1 day guaranteed time slot for 5 years with a 5 year extension and put this information into the draft.

Mayor Marquardt stated Council and Staff believe in what is in the best interest of the community which is moving forward and economic stability. Mayor Marquardt encouraged the public to come to the meetings, stay involved and feel confident that Council and Staff in fact has the community's best interest at heart.

Ports Director McLaughlin answered Council's questions.

2. **RESOLUTION 2015-20: SUPPORTING THE STATE OF ALASKA DEPARTMENT OF PUBLIC SAFETY CONTINUING TO HOME-PORT THE ENFORCEMENT PATROL VESSEL *STIMSON* IN THE CITY OF UNALASKA, PORT OF DUTCH HARBOR.**

Mayor Marquardt gave a brief statement behind the reasoning for Resolution 2015-20.

Council Member Gregory stated in support of resolution 2015-20.

Council Member Enlow commented on the negative impact on the schools budget if the home port for the Stimson is changed to Kodiak.

Mayor Marquardt stated she and Council Members Gregory and Leclere would be discussing this issue with the legislature in Juneau.

City Manager Hladick stated this issue of moving the Stimson is due to budget cuts.

Council Member Enlow encouraged the public to contact their representatives.

3. **ORDINANCE 2015-06**: CREATING BUDGET AMENDMENT NO. 9 TO THE FY15 OPERATING BUDGET TO INCREASE THE AIRPORT PARKING LOT PROJECT FOR SURVEY, INCREASE THE FORKLIFT PROJECT TO COVER SHIPPING, INCREASE THE EXPEDITION PARK AND PAVILLION PROJECT FOR MATERIALS, INCREASE THE UNALASKA LAKE PROJECT FOR ADDITIONAL DESIGN WORK, AND EXPAND THE SCOPE OF WORK IN BOTH THE CITYWIDE MULTIPLE DRAINAGE PROJECT AND THE SHORE PROTECTION AND EROSION CONTROL PROJECT.

City Manager Hladick stated there were changes to the outline in the budget amendment.

Council Member Gregory asked for a time frame as to when the granting agency would respond to the request.

City Manager Hladick answered Council's questions.

RECONVENE TO REGULAR SESSION

CONSENT AGENDA:

1. **RESOLUTION 2015-21**: CONFIRMING THE MAYOR'S APPOINTMENT OF LORETTA ROLL TO THE UNALASKA PLANNING COMMISSION/PLATTING BOARD AND THE HISTORIC PRESERVATION COMMISSION.

Hearing no objections, Mayor Marquardt declared the consent agenda adopted.

UNFINISHED BUSINESS:

1. **ORDINANCE 2015-05 – SECOND READING**: CREATING BUDGET AMENDMENT NO. 8 TO THE FY15 OPERATING BUDGET TO INCREASE THE CCIAP UNALASKA LAKE RESTORATION PROJECT BY \$95,000.

Johnson motioned to adopt Ordinance 2015-05; Tungul seconded.

Vote: Unanimous. Motion passed 5-0.

NEW BUSINESS:

1. **RESOLUTION 2015-18**: AUTHORIZING THE CITY MANAGER TO DE-OBLIGATE \$247,107.48 FROM THE LOWER ILIULIUK RIVER RESTORATION PROJECT AND REQUEST REALLOCATION OF THE FUNDS TO THE UNALASKA LAKE RESORATION PROJECT.

Johnson motioned to adopt Resolution 2015-18; Gregory seconded.

Vote: Unanimous. Motion passed 5-0.

2. **RESOLUTION 2015-20**: SUPPORTING THE STATE OF ALASKA DEPARTMENT OF PUBLIC SAFETY CONTINUING TO HOME-PORT THE PATROL VESSEL *STIMSON* IN THE CITY OF UNALASKA, PORT OF DUTCH HARBOR.

Leclere motioned to adopt resolution 2015-20; Gregory seconded.

Frank Kelly stated his support and urged Council to adopt Resolution 2015-20.

Vote: Unanimous. Motion passed 5-0.

3. **RESOLUTION 2015-22:** AUTHORIZING THE MAYOR TO SIGN AN AGREEMENT BETWEEN THE CITY OF UNALASKA AND DONALD L. MOORE, APPOINTING DONALD L. MOORE TO SERVE AS INTERIM CITY MANAGER.

Johnson motioned to adopt Resolution 2015-20; Enlow seconded.

Council Member Enlow commented on endorsement for Donald Moore.

Council Member Tungul asked if Donald Moore had previously visited Unalaska.

Mayor Marquardt answered Council's questions.

Vote: Unanimous. Motion passed 5-0.

4. **ORDINANCE 2015-06 – FIRST READING:** CREATING BUDGET AMENDMENT NO. 9 TO THE FY15 OPERATING BUDGET TO INCREASE THE AIRPORT PARKING LOT PROJECT FOR SURVEY, INCREASE THE FORKLIFT PROJECT TO COVER SHIPPING, INCREASE THE EXPEDITION PARK AND PAVILLION PROJECT FOR MATERIALS, INCREASE THE UNALASKA LAKE PROJECT FOR ADDITIONAL DESIGN WORK, AND EXPAND THE SCOPE OF WORK IN BOTH THE CITYWIDE MULTIPLE DRAINAGE PROJECT AND THE SHORE PROTECTION AND EROSION CONTROL PROJECT.

Johnson motioned to have Ordinance 2015-06 moved to Second Reading and Public Hearing on March 24, 2015; Tungul seconded.

Vote: Unanimous. Motion passed 5-0.

COUNCIL DIRECTIVES TO MANAGER: None.

AWARDS AND PRESENTATIONS:

Mayor Marquardt presented a plaque to City Manager Chris Hladick and thanked him for 14 years of dedicated service to the City of Unalaska.

Council Member Enlow attributed the success of City Manager Hladick, in part, because he made Unalaska his home.

Council Member Tungul thanked City Manager Hladick for his positive outlook and his ability to assign the best possible person to a job for the benefit of the City of Unalaska.

Council Member Gregory expressed his appreciation to City Manager Hladick for all of his support and fine work.

Council Member Johnson thanked City Manager for all his work and lessons learned by leading by example and expressed thanks for his support.

Council Member Leclere thanked City Manager Hladick for his work ethic and dedication to the City of Unalaska.

Mayor, Council Members, Staff and Public applauded City Manager Chris Hladick.

COMMUNITY INPUT ANNOUNCEMENT: Deputy Chief Holman announced an upcoming multi-level exercise.

ADJOURNMENT: The meeting adjourned at 7:31 pm.



City Clerk