

**I. CALL TO ORDER**

The regular meeting of the Dillingham City Council was held on Thursday, March 6, 2008 at the Dillingham City Council Chambers, Dillingham, Alaska. Mayor Alice Ruby called the meeting to order at 7:02 p.m.

**II. ROLL CALL**

Mayor Alice Ruby present

Council Members present:

Steve Hunt  
Chris Klabunde  
Billy Maines - attended by teleconference  
Sue Mulkeit  
Tim Sands - attended by teleconference  
Keggie Tubbs

Staff in attendance:

Chow Taylor, City Manager  
Staci Fieser, Finance Director  
Jody Seitz, City Planner  
Richard Thompson, Chief of Police

Attorney Brooks Chandler - joined the meeting by teleconference at 7:24 p.m.

**III. APPROVAL OF MINUTES**

A. Minutes of Preceding Meetings:

1. Regular Meeting: February 7, 2008

MOTION: Chris Klabunde moved and Tim Sands seconded the motion to approve the minutes of February 7, 2008.

Discussion: None

VOTE: The motion passed unanimously.

**IV. APPROVAL OF CONSENT AGENDA**

A. Resolutions

1. Resolution No. 2008-06, A Resolution of the Dillingham City Council Accepting the Dillingham School Emergency Fire Alarm Sprinkler System, Grant No. 08-DC-258.

2. Resolution No. 2008-07, A Resolution of the Dillingham City Council Setting the Date for April 29, 2008 to Convene the Board of Equalization for Tax Year 2008.
3. Resolution No. 2008-08, A Resolution of the Dillingham City Council Accepting the Year End Audit for the Fiscal Year Ending June 30, 2007.

MOTION: Billy Maines moved and Tim Sands seconded the motion to approve the consent agenda as presented.

Discussion: None

VOTE: The motion passed unanimously.

### **APPROVAL OF AGENDA**

Mayor Ruby asked the council to add item C. Staffing Study under Unfinished Business and delete Item B. Harvey Samuelsen Cultural Center under New Business.

MOTION: Billy Maines moved and Chris Klabunde seconded the motion to approve the revised agenda.

Discussion: None

VOTE: The motion passed unanimously.

### **V. STAFF REPORTS**

#### **A. Strategic Plan**

Mayor Ruby noted there is nothing to add pending approval of the Strategic Plan.

#### **B. City Manager Report**

Chow Taylor, City Manager:

- reported that the date for the sale of the bond was changed from the end of April to March 18;
- noted that unplanned items and staffing issues delayed working on planned projects, including the Strategic Plan;
- confirmed that the City's contract with GDM is still in force for architectural and engineering services on the school renovations, and if the City is not happy with their work there is a 30-day clause to cancel the contract; and
- reported that the new Public Works Director would be in town Monday through Wednesday of the following week for a tour of the City facilities and the community.

#### **C. Standing Committee Report**

Chris Klabunde, Code Committee:

- commented that the Code Committee met in February, will meet again the third Thursday of the month, and has been focusing on several of the ordinances listed in the agenda; and
- reported that he had testified in behalf of the City concerning revenue sharing.

Keggie Tubbs, Finance Committee:

- reported that the committee did not meet in February for various reasons, is planning to meet March 24 as scheduled and perhaps one meeting before then, and will begin outlining the 2009 budget process.

Tim Sands, Dillingham Chamber of Commerce Representative:

- commented he had attended a Chamber meeting, that it was requested that members of the community write in letters of support to fund the Marine Advisory Program that had been cut in Dillingham.

Discussion:

- Mayor Ruby noted she sent out several emails in support of the position, and that the Chancellor of the University was proposing funding a position in next year's budget.

## VI. PUBLIC HEARINGS

- A. Ordinance No. 2008-01, (SUB1) An Ordinance of the Dillingham City Council Amending Section 4.15, Real and Personal Property Tax, by Adopting DMC Section 4.15.051, Container Vans, to Reclassify Container Vans and Similar Property as Real Property.

Mayor Ruby opened the public hearing on Ordinance No. 2008-01 and there being no one wishing to present testimony, the public hearing closed.

- B. Ordinance No. 2008-02, (SUB1) An Ordinance of the Dillingham City Council Amending Section 4.15.080, Personal Property Returns, to Change Filing Requirements of Personal Property to Total Combined Value is Greater Than \$10,000, and Adopting DMC 4.15.030(C) Exempting Recreational Skiffs and All Outboards to Achieve a Goal of Simplified Administration and Collection of Personal Property Tax, and Amending DMC 4.15.040, Boats and Vessels, and Adopting 4.15.080(C) to Further Advance the City's Goal by Moving From [AN ASSESSED VALUE APPROACH FOR TAXATION OF BOATS TO A SET RATE BASED ON SIZE AND MODEL YEAR] A Valuation Based on Registered or Net Tonnage to an Assessed Valuation.

Mayor Ruby opened the public hearing on Ordinance No. 2008-02 and there being no one wishing to present testimony, the public hearing closed.

## VII. CITIZEN'S DISCUSSION (Prior Notice or Agenda Items)

There was no citizen's discussion.

**Bold and Underline added. [CAPS AND BRACKETS DELETED.]**  
**Gray colored areas substitute language for ordinances introduced.**

## VIII. ORDINANCES AND RESOLUTIONS

- A. Introduce Ordinance No. 2008-03, An Ordinance of the City of Dillingham, Authorizing the City to Issue General Obligation School Bonds, 2008 Series A in the Principal Amount of Not to Exceed \$15,105,000 to Provide Funds for School and Related Capital Improvements in the City and to Pay Costs of Issuing the Bonds, Fixing Certain Details of Such Bonds, Authorizing their Sale, and Providing for Related Matters.

Chow Taylor, City Manager:

- informed the Council that the blanks in the ordinance were no more than part of the sample form illustrated in the ordinance and that it was this sample form that would be completed when the bond was sold; and
- confirmed that when the form is filled out and comes back for the Mayor's signature that it should come back to the Council, although the ordinance doesn't read as such.

Discussion:

- agreed that the Council would like to see a completed copy of the agreement for the school bond purchase; and
- noted that the ordinance needs to be corrected to change several places in the ordinance where it reads "to provide funds for school and related capital improvements in the City" to the language passed at the bond election "to finance the planning, design, and construction of school capital improvements, consisting of the renovation of the middle/high school and the elementary school".

MOTION: Keggie Tubbs moved and Chris Klabunde seconded the motion to amend Ordinance No. 2008-03 to strike the wording "and related capital improvements in the City" throughout the ordinance and word it to read paying the cost of school renovations, the language in the ballot measure.

Discussion: None

VOTE: The motion passed unanimously.

- B. Introduce Ordinance No. 2008-04, An Ordinance of the Dillingham City Council Amending Section 4.15.051, Mobile Homes, to Reclassify Mobile Homes and Similar Property from Personal Property to Real Property.

MOTION: Tim Sands moved and Billy Maines seconded the motion to introduce Ordinance No. 2008-04.

Chris Klabunde:

- instructed the Council that mobile homes presently filed as personal property would be reclassified as real property if this ordinance was passed.

Discussion:

- noted this doesn't change the tax consequences, that mobile homes would still be taxable as real property; and

- noted that this change alleviates the responsibility of having to file as personal property.

VOTE: The motion passed unanimously.

- C. Introduce Ordinance No. 2008-05, An Ordinance of the Dillingham City Council, Creating the Port of Dillingham.

MOTION: Tim Sands moved and Chris Klabunde seconded the motion to introduce Ordinance No. 2008-05.

Chow Taylor, City Manager:

- noted that the ordinance could use some fine tuning, but wanted to get it on the agenda in hopes of having it in place in time for the fishing season;
- reported that the position of Harbormaster (or Port Director) would no longer be under the Public Safety Department, would have its own department, and would supervise the dock, harbor, boat launch at Wood River, and Kanakanak boat access; and
- requested the following changes to the document:
  1. strike references to all tides dock and replace with dock facility and property,
  2. strike Section 6, no longer dry storage, it is now a parking area, and
  3. rename existing Section 35 to be Section 36 and add a new Section 35 to read Port of Dillingham Terminal Tariff is by reference made a part of this ordinance.

Discussion:

- commended the City Manager for her work, that this is something that has been talked about for a number of years, but as a port authority, and felt that this proposal may be too ambitious of a project to get it up and running by fishing season, and was concerned about the fiscal impact, would it mean more personnel or transfer of some personnel from one department to another; and
- requested that all the appropriate stakeholders be involved and a workshop be held to discuss the financial implications.

Mayor Ruby:

- noted that it was her intent to have Code, Harbor, and Finance Committees, at the very least, review this document;
- commented that it was her recommendation upon concurrence from the Council that this ordinance be introduced now, put it through the committees, and discuss the financial impact during the budget process;
- stated that this Ordinance does reflect progress on previous concerns the Council has asked for, and repeated the concerns voiced by the Council that the ordinance be given a thorough hearing in the various committees, educate stakeholders, that a workshop be held prior to the Council meeting when it comes up for adoption, and provide information on the financial implications; and
- noted with concurrence from the Council that the ordinance would be put on the agenda for adoption at the April 2 Council meeting, that the committees would look at it before then, that an attempt would be made to hold a workshop prior to the Council meeting, with an organizational chart presented by the Manager to show how it would all work.

VOTE: The motion passed unanimously.

- D. Introduce Ordinance No. 2008-06, An Ordinance of the Dillingham City Council, Amending Title 13 of the City of Dillingham's Code of Ordinances to Codify Penalties and Charging of Interest on Delinquent Sewer Accounts, to Provide for Procedures for Disconnecting Delinquent Sewer Accounts Similar to the Procedures Already Provided for Delinquent Water Accounts, and to Specify that Sewer Services are Provided to the Owners of Real Property and that Owners of Real Property are Responsible for the Fees Associated with These Services.

Staci Fieser, Finance Director:

- stated this ordinance will codify penalties and charging of interest on delinquent sewer accounts, would provide for procedures for disconnecting delinquent sewer accounts similar to the procedures already provided for delinquent water accounts, specifies that sewer services are provided to the owners of real property and, therefore, they are responsible for the fees associated with these services, that penalties and interest have already been set by resolution, but need to be put in the Code, and that these changes will help in the City's enforcement and collection efforts for sewer services;
- noted this ordinance would place the responsibility on the property owner for unpaid services provided to their renters; and
- reviewed the disconnect policy for nonpayment - a 30-day notice, a 60-day notice and finally a door hangar noting five days before the service is cut off.

Discussion:

- noted this ordinance provides the City Manager authority to settle/resolve accounts;
- reported that in disconnecting a sewer service for nonpayment some sewer services require physically digging up the service;
- noted that if a building is vacant, there's no charge since there's no water running to the building or sewer running out, that very few services are metered, and everyone is on a rate schedule, paying the same rate no matter the usage;
- confirmed that the City's water and sewer system is antiquated and needs to be upgraded; and
- spoke in favor of a fiscal policy that determines what the budget and fees should be so the system is earning replacement cost.

MOTION: Sue Mulkeit moved and Chris Klabunde seconded the motion to introduce Ordinance No. 2008-06 amending Title 13 of the Dillingham City Code.

VOTE: The motion passed unanimously.

- E. Introduce Ordinance No. 2008-07, An Ordinance of the Dillingham City Council, Amending Title 14 of the City of Dillingham's Code of Ordinances to Codify Penalties and Charging of Interest on Delinquent Water Accounts and to Specify that Water Services are Provided to the Owners of Real Property and that Owners of Real Property are Responsible for the Fees Associated with These Services.

MOTION: Billy Maines moved and Chris Klabunde seconded the motion to introduce Ordinance No. 2008-07 amending Title 14 of the Dillingham City Code.

Staci Fieser, Finance Director:

- noted this ordinance will codify penalties and charging of interest on delinquent water accounts and specifies that water services are provided to the owners of real property and that owners of real property are responsible for fees associated with these services.

VOTE: The motion passed unanimously.

F. Adopt Ordinance No. 2008-01, (SUB1) An Ordinance of the Dillingham City Council Amending Section 4.15, Real and Personal Property Tax, by Adopting DMC Section 4.15.051, Container Vans, **to Reclassify Container Vans and Similar Property as Real Property.**

MOTION: Tim Sands moved and Billy Maines seconded the motion to adopt Ordinance No. 2008-01.

Discussion:

- instructed that the ordinance included in the packet was different than the one that was originally introduced in that it includes substitute language proposed by the Code Committee and that the shaded areas are the proposed substitute language, and that action will need to be taken to approve the recommended amendments; and
- reported that the amendments would add the following language to the title "to reclassify container vans and similar property as real property", and change the effective date from January 1, 2008 to be effective with the March 28, 2008 valuations.

MOTION TO AMEND: Keggie Tubbs moved and Tim Sands seconded the motion to amend Ordinance No. 2008-01 to include the changes recommended by the Code Committee.

Discussion:

- spoke in favor of using the shaded format to display the recommended changes to the original ordinance, because it's all on one form, in lieu of providing two separate ordinances, the original one as introduced and a separate one with the substitute language, and it would just take some getting used to; and
- asked if it would be necessary to have another public hearing on the amended ordinance and Attorney Brooks Chandler noted the substance of what we were trying to do, classifying container vans as real property hasn't changed with the proposed amendments, that the amendments are not substantive, and as a result would not need another public hearing.

MOTION: Billy Maines moved the previous question. *(Clerk Note: The effect of this motion is to immediately stop debate.)*

GENERAL CONSENT: The motion passed without objection.  
**Bold and Underline added.** [CAPS AND BRACKETS DELETED.]  
**Gray colored areas substitute language for ordinances introduced.**

VOTE: The motion on the amendment passed unanimously.

VOTE: The motion passed unanimously to adopt Ordinance No. 2008-01.

- G. Ordinance No. 2008-02, (SUB1) An Ordinance of the Dillingham City Council Amending Section 4.15.080, Personal Property Returns, to Change Filing Requirements of Personal Property to Total Combined Value is Greater Than \$10,000, and Adopting DMC 4.15.030(C) Exempting Recreational Skiffs and All Outboards to Achieve a Goal of Simplified Administration and Collection of Personal Property Tax, and Amending DMC 4.15.040, Boats and Vessels, and Adopting 4.15.080(C) to Further Advance the City's Goal by Moving From [AN ASSESSED VALUE APPROACH FOR TAXATION OF BOATS TO A SET RATE BASED ON SIZE AND MODEL YEAR] **A Valuation Based on Registered or Net Tonnage to an Assessed Valuation.**

MOTION: Chris Klabunde moved and Steve Hunt seconded the motion to adopt Ordinance No. 2008-02.

Discussion:

- verified that the language in the shaded areas was substitute language.

MOTION TO AMEND: Tim Sands moved and Chris Klabunde seconded the motion to approve the amended changes as proposed by the Code Committee.

Discussion:

- instructed the Council that the amended changes included changing the valuation method to what has been practiced in the past, removing the reference to length in section C.1. , and making the changes effective March 8, 2008 instead of January 1, 2008; and
- asked if the change in type of valuation would be substantive based on changing from a set rate to an assessed valuation, Attorney Chandler confirmed it was substantive since they are two entirely different types of valuations, and suggested vote on the amendment that evening and set it up for a public hearing.

VOTE: The motion to amend Ordinance No. 2008-02 passed unanimously.

MOTION TO POSTPONE: Keggie Tubbs moved and Chris Klabunde seconded the motion to postpone adoption of the Ordinance to the next meeting when a public hearing will be held.

VOTE: The motion to postpone Ordinance No. 2008-02 passed unanimously.

- H. Resolution No. 2008-09, A Resolution of the Dillingham City Council to Adopt the Flood and Multi-Hazard Plan as an Official Plan for the City of Dillingham.

MOTION: Tim Sands moved and Chris Klabunde seconded the motion to adopt Resolution No. 2008-09.

Jody Seitz reported that the planning team was drawn from the emergency services group that meets regularly at the Dept. of Public Safety, and included representatives from the emergency services at the hospital, the fire department, Dept. of Public Safety, herself as the coordinator, Dennis Varner, Malcom Wright assisted in writing the hazards, the Assistant Fire Chief, Fire Chief, Dave Mulligan, Theresa Seybert, John Dunson, and Police Chief Thompson. Noted the City received a grant in 2005 and hired a consultant in December to help finish writing up the Plan, and that Chief Thompson went over the facilities and did a nice review at the end of it.

MOTION TO AMEND: Billy Maines moved and Keggie Tubbs seconded the motion to add the word group after Hazard Mitigation Planning in item 4.

VOTE: The motion to amend passed unanimously.

VOTE: The motion to adopt Resolution No. 2008-09 passed unanimously.

Mayor Ruby requested a five minute break. No objection was raised.

The Council recessed at 8:34 p.m. and reconvened at 8:43 p.m.

## **IX. UNFINISHED BUSINESS**

### **A. School Project Update**

Chow Taylor, City Manager:

- reported the roof will be done this summer, cost is around \$1M, and that bids are going out this week;
- noted she is working on a job description for the Project Manager; and
- commented the Facilities Committee is scheduled to meet in March.

### **B. Icicle Seafoods - Sale of Lots 6, 7 & 8**

Chow Taylor, City Manager:

- reported the land from lots 6, 7 & 8 is not much, about ½ acre, has access to water and sewer but not power, the City does not own the adjoining lots 4 & 5 as Icicle had thought, and did not think purchasing the lots for future dock development would be useful, but did not have a recommendation.

MOTION: Billy Maines moved and Chris Klabunde seconded the motion to direct the Manager to contact Icicle Seafoods and let them know the City thanked them but declined the property.

Discussion: None

VOTE: The motion passed unanimously.

### **C. Staffing Study**

Chow Taylor, City Manager:

- reported she had received two proposals, budget was for \$20,000, one proposal was for \$40,000 and the one with the best recommendations was \$47,000, and was trying to negotiate them down, remembered the study done 20 years ago when she was on the Council was \$25,000 and poorly done, and was asking for advice from the Council how to proceed, noting the study was important.

Discussion:

- questioned if the additional monies could be split between this budget year and next budget year;
- suggested that if the Council feels strongly to move forward with the study that it would make sense that the City Manager present the proposals, ask the Council to approve the award of a contract, discuss the contents of the proposal, and the Council could make the appropriation at the same meeting; and
- concurred it was important to see the study be done.

**X. NEW BUSINESS**

A. Set Special Meeting for March 17, at Noon

1. Public Hearing and Adoption of Bond Ordinance No. 2008-03

MOTION: Keggie Tubbs moved and Steve Hunt seconded the motion to approve setting a special meeting for March 17 at noon to have a public hearing and adopt Ordinance No. 2008-03.

Discussion followed.

VOTE: The motion passed unanimously.

B. Set Special Meeting for March 20, 7:00 p.m.

1. Public Hearing and Adoption of Mobile Home Ordinance 2008-04
2. Adopt Resolution No. 2008-10, Approve Strategic Plan
3. Adopt Resolution No. 2008-11, Authorize Foreclosure Action

Mayor Ruby:

- commented one of the driving factors for this special meeting is the mobile home ordinance, if it is adopted the City can include it in this year's valuations as real property.

MOTION: Keggie Tubbs moved and Tim Sands seconded the motion to set a special meeting for March 20, at 7:00 p.m. to consider public hearing and adoption of Ordinance 2008-04, Mobile Homes, public hearing and adoption of amended Ordinance No. 2008-02, Amend Personal Property, adopt Adopt Resolution No. 2008-10, Approve Strategic Plan, adopt Resolution No. 2008-11, Authorize Foreclosure Action, Staffing Study, and other business to be determined by the Manager and Mayor.

Discussion:

- noted the workshop on the Port of Dillingham was scheduled for April.

VOTE: The motion passed unanimously.

## **XI. CITIZEN'S DISCUSSION (Open to the Public)**

There was no citizen's discussion.

## **XII. EXECUTIVE SESSION**

### **A. Legal Matter**

MOTION: Chris Klabunde moved and Keggie Tubbs seconded the motion to enter into Executive Session pursuant to DMC Section 2.09.050 regarding legal matters.

Discussion: None

VOTE: The motion passed unanimously.

At 9:07 p.m. Mayor Ruby requested the Council go into Executive Session and allow for a two minute break beforehand.

MOTION: Sue Mulkeit moved and Keggie Tubbs seconded the motion to come out of Executive Session at 10:16 p.m.

Discussion: None

VOTE: The motion passed unanimously.

## **XIII. COUNCIL COMMENTS**

Tim Sands:

- thanked staff for their contributions to the meeting.

Billy Maines:

- No comment.

Sue Mulkeit:

- No comment.

Steve Hunt:

- expressed a lot of thanks to City Manager and City Clerk for putting together the backup information included in the packet.

Chris Klabunde:

- thank you and good luck to the folks putting on the basketball regions and Beaver Round-Up is coming up; and

- offered condolences to the Dan Salmon family.

Keggie Tubbs:

- concurred with Steve's comments to thank staff for putting together the information; and
- commented he was sorry he missed the workshop on valuations, that real property was assessed at 66% of market value and this year it is going up to 91% and thought in a previous meeting the Council was going to try and minimize as much as possible the impact of valuation changes, that 25% increase in the value of their homes is going to come as a big shock.

#### XIV. MAYOR'S DISCUSSION

Mayor Ruby:

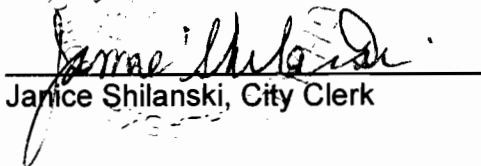
- stated she had mentioned at the workshop that in her opinion it wasn't the appraiser's job or the City Clerk's job to adjust the assessments to make them gradual, it's the Council's job, and that's why the Council should come up with some strategy to make them more gradual, an example is waiving a percentage of assessed value of homes, but the assessed value should always be at 100%, that way the council makes the decision how much tax should be paid, but the assessed value should be accurate (to which Keggie Tubbs agreed, it was just unreasonable to do in one year as talked about earlier, and Steve Hunt responded it was mentioned they had talked about lowering the mill rate);
- noted the Council will be selecting the Board of Equalization in the month of April, that the appraiser said there will probably be a lot of appeals;
- noted she had sent an email to Keggie Tubbs suggesting some things for the finance committee; and
- asked for a moment of silence to recognize those families that had lost a member recently, including Dan Salmon and Sonny Leveque.

#### IV. ADJOURNMENT

Mayor Ruby adjourned the meeting at 10:25 p.m.

  
Alice Ruby, Mayor

ATTEST:

  
Janice Shilanski, City Clerk