

**City of Unalaska**  
**Regular City Council Meeting**  
**Tuesday, February 14, 2017, 6:00 PM**  
**Unalaska City Hall Council Chambers**  
**MINUTES**

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The regular meeting of the Unalaska City Council was called to order at 6:00 pm, February 14, 2017, in the Unalaska City Hall Council chambers. Roll was taken:

**PRESENT:**

Frank Kelty, Mayor	
Rachelle Hatfield	
Roger Rowland	(Telephonic)
John Waldron	
Alejandro Tungul	
David Gregory	(Telephonic)
Yudelka Leclere	

**ABSENT:**

None

Pledge of Allegiance: Mayor Kelty led the Pledge of Allegiance

Recognition of Visitors: Marc Greenough, Attorney w/ Foster Pepper

Additions to Agenda: Mayor Kelty moved the Consent Agenda to follow Public Hearing

**Minutes:** The minutes of the January 24, 2017 Regular Meeting were adopted as submitted

Financial Report: None

Board/Commission Reports: None

Awards/Presentations: None

**Manager's Report:** In the packet

Project Update Report: None

Community Input/Announcements:

- Moment of Silence for F/V Destination
- UCSD Raider Basketball

Public Input on Agenda Items: Public Comment was taken from:

Shirley Marquardt – Override of Veto of Resolution 2017-08

**Public Hearing**

Public Hearing on Ordinance 2017-02 was opened.

1. **ORDINANCE 2017-02: SECOND READING:** AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF UNALASKA TO REZONE THE 36,944 SQUARE FOOT LOT 2, BLOCK 5, JESSE LEE SUBDIVISION FROM HOLDING TO HIGH DENSITY RESIDENTIAL.

Hearing no testimony the Public Hearing was closed.

The Public Hearing for Ordinance 2017-03 was opened.

2. **ORDINANCE 2017-03: SECOND READING:** AN ORDINANCE AMENDING UNALASKA CODE OF ORDINANCES TITLE 9 TO CREATE A NEW CHAPTER 9.24 FOR THE REGULATION OF MARIJUANA BUSINESS

Hearing no testimony the Public Hearing was closed.

The Public Hearing for Ordinance 2017-04 was opened.

3. **ORDINANCE 2017-04: SECOND READING:** AN ORDINANCE AMENDING UNALASKA CODE OF ORDINANCES CHAPTER 6.40 - SALE AND USE TAXES TO INCREASE THE RATE OF SALES TAX ON SALES OF ALCOHOL, MARIJUANA, AND TOBACCO FROM THREE PERCENT (3%) TO SIX PERCENT (6%)

Hearing no testimony the Public Hearing was closed.

**Work Session**

1. **Discussion:** UMC Bonding Package

Nerahoo Hemraj, Finance Director led the discussion on the UMC Bonding Package.

Marc Greenough, Attorney answered council's questions

2. Discussion: Mayor's Veto of Resolution 2017-08

Mayor Kelty gave Council formal notice of Mayor's Veto: Resolution 2017-08.

3. Discussion: Federal Highway Funds

Erin Reinders, Assistant City Manager gave a brief review on the return of Federal Highway Funds.

4. Discussion: Parks, Culture, Recreation Project Requirements

Roger Blakely, PCR Director led the discussion on the PCR Project Requirements.  
Karen Kresh, City Librarian presented a slide show on the Library Requirements.

5. Discussion: Budget Amendment NO. 3

Erin Reinders, Assistant City Manager led the discussion on Budget Amendment No. 3  
Peggy McLaughlin, Ports Director answered council's questions.

6. Discussion: Sustainable Fiscal Plan

Erin Reinders, Assistant City Manager gave a brief review on the Sustainable Fiscal Plan

7. Discussion: Tideland Lease Agreement

Erin Reinders, Assistant City Manager gave a brief overview of the Tideland Lease Agreement between City of Unalaska and Kloosterboer.

8. Discussion: Fund Raising for WWII Commission

Mayor Kelty led the discussion on fund raising for WWII Commission

9. Discussion: Letter of support for ADF&G Division of Subsistence

Mayor Kelty led the discussion on obtaining council approval for letter of support for ADF&G Division of Subsistence.

**Reconvene to Regular Session**

**Consent Agenda**

The Consent Agenda was adopted as submitted without objection.

1. RESOLUTION 2017-06: CONFIRMING THE MAYOR'S RE-APPOINTMENT OF DEBRA HANSON ZUEGER TO THE LIBRARY ADVISORY COMMITTEE
2. RESOLUTION 2017-07: CONFIRMING THE MAYOR'S RE-APPOINTMENT OF BILLIE JO GEHRING AND JESSICA EARNSHAW TO THE UNALASKA PLANNING COMMISSION/PLATTING BOARD AND THE HISTORIC PRESERVATION COMMISSION

**Unfinished Business**

1. ORDINANCE 2017-02: SECOND READING: AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF UNALASKA TO REZONE THE 36,944 SQUARE FOOT LOT 2, BLOCK 5, JESSE LEE SUBDIVISION FROM HOLDING TO HIGH DENSITY RESIDENTIAL

Waldron made a motion to adopt Ordinance 2017-02; Hatfield seconded.

Roll Call Vote: Gregory – yes; Leclere; yes, Hatfield – yes; Rowland – yes; Waldron – yes; Tungul – yes.

Motion passed 6-0.

2. ORDINANCE 2017-03: SECOND READING: AN ORDINANCE AMENDING UNALASKA CODE OF ORDINANCES TITLE 9 TO CREATE A NEW CHAPTER 9.24 FOR THE REGULATION OF MARIJUANA BUSINESS

Leclere made a motion to adopt Ordinance 2017-03; Tungul seconded.

Roll Call Vote: Leclere – yes; Hatfield – yes; Rowland – yes; Waldron – yes; Tungul – yes; Gregory – yes.

Motion passed 6-0.

3. ORDINANCE 2017-04: SECOND READING: AN ORDINANCE AMENDING UNALASKA CODE OF ORDINANCES CHAPTER 6.40 - SALES AND USE TAXES TO INCREASE THE RATE OF SALES TAX ON SALES OF ALCOHOL, MARIJUANA AND TOBACCO FROM THREE PERCENT (3%) TO SIX PERCENT (6%)

Tungul made a motion to adopt Ordinance 2017-04; Leclere seconded.

Roll Call Vote: Hatfield – yes; Rowland – yes; Waldron – yes; Tungul – yes; Gregory – yes; Leclere – yes.

Motion passed 6-0.

4. RESOLUTION 2017-17: \$800 DONATION TO KUCB FROM COUNCIL CONTINGENCY

Waldron made a motion to adopt resolution 2017-17; Hatfield seconded.

Vote: Unanimous. Motion passed.

**New Business**

1. ORDINANCE 2017-05: FIRST READING BUDGET AMENDMENT NO. 3: CREATING A BUDGET AMENDMENT TO AMEND THE ENTRANCE CHANNEL DREDGING FEASIBILITY STUDY BY \$350,000 TO BEGIN GEOTECHNICAL WORK IN FISCAL YEAR 2017.

Waldron made a motion to move Ordinance 2017-05 to Second Reading and Public Hearing on February 28, 2017; Tungul seconded.

Roll Call Vote: Rowland- -yes; Waldron – yes; Tungul – yes; Gregory - yes; Leclere – yes; Hatfield – yes.

Motion passed 6-0.

2. OVERRIDE OF VETO OF: RESOLUTION 2017-08: A RESOLUTION OF THE UNALASKA CITY COUNCIL APPROVING THE COUNCIL'S GOALS FOR THE FY18 BUDGET

Leclere made a motion to Override Mayor's Veto of Resolution 2017-08; Tungul seconded.

Roll Call Vote: Waldron – no; Tungul – no; Gregory – no; Leclere yes; Hatfield – no; Rowland – yes.

Motion failed 4-2.

3. RESOLUTION 2017-11: A RESOLUTION APPROVING THE RETURN OF THE APPROXIMATELY \$6.5 MILLION OF FEDERAL HIGHWAY FUNDS EARMARKED FOR THE UNALASKA MARINE CENTER

Waldron made a motion to adopt Resolution 2017-11; Leclere seconded.

Roll Call Vote: Tungul – yes; Gregory – yes; Leclere – yes; Hatfield – yes; Waldron – yes.

Motion passed 6-0.

4. RESOLUTION 2017-12: A RESOLUTION URGING THE ALASKA STATE LEGISLATURE TO ADOPT A SUSTAINABLE FISCAL PLAN FOR FISCAL YEAR 2017 AND BEYOND

Tungul made a motion to adopt Resolution 2017-12; Waldron seconded.

Roll Call Vote: Gregory – yes; Leclere – yes; Hatfield – yes; Rowland – yes; Waldron – yes; Tungul – yes.

Motion passed 6-0.

5. RESOLUTION 2017-13: A RESOLUTION OF THE COUNCIL OF THE CITY OF UNALASKA, AUTHORIZING THE ISSUANCE AND SALE OF HARBOR REVENUE BONDS OF THE CITY IN ONE OR MORE SERIES IN THE AGGREGATE PRINCIPAL AMOUNT OF NOT TO EXCEED \$35,000,000, TO FINANCE PORT AND HARBOR

IMPROVEMENTS; ESTABLISHING THE TERMS OF THE BONDS; AND AUTHORIZING THE SALE OF THE BONDS

Waldron made a motion to adopt Resolution 2017-13; Tungul seconded.

Roll Call Vote: Hatfield – no; Rowland – yes; Waldron – no; Tungul – yes; Gregory – yes; Leclere – no; Mayor – yes.

Motion passed 4-3.

6. RESOLUTION 2017-16: A RESOLUTION OF THE COUNCIL OF THE CITY OF UNALASKA, AUTHORIZING THE ISSUANCE OF HARBOR REVENUE BONDS OF THE CITY IN ONE OR MORE SERIES TO FINANCE AND REFINANCE PORT AND HARBOR IMPROVEMENTS; CREATING A LIEN ON NET REVENUE OF THE PORTS AND HARBORS FUND FOR THE PAYMENT OF THE BONDS; AND ESTABLISHING COVENANTS OF THE CITY RELATED TO THE BONDS

Tungul made a motion to adopt Resolution 2017-16; Waldron seconded.

Roll Call Vote: Rowland – yes; Waldron – no; Tungul – yes; Gregory – yes; Leclere – no; Hatfield – no; Mayor – yes.

Motion passed 4-3

7. RESOLUTION 2017-18: A RESOLUTION OF THE UNALASKA CITY COUNCIL APPROVING A TIDELAND LEASE AGREEMENT FOR A TERM OF UP TO 30 YEARS BETWEEN THE CITY OF UNALASKA AND KLOOSTERBOER DUTCH HARBOR LLC FOR TRACT B-4 OF UNALASKA TIDELANDS SURVEY 101

Hatfield made a motion to adopt Resolution 2017-18; Waldron seconded.

Roll Call Vote: Waldron – yes; Tungul – yes; Gregory – yes; Leclere – yes; Hatfield – yes; Rowland – yes.

Motion passed 6-0.

8:36 pm: Hatfield made a motion to enter into Executive Session; Leclere seconded.

**Executive Session:** Whittier BOE Appeal

9:10 pm: Council adjourned reconvened to Regular Session

Council Directives to Manager

Community Input

Announcements/Adjournment: The meeting adjourned at 9:10 pm.



Cat Hazen  
City Clerk