

Regular Meeting
Tuesday, December 28, 2021
6:00 p.m.



Unalaska City Hall
Council Chambers
43 Raven Way

Council Members
Thomas D. Bell
Darin Nicholson
Daneen Looby

Council Members
Dennis M. Robinson
Alejandro R. Tungul
Shari Coleman

UNALASKA CITY COUNCIL

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MINUTES

1. **Call to order.** The Mayor called the December 28, 2021 regular meeting of the Unalaska City Council to order at 6:01 p.m.

Council Member Bell read the City's Mission Statement: To provide a sustainable quality of life through excellent stewardship of government.
2. **Roll call.** The City Clerk called the roll. Council Member Robinson was absent (excused). Mayor Tutiakoff and Council Members Bell, Nicholson, Looby, Tungul and Coleman were present, with Council Member Coleman attending via ZOOM. The Mayor announced a quorum was established.
3. **Pledge of Allegiance.** Council Member Tungul led the Pledge of Allegiance.
4. **Recognition of Visitors.** The Mayor made no particular recognition of visitors.
5. **Annual City Employee Awards:** the Mayor announced:
 - a. The Teamwork Award went to the employees from Fire/EMS and Parks, Culture & Recreation who coordinated COVID-19 mass vaccination clinics in March 2021, where 1,900 people were vaccinated.
 - b. The Employee of the Year Award winner is Philip Toney, Emergency Communications Officer at the Department of Public Safety.
6. **Adoption of Agenda.** Nicholson moved to adopt the Agenda; Looby seconded. There being no objection, agenda adopted by consensus.
7. **Approve Minutes of Previous Meeting.** Tungul moved to approve the proposed minutes of the December 14, 2021 meeting; Bell seconded. There being no objection, the minutes were adopted by consensus.
8. **City Manager Report:** The City Manager presented her report, and also provided an update on COVID-19 locally. City Manager and staff responded to Council Member questions: Looby requested additional Nixle alerts regarding changes in COVID-19 locally; Bell asked about the COVID-19 isolation facilities; and Tungul asked for an update regarding recent power outages.
9. **Community Input & Announcements:** The Mayor provided an opportunity for community input and announcements, which were made by Nick Cron of PCR with programming updates; the City Clerk regarding upcoming deadlines for renewing business licenses, property tax exemption applications and senior citizen sales tax refund applications; the Mayor regarding a public comment period for federal subsistence fishery closures; and Virginia Hatfield, Museum of the Aleutians,

thanking public works employees for quickly fixing the heating system at the museum (written comment read by Clerk).

10. **Public Comment on Agenda Items:** The Mayor provided an opportunity for public comment on agenda items. The City Clerk read written comments regarding Resolution 2021-76-S submitted by Joe Bundrant, CEO of LFS, Inc.; and Dense Rankin of Ounalashka Corporation commented regarding Resolution 2021-81.
11. **Work Session:** Nicholson made a motion to move into Work Session; Looby seconded. There being no objection, motion adopted by consensus.

6:32 p.m. – Entered into Work Session

- a. Discussion: All Purpose Vehicle Usage on Roadways.
 - The Mayor first took public comment. Seth Henning spoke in favor of allowing APVs on city roads.
 - Police Chief Jay King reviewed the topic for the City Council and responded to Council questions and comments.
 - The City Manager clarified that ATV / APV are not presently allowed on roadways under City Code and reviewed other elements of this topic. Further information will be provided by staff at a future meeting.
 - The Mayor allowed further public comment, which was given by Denise Rankin via ZOOM; Seth Henning; Landon Shaishnikoff; and Harley Ruckman.

Bell moved to reconvene to Regular Session; Nicholson seconded; there being no objection, motion adopted by consensus.

Reconvened to Regular Session at 7:19 p.m.

12. **Consent Agenda:** Nicholson moved to adopt the Consent Agenda; second by Looby. Roll call vote: all council members present voted in the affirmative. Motion passed unanimously 5-0 adopting the following items:
 - a. Resolution 2021-83: Establishing dates for the Fiscal Year 2023 real property tax and business personal property tax collection effort
Clerk Note: This resolution was presented as Resolution 2021-78 in the council packet and during the meeting due to an error by the City Clerk. The final signed document is Resolution 2021-83.
 - b. Resolution 2021-79: Acknowledging the closure and completion of various capital projects and purchases
 - c. Resolution 2021-82: Supporting full funding for the State of Alaska Municipal Harbor Facility Grant Program in the Fiscal Year 2023 State Capital Budget in the amount of \$20,160,062

13. Regular Agenda

- a. Unfinished Business
 - i. Resolution 2021-76: Approving a 75-year Tideland Lease Agreement with LFS, Inc., for Unalaska Tidelands Survey 103 Tracts B and C
 - ii. Resolution 2021-76-S: Authorizing a 67-year lease of Unalaska Tidelands Survey 103 Tracts B and C to LFS, Inc., and authorizing termination of an existing lease of Tract C

Clerk's Note: At the December 14 Council Meeting, there was a motion and second to adopt Resolution 2021-76. This was followed by a motion to postpone to a time certain, which was adopted. Therefore, the motion to adopt Resolution 2021-76 was already on the table for the December 28 Council Meeting.

Motion to Amend: Tungul moved to amend the motion on the table to adopt Resolution 2021-76, by substituting the resolution in the entirety with Resolution 2021-76-S. Second by Bell.

The City Manager introduced Resolution 2021-76-S.

Acting Planning Director Cameron Dean made a presentation covering the Corps of Engineers Permit; the Appraisal of the tidelands; Cross Access; and the Lease Term. Mr. Dean, the City Manager and City Attorney Charles Cacciola responded to Council comments and questions.

Council discussion. Further responses and clarifications were provided by the City Manager.

The Mayor called for public comment, which was given by Bill Shaishnikoff; Barbara Kraft (attorney for LFS); and Denise Rankin (individually).

The Mayor allowed further comments by the applicant for the tidelands lease, Joe Bundrant, CEO of LFS.

Continued Council Discussion with responses provided by the City Manager and the City Attorney.

Looby voiced concerns about some of the wording in Resolution 2021-76-S. The Mayor called a recess at 8:22 p.m. to allow for Staff to come up with proposed edits to the recitals contained in Resolution 2021-76-S.

8:37 p.m. Back on the Record

The City Clerk reviewed with Council the proposed changes to the recitals contained in Resolution 2021-76-S; the changes were displayed on the overhead screen in chambers and shared to those participating via ZOOM:

Changes Proposed by Staff:

WHEREAS, ~~Bill Shaishnikoff LFS, Inc.,~~ is now the owner of the uplands adjacent to Tracts B and C of UTS 103, ~~and is in the process of selling these uplands to LFS, INC.;~~ and

WHEREAS, Bill Shaishnikoff is also the owner of Bering Shai Marine, LLC, which currently holds UTS No. 103 Tract C pursuant to that certain Tidelands Lease Agreement by and between the City of Unalaska and Bering Shai Marine, LLC, dated October 7, 2013 ("Bering Shai Lease"); and

WHEREAS, the term of the Bering Shai Lease is through October 7, 2088; and

WHEREAS, Bering Shai Marine, LLC ~~is selling its assets to LFS, Inc. (LFS) and~~ desires to terminate the Bering Shai Lease so that the Tract C may be leased to LFS;

WHEREAS, LFS has applied to lease Tract C and Tract B of UTS 103;

WHEREAS, UCO § 7.12.020 grants the owner of upland property adjacent to tide and submerged land a preference for lease of such submerged lands;

~~WHEREAS, Shaishnikoff, as owner of the uplands adjacent to Tracts B and C is in the process of selling such tidelands to LFS and has given his written support of the LFS application to lease Tract C and Tract B;~~

Motion to Amend the Amendment: Lobby moved to amend Resolution 2021-76-S, incorporating the changes proposed by staff; second by Tungul.

Council member Nicholson stated he is employed as the operations manager for Trident Seafoods and that Trident owns LFS, the applicant in this matter requesting tidelands lease from the City. Mr.

Nicholson stated he has a conflict of interest and requested to abstain from a vote on this matter. Mayor Tutiakoff ruled that there is no conflict of interest and that Nicholson vote.

Vote on Motion to Amend the Amendment, amending Resolution 2021-76-S: all council members voted in the affirmative; motion passes 5-0.

Vote on Motion to Amend Resolution 2021-76 to substitute it with Resolution 2021-76-S (as amended): Looby – yes; Bell – no; Nicholson – yes; Tungul – yes; Coleman – no. Motion fails, 3 yes and 2 no.

Vote on Motion to adopt Resolution 2021-76: Bell – no; Looby – no; Nicholson – yes; Coleman – no; Tungul – yes. Motion fails, 2 yes and 3 no.

Further Council Discussion with comments by Looby, Bell and Coleman; and responses from City Manager and City Attorney.

Completed this agenda item at 8:56 p.m.

b. New Business

- i. Resolution 2021-80: Authorizing the City Manager to Execute an Addendum to the Pyramid Water Treatment Plant Micro Turbines Project Construction Agreement with Industrial Resources, Inc. to add the Construction of the Chlorine Upgrades Project to the Scope of Work at a Cost of \$441,474.73

Looby moved to adopt Resolution 2021-80; second by Nicholson.

The City Manager provided an overview. Council comments. No public comment.

Roll call vote: all members voted in the affirmative; motion passed unanimously 5-0.

- ii. Resolution 2021-81: Supporting the City's application to acquire tide and submerged land from the State of Alaska Department of Natural Resources for the expansion and remodel of the Robert Storrs Small Boat Harbor

Tungul moved to adopt Resolution 2021-81; second by Looby.

The City Manager provided an overview. Council discussion. Public comment provided by Denise Rankin of Ounalashka Corporation.

Roll call vote: all members voted in the affirmative; motion passed unanimously 5-0.

14. **Council Directives to City Manager.** None.

15. **Community Input & Announcements.** The Mayor provided a final opportunity for community input and announcements. Bill Shaishnikoff commented regarding the transferability of his tidelands lease, in relation to Resolution 2021-76-S.

16. **Adjournment.** Having completed all items on the agenda, the Mayor adjourned the meeting at 9:09 p.m.

These minutes were approved by the Unalaska City Council on January 11, 2022.

Marjie Veeder, CMC
City Clerk