

I. CALL TO ORDER

The regular meeting of the Dillingham City Council was held on Thursday, April 16, 2009 at the Dillingham City Council Chambers, Dillingham, Alaska. Mayor Alice Ruby called the meeting to order at 7:00 p.m.

II. ROLL CALL

Mayor Alice Ruby present

Council Members present:

Keggie Tubbs
Bob Himschoot
Steve Hunt
Sue Mulkeit
Carol Shade

Council Members absent:

Tim Sands - excused

Staff/Project Manager(s) in attendance:

Janice Shilanski, City Manager
Fred Parnell, Public Works Director
Richard Thompson, Chief of Police
Ruth Steele, Interim Finance Director
Jean Barrett, Port Director
Jody Seitz, Planning Director
Randy Romenesko, Special Project Manager
Steve Cropsey, Special Project Manager
Karen McCambly, City Clerk

III. APPROVAL OF MINUTES

A. Minutes of Preceding Meetings

1. Regular Meeting, April 2, 2009

MOTION: Sue Mulkeit moved and Bob Himschoot seconded the motion to approve the minutes of April 2, 2009.

Discussion: None.

VOTE: The motion passed unanimously.

IV. APPROVAL OF CONSENT CALENDAR

MOTION: Keggie Tubbs moved and Carol Shade seconded the motion to approve the consent calendar.

Discussion: None.

VOTE: The motion passed unanimously.

APPROVAL OF AGENDA

Mayor Ruby informed the Council that under agenda item VII. Citizen's Discussion that Paul Liedberg would be added and that Captain Jared Wandel would be removed as well as item XII. Executive Session.

MOTION: Keggie Tubbs moved and Bob Himschoot seconded the motion to approve the agenda as amended.

Discussion: None.

VOTE: The motion passed unanimously.

V. STAFF REPORTS

A. City Manager Report

City Manager Shilanski:

- reported that the City still has not heard from the Corps whether or not the \$20 million in requested funding for the shoreline emergency bank stabilization would be received but that there is funding available for a few small projects;
- stated that Arne Erickson from the Appraisal Company of Alaska is in town reviewing appeals, that he will be back for Board of Equalization meeting and that valuations are the same as 2008 unless the real property owners added improvements;
- reported that the Senior Center Community Development Block Grant for \$850K was denied but that they would have another opportunity to apply in the fall; and
- commented that the newsletter should be ready to distribute by the end of next week.

Discussion:

- asked why the City Manager's and Council's priorities are separate as they should be one in same and if the City Manager's list was of the day-to-day activities, answered that during a previous workshop each had a list that were gone over individually that the City Manger has provided the separate lists for months and that it does help to have the them;
- requested that the other managers put their name on their report; and
- asked if the City is closer to the completion of the foreclosure process noting future costs of the process and asked whether there was room in the budget, answered that the process was started in February of 2008 with a resolution presented to and passed by the Council, that a calendar was included in the last packet, that the end is near stating that at some point in time the Council will have to make decision and that the City did budget for some foreclosure costs.

B. Standing Committee Report

Finance and Budget Committee:

- discussed projected status quo revenues with slight increase for the coming year
- reported that department reviews will begin with administration and work down; and
- stated that the meetings are open to other Council members as well as the public.

Public Outreach Committee:

- stated that the committee is still trying to determine a date for the meeting.

Code Committee:

- reported that there was no quorum for their last meeting and that the next will be held in May.

Planning Commission:

- noted that the commission will be meeting next week and inquired about Council representation as Bob Himschoot placed an item on the agenda, answered that the commission does not have Council representation;
- asked who the Chair was, answered that Terry Hoefflerle was and received recommendations to share the agenda item with the Planning Director; and
- stated that the information will be reviewed and that a recommendation to the Council would be prepared.

VI. PUBLIC HEARINGS

- A. Adopt Ordinance No. 2009-01, An Ordinance of the Dillingham City Council Amending the Budget and Appropriating Funds for the FY 09 City of Dillingham Budget.

There was no public comment.

- B. Adopt Ordinance No. 2009-02, An Ordinance of the Dillingham City Council Amending Dillingham Municipal Code 2.12.150 C, Resolutions - Reading, Hearing, Adoption and Posting, Further Defining the Posting Period.

There was no public comment.

- C. Adopt Ordinance No. 2009-03, An Ordinance of the Dillingham City Council Amending Dillingham Municipal Code 4.15.070, Assessment Roll and Notice - Assessor to Prepare and Mail, To Define the Timeline for Mailing Assessment Valuation Notices.

There was no public comment.

VII. CITIZEN DISCUSSION (Prior Notice or Agenda Items)

Paul Liedberg:

- commented on the town hall meeting hosted by the City of Dillingham reporting that the Secretary of Interior's party wished to express their thanks to those involved ensuring them that formal letters would be forth coming;

- reported that he was asked to inform the City that the Secretary of Interior was delighted to make Dillingham his first stop in his visit to Alaska as he found the town hall meeting to be extremely informative; and
- noted that the planning and coordination that took place by many community groups under the direction of the City was successful and that he is looking forward to working cooperatively with the City as future opportunities present themselves.

VIII. ORDINANCES AND RESOLUTIONS

- A. Adopt Ordinance No. 2009-01, An Ordinance of the Dillingham City Council Amending the Budget and Appropriating Funds for the FY 09 City of Dillingham Budget.

MOTION: Keggie Tubbs moved and Bob Himschoot seconded the motion to adopt Ordinance No. 2009-01.

Discussion: None.

VOTE: The motion passed unanimously.

- B. Adopt Ordinance No. 2009-02, An Ordinance of the Dillingham City Council Amending Dillingham Municipal Code 2.12.150 C, Resolutions - Reading, Hearing, Adoption and Posting, Further Defining the Posting Period.

MOTION: Sue Mulkeit moved and Steve Hunt seconded the motion to adopt Ordinance No. 2009-02.

The City Manager reported that the ordinance was a housekeeping item changing the required posting date from three days to three business days.

Discussion: None.

VOTE: The motion passed unanimously.

- C. Adopt Ordinance No. 2009-03, An Ordinance of the Dillingham City Council Amending Dillingham Municipal Code 4.15.070, Assessment Roll and Notice - Assessor to Prepare and Mail, To Define the Timeline for Mailing Assessment Valuation Notices.

MOTION: Sue Mulkeit moved and Steve Hunt seconded the motion to adopt Ordinance No. 2009-03.

The City Manager reported that the ordinance sets the date which assessments needed to be mailed out establishing the date of March 15th or the next business day.

Discussion: None.

VOTE: The motion passed unanimously.

- D. Resolution No. 2009-18.SBP, A Resolution of the Dillingham City Council Authorizing the Award of a Contract for the Dillingham Elementary School Building Roofing Project to Dar-Con Corporation.

MOTION: Keggie Tubbs moved and Bob Himschoot seconded the motion to approve Resolution No. 2009-18.

Project Manager Steve Cropsey referenced the bid tabulation and packet containing information on bids placed. Stated that the roof project was more than what originally envisioned as the vapor barrier was damaged throughout the school and so the project management team looked at three options and decided to go for a permanent fix. Discussed how to afford awarding the contract, breaking down design services and what costs were attributed to elementary school building. Still could not demonstrate building controls project due to log on error. Reported that there is a shortfall from what was estimated to replace roof due to variance and that over budget by \$179K, but should be covered by the time major renovation in the Elementary School project is reached. Cropsey noted that the run off from the snow is draining into the school and may be covered under the civil projects. Restated that the roof project needs to be addressed and the design plan chosen is Cropsey's recommendation.

Discussion:

- commented on Cropsey's good job and thoroughness of the report;
- stated that part of the overall project was to address the drainage issues and asked if it would be addressed before or after the roof;
- noted that in GDM's report the project was projected to be done over a two summer period, that Cropsey didn't realize how serious the drainage was but that is a minor civil item and should not impact the budget much as there will be civil work to be done and so a design would be prepared to fix the problem;
- reported that it was not known if GDM had the drainage project covered but that it needed to be fixed and that the costs should be minimal;
- commented that there was talk about the drainage issues because of the flooding near the kitchen and other areas due to design flaws;
- stated that it was refreshing to see the engineers estimate and the bids be so close as it helps with confidence in engineers work too; and
- commented that eight bidders clustered that shows that the plans are straightforward.

VOTE: The motion passed unanimously.

- E. Resolution No. 2009-19, A Resolution of the Dillingham City Council Approving a Contract for a Network Assessment of the City of Dillingham.

MOTION: Keggie Tubbs moved and Bob Himschoot seconded the motion to approve Resolution No. 2009-19.

The City Manager stated that one of the three firms contacted did not respond and that of the two Tec Mate Inc. was the low bidder for the network assessment.

Discussion:

- asked where Tek Mate was from, who they were and if they served others in the area;
- stated that they are located out of Anchorage and have a lot of clients in Dillingham; and

- reported that under procurement codes for projects under a certain amount making direct contact for getting contract estimates is allowed.

Keggie Tubbs:

declared for the record that he worked for Bristol Bay Economic Development Corporation [BBEDC], that Tek Mate serves BBEDC for their IT needs, but that there was no monetary gain from signing the contract.

VOTE: The motion passed unanimously.

- F. Resolution No. 2009-20, A Resolution of the Dillingham City Council Establishing the Level of Funding for the Dillingham City School District for the Fiscal Year Ending June 30, 2009.

MOTION: Keggie Tubbs moved and Bob Himschoot seconded the motion to approve Resolution No. 2009-20

Chairman Tubbs noted minutes April 1, 2009 Finance Committee meeting showing support for moving to Council level. The Chairman stated that by approving the resolution appropriations for the school district at \$1.3 million with \$1.2 for operating costs and \$100K for maintenance to cover bond payment as done in FY09 will be set.

Discussion:

- commented that in approving by resolution it clarifies the City's contribution of the 1% sales tax and shows that the City is contributing not only the state minimum, but more than the equivalent of the 1% sales tax;
- spoke in favor and encouraged adoption stating that having it in written form is appreciated;
- stated that the Superintendent is available via teleconference to the Council;
- thanked the school district for working with the City, accepting their current financial situation and for maintaining the funding at the current contribution level; and
- stated that they are setting the school amount now to focus on the City's budget needs.

VOTE: The motion passed unanimously.

- G. Resolution No. 2009-21, A Resolution of the Dillingham City Council to Authorize Bristol Environmental and Engineering Services Corporation (BEESC) to Provide Engineering Services Not to Exceed \$10,275 to Prepare a Bid Package for Construction of a New Raw Water Line and Two New Well House Structures.

MOTION: Keggie Tubbs moved and Steve Hunt seconded the motion to approve Resolution No. 2009-21.

The City Manager reported that the resolution would authorize engineering firm BEESC to provide engineering services to prepare bid package for construction of the water line and two new well house structures.

Special Project Manager Randy Romenesko reported that the BEESC has approval to put out bid on April 29th for new water treatment plan and water tank repairs. Romenesko stated that Schedule C's scope of work could be completed by a local contractor and was taken off the big package in addition to the need to upgrade electrical items put in last fall. Romenesko noted that

the resolution would direct and fund BEESC to do those two work components to put out to bid concurrently with the new treatment plant and water tank repairs.

Discussion:

- stated that in the resolution it refers to Schedules C and D asked if is it part of documentation the Council was supposed to get;
- stated that Schedule A is new water project, Schedule B is the repairs to the water storage tank, Schedule C included in the original for raw water, and that Schedule D was added for ease of bidding;
- noting that because multiple funding agencies are involved which only fund certain components of the projects listed, Schedule D was created for the well house;
- asked if the City has funding to do all projects with the package of grants;
- stated that all been approved and that is was breaking out for local contractors was appreciated;
- asked if it will be required of BEESC to design green for energy efficiency standards;
- reported that little bits will be incorporated as they have been asked to look at the early design work in order to bring up to standards stating that a lot of the work is designed to addressed those issues;
- noted the \$10,275 not to exceed number, asked if it was is in addition to what was already asked, whether it was included in the funding, if it was specifically for making it easier for local contractors to bid and if there is interest from local contractors;
- noted that one of the funding partners has more stringent requirements and since these two components would not be covered that there can be a more user friendly package; and
- spoke in favor of making the projects available for local contractors to bid.

VOTE: The motion passed unanimously.

IX. UNFINISHED BUSINESS

A. Annexation

Barb Sheinberg reported that she has done research on annexation action that has happened in the region providing examples of cities within the region that have annexed waters into corporate boundaries specifically to include fishing districts. Sheinberg stated that she looked into the action of the late 1980's and early 1990's for the City of Dillingham and talked with Dept Commissioner Mike Black and Chief of Staff with the local boundaries commission Brent Williams. Sheinberg spoke in favor of and made five recommendations to the Council:

- stated that the first recommendation is that Dillingham proceed with preparing a petition to annex the Nushagak fishing district waters to provide benefits which enhance local and regional sustainability that would likely be received well by state officials;
- stated that the second recommendation, if Dillingham does proceed is to prepare a fiscal analysis first so that the Council can review the information and talk with neighboring communities as it may raise ideas of regional teaming which may turn into a borough issue;
- stated that the third recommendation is although there are challenges to be met, if successful there will be additional state fisheries business tax in Dillingham as well as other opportunities by picking up processing, exporting, distributing fish to tender activities not previously included in corporation boundaries;
- stated that the fourth recommendation to run numbers on implications of local raw fish tax because the main resource in the area is fish and Dillingham is one of the only

municipalities in the region that is not taxing the resource, stating that some construct an excise tax to relieve local property and sales tax burden which in Dillingham is one of the highest per capita tax burdens around;

- stated that the fifth recommendation is when the City goes to fill out a petition to use the plan which approves locally by combining majority votes of residents in the area.

Challenges faced by the City of Dillingham in the annexation process include:

- reported that the first challenge is that annexation petitions may not include entire geographical regions or large unpopulated areas unoccupied unless justified based on other standards so the City will want to demonstrate justification by providing clear and convincing connections between the activities that occur on the water and use of local municipal facilities i.e. public safety;
- reported that the second challenge is to get Clarks Point on board, build a case addressing specifically in the petition that times and needs have changed showing a good connection between what is happening on the water and services being provided that affect the City's infrastructure; and
- reported that the third challenge is providing the rationale for why annexing makes sense as the district area looking to be annexed is a total of 380 square miles of water which would be the largest water annexed within a city's boundary.

Sheinberg stated that she has determined the cost of the petition based on an annexation prepared previously but that this process should be less complicated and if Dillingham decides to go forward that she will only bill for real time and real costs.

Discussion:

- asked if the process takes 8-12 months in total and by what standard other boroughs that have applied a local fish tax went by;
- asked if raw fish tax would be levied to fishermen or processor and what the costs would be of administering if the City levied on own asking how other municipalities did it and if they are all percentage or on a per pound basis;
- asked what the cost would be to include the Wood River Special Harvest area;
- stated that part of rationale was to include the Wood River as it is adjacent to the City limits and if going down this route that the Council should look north;
- commented that the Council should look at the whole picture quickly and prepare a timeline as it is already April and the process will take a minimum one year stating that if it was not filed in time that the City would miss out on another season;
- stated that if the Council is going to move forward that they should look into preparing the fiscal information and by fall look at boundaries providing time to meet with neighboring communities;
- commented that annexing the land and water are two different subjects and that the Council should just look into the water;
- commented that if looking to annex both the land and water it may make for a stronger case stating that there is no advocacy either way as the cost is unknown as research needs to be done on what to annex and needs to be included in financial study;
- stated that it would be good if the Council at least knew what the revenue and costs would be and whether or not the revenue and benefit to be gained would be worth it;
- stated that a repeat of the last attempt to annex is unwanted and for there to be a lot of conversation on the annexation for Council members with citizens;

- commented that the best way to move forward would be to prepare the petition and fiscal information simultaneously, that it is a waste of time to do more studies and that the discussion of how to move forward deserves a workshop;
- commented that no matter what the Council would need the fiscal analysis to know if they wanted to move forward with the petition and that the Council could direct the City Manager to go forward stating that the Council would need a break down both of both plans;
- noted that Sheinberg has a lot of experience with the area and so serves as a good source and recommends that the Council consider having her bring a petition;
- stated that there is an understanding of the need for fiscal analysis this process is not going to be easy or pretty maybe the Council should step forward publicly to see if support to see before commit more money;
- commented that the Council is going to take heat and that the best way to find out would be to direct the City Manager to prepare the a contract so that if you don't like fiscal analysis but it is the first step and where you will get the most public input they'll get to see and form opinion of whether moving forward; and
- stated that there will not only be land issues but also from fisherman, especially non resident fishermen that is it the Council's job to take heat that they should move forward.

MOTION: Bob Himschoot moved and Carol Shade seconded the motion to direct the City Manger to develop a contract with Barb Sheinberg for fiscal analysis on annexing the fishing grounds including the Wood River as well as the land locked area to the north for consideration as a basis for entering a petition with the local boundary commission for annexation.

Discussion:

- stated that this motion may put the Council at two decision points where if the Council directs the City Manger to develop a contract for developing a petition there will only be one and Sheinberg can put together a budget for the whole package knowing that the Council can drop annexation after reviewing the fiscal analysis;
- commented that the important part is that this provide a chance to look at fiscal analysis before spending more money;
- requested more information on how much the City would pay Sheinberg for the whole petition instead of just fiscal analysis;
- noted that Sheinberg expected 40-50 (25%) hours for fiscal analysis and 200 hours for whole petition; and
- stated that the petition would have to be submitted to legislature within the first 10 days of the legislative session and that if it is not acted on in first 45, that it is passed by consensus.

VOTE: The motion failed with in Steve Hunt, Bob Himschoot, and Carol Shade in favor and Sue Mulkeit and Keggie Tubbs opposed.

Clerk note: Four affirmative votes are required for the passage of an ordinance, resolution or motion.

Discussion:

- asked if the City can put together a workshop but that should move on this fairly quick
- spoke in favor of taking action as annexation has been on the radar for 15 years and stated that the workshop would allow for the City to ask citizens how they feel but that there will be

no information to present in regard to impact on revenue or what the costs will be agreeing that public input is important but is Council's function to take heat;

- commented that it deserves additional discussion for the Council to get clear direction on outcomes of what the research is going to do and that an open workshop for public can provide a clear direction of where to go and whether or not there is enough support;
- asked if the Council wanted Sheinberg to present her report in more depth with information on northern land area and the Wood River;
- noted that if the City placed a 2 cent tax per pound that with light run of 4 million fish the City would be looking at a revenue of \$480K which is approximately 27-28% of current property tax which doesn't include revenue shared from the state
- commented that a good portion of the fishermen are from outside and that the annexation would displace some of the tax levied on own citizen to tax resources that leave community and so the Council needs to look at in timely manner;
- stated that it is not a debate of if it deserves more merit but that this should not be done with an open checkbook, that the Council needs a breakdown of costs with specifics on what is wanted from the contract and to make sure everyone is moving in same direction
- stated that a workshop would eliminate much of the indecision discussion at the Council level of where the Council wants to go with annexation;
- noted the need for a fiscal analysis to determine whether or not the City could afford to annex, setting the workshop for 5:30 p.m. on April 27th with a Council meeting to follow at 7:30 p.m.;
- commented that if the Council does not direct Sheinberg to go further before workshop the Council will sit with same discussion and no more new information that while it will allow more public input that getting financial info will not hurt as the Council has not decided to put anything in front of the LBC;
- noted that on Sheinberg fifth recommendation it stated that annexation helps relieve the property and sales tax burden and while money will come out of local fisherman's pay their property tax will go down; and
- reported that some boroughs have no property tax as they rely on fish tax and that the City could give relief to property tax payers if enough in fish tax is generated; and
- that with the levy and State sharing it has been affordable to other communities.

X. NEW BUSINESS

- A. Special Meeting to Award Contract for High School Renovations – April 27

MOTION: Bob Himschoot moved and Steve Hunt seconded the motion to hold a Special Council meeting at 7:30 p.m. on April 27th with a workshop at 5:30 p.m. prior.

Discussion: None.

VOTE: The motion passed unanimously.

XI. CITIZEN DISCUSSION (Open to Public)

Russell Nelson:

- stated that the school district appreciates working with Steve Cropsey for his attitude, knowledge in how to work well with architectures and contractors all while keeping away from expensive change orders that are frequently experienced with projects;

- reported that Cropsey steered the architects toward using the better roof design which should save the district money speaking in favor of the opportunity to change from the dry system to a wet system as the current system is expensive and needs a lot of maintenance;
- stated that the new insulation will get rid of hot and cold spots and noted that the district would save money from projects listed in GDM's report that have already been completed;
- commented that the concrete poured in over the grate is creating water to flood into the entry way and that projects are being worked on that will not have to be redone;
- reported that the HVAC network has already saved the students from discomfort and that it was the City's bond money which paid for the project and that the district appreciates the convenience; and
- commented that the port hole into firewall system prevented access but that they would like to eventually access the HVAC network from anywhere.

XII. COUNCIL DISCUSSION

Sue Mulkeit:

- thanked Mayor Alice Ruby as well as everybody in the community for the hard work that was put into organizing the visit from Salazar and Senator Begich stating that those who gave a speech or talked to the Secretary on Monday spoke from heart; and
- thanked the employees for their hard work in keeping the City running.

Carol Shade:

- thanked all City employees for their hard work.

Steve Hunt:

- No comment.

Keggie Tubbs:

- No comment.

Bob Himschoot:

- thanked Russell for his comments and stated he shared the same sentiment; and
- thanked Steve Cropsey for doing a good job.

XIII. MAYOR DISCUSSION

Mayor Ruby:

- thanked everyone who helped with the Salazar, Begich visit and that she appreciated Fish and Wildlife for their assistance, allowing City employees to fix things behind the scene;
- stated that Dillingham shined again as everyone was on their best behavior, that all were friendly, outstanding, and that the community showed themselves well;
- thanked Representative Edgmon for getting the Wood River Road project included, noting that Representative Edgmon has warned the Council to be ready to do lobbying in order to keep projects listed;
- noted that both lobbyist have commended Edgmon for his work this session as he has been outstanding in getting projects for Dillingham but that at some point the Council may have to call around and that someone will have to go to Juneau;

- stated that she is the President of SWAMC board, that they are in line to do small business workshops this spring and that they are becoming involved in stimulus money for energy assistance;
- thanked the City staff for their work as they also shined during visit from legislatures; and
- asked for a moment of silence to recognize those who may have passed.

XV. ADJOURNMENT

Mayor Ruby adjourned the meeting at 9:07 p.m.





Alice Ruby, Mayor

ATTEST:



Karen McCambly, City Clerk