

**I. CALL TO ORDER**

The special meeting of the Dillingham City Council was held on Thursday, June 12, 2008 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:

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

Staff in attendance:

Chow Taylor, City Manager  
Staci Fieser, Finance Director  
Gregg Burton, Assistant Finance Director  
Richard Thompson, Police Chief

**III. APPROVAL OF AGENDA**

MOTION: Keggie Tubbs moved and Tim Sands seconded the motion to approve the agenda as presented.

Discussion: None

VOTE: The motion passed unanimously.

**IV. SPECIAL BUSINESS**

- A. Resolution No. 2008-19, A Resolution of the Dillingham City Council Approving the Contract with Aurora SMC, Inc. for the Position of Project Manager for the School Bond Projects.

MOTION: Tim Sands moved and Sue Mulkeit seconded the motion to approve the lay down version of Resolution No. 2008-19, with a change in the amounts.

*(Clerk Note: The lay down version amended the fixed fee from \$252,000 to \$253,750 and the final payment from \$44,000 to \$45,750.)*

Manager Taylor noted that when she revisited the figures she had found an error and made the changes, not substantive, in the amounts that would be paid to Steve Cropsey. She noted the State allows 2-4% of the bond for project management, and the contract was calculated on 1.5% plus expenses, which is less than what can legally be paid.

Discussion:

- asked if the amount of \$45,750 was part of the fixed fee, Mgr. Taylor noted yes, that he would be paid \$10,000 to start, \$5,500 a month thereafter for 36 months, and the balance would be \$45,750 to bring it to \$253,750;
- asked if Steve Cropsey was to quit how would this affect the contract, Mgr. Taylor noted he would be paid by the month, payment would stop;
- asked if she was comfortable with the contract, Mgr. Taylor noted she was and that the attorney was still reviewing it, that the resolution could be adopted contingent on the attorney's review; and
- confirmed that the project should take three years (36 months) to complete, and that if it were to go longer than that it could run into arbitrage problems with interest and IRS.

VOTE: The motion passed unanimously.

- B. Resolution No. 2008-20, 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 Tim Sands seconded the motion to approve Resolution No. 2008-20 with the school appropriation to be set at \$1.3 million with \$1.2 million for operating costs and \$100,000 to cover the school's portion of the bond payment.

Keggie Tubbs reported that the finance committee had recommended this amount after going through the budget, that this was the best the City could do this year without going deeper in the hole, that with the bond passage \$15,000,000 would be spent to renovate the school.

- C. Resolution No. 2008-21, A Resolution of the Dillingham City Council Establishing the Rate of Levy of Tax, the Date Taxes are Due and the Delinquent Date for 2008, and Accepting the Certification of the Tax Roll.

MOTION: Tim Sands moved and Keggie Tubbs seconded the motion to adopt Resolution No. 2008-21.

Keggie Tubbs reported that the finance committee had recommended maintaining the mill rate at 13 mills and keep the taxes at the status quo.

VOTE: The motion passed unanimously.

- D. Introduce Ordinance No. 2008-08, An Ordinance of the Dillingham City Council Adopting the Budget and Appropriating Funds for the FY 09 City of Dillingham Budget.

MOTION: Keggie Tubbs moved and Tim Sands seconded the motion to introduce Ordinance No. 2008-08.

Mayor Ruby commented that the full budget had been passed out prior to the meeting, and that a workshop was set for next week. She noted the finance committee was scheduled to meet next week, at the call of the Chair, to do the final preparations for the workshop, and offered up to the Council members to contact the Mgr. Taylor or Keggie Tubbs if they had any questions before the budget workshop.

Keggie Tubbs reported that the budget was in deficit for an estimated \$200,000 mainly due to the City's obligation to pay this year's school bond payment. He noted it is a bare bones budget and is confident staff has reviewed it extensively. He noted he would prefer to see a balanced budget, but that would mean more drastic cuts which the committee was not prepared to do, that the committee has already moved to increase the health insurance deductible for employees from \$500 to \$750. He commented there is nothing new in the budget except the bond payment.

VOTE: The motion passed unanimously.

E. Code Committee List

Mayor Ruby asked the Council to adopt the task list prepared by the Code Committee with several additional entries since it was introduced last week. She noted that the list would be for proposed ordinance revisions that would be brought before the Council.

MOTION: Tim Sands moved and Sue Mulkeit seconded the motion to adopt the Code Committee To Do List with a friendly amendment to add incentives for businesses to invest in Dillingham.

Discussion:

- asked about item 2. business inventory, average monthly inventory, was not sure why it was on the list, Mayor Ruby noted it wasn't the proposed language, just that it merits revisiting;
- suggested adding incentives for businesses to invest in Dillingham, Mayor Ruby noted she would add it to the list and include reference to property tax and other areas of the Code; and
- asked if we needed to have something in Code to adjust sales tax on heating fuel, Mayor Ruby noted this couldn't be done without putting it in the Code, that the existing Code exempts certain items from sales tax, but this discussion could be taken at the committee level.

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

GENERAL CONSENT: The motion passed without objection.

VOTE: The motion to adopt the Code Committee task list passed unanimously.

**VI. CITIZEN'S DISCUSSION (Open to Public)**

Arne Watland commented in his final appearance before the Council as the School Superintendent that he personally appreciated the support given to him and the School Board, and that the relationship between the Council and the School Board was at an all-time high, illustrated by the passage of the school bond with 85% voter support. He noted the school is continually at the mercy of the State legislature and the foundation formula, which doesn't fund itself well for rural schools. He commented the federal aid impact exceeds \$1 million, but there are fewer students, and fewer that live in trust territories that are exempt, so this amount will be decreasing with a one-two year lag before it takes affect. Thanked the Council for this year's contribution.

## **VII. COUNCIL DISCUSSION**

Billy Maines:

- no comment.

Sue Mulkeit:

- thanked staff and the finance committee for the hard work on the budget.

Steve Hunt:

- echoed Sue's comments.

Chris Klabunde:

- thanked the finance committee and was glad the City didn't increase the mill rate; and
- extended a thank you to Dr. Watland.

Tim Sands:

- thanked staff for their hard work on the budget;
- thanked Dr. Watland for his kind words and all his hard service for the School District; and
- extended good luck to everybody for fishing for kings so they can get their subsistence fish put away.

Keggie Tubbs:

- commented that the relationship between the School District and the City is a much more positive one than past years thanks to Arne, and thanked him for his service to the School District.

## **VIII. MAYOR'S DISCUSSION**

Mayor Ruby:

- thanked Arne Watland for making the last two years great ones and bringing everyone together, noting he had a lot to do in getting the bond passed, that he will be missed; and
- reported that she was not prepared to present a manager recruitment plan, that she did talk to Tim Pearson and he would be willing to help with the search at a cost of \$18,000, that the Council could go out for RFP which would take time, or contract with Tim, allowable under Code;

Discussion:


- spoke in favor of hiring in house or do the recruiting in house and use the criteria from the last management recruitment; and
- spoke in favor of recruiting using staff or contracting with a firm.

Mayor Ruby:

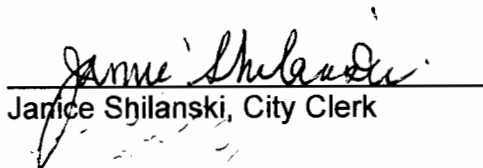
- commented that the recruitment process involves a lot of time, that her experience is you don't save money by going in house to do the recruitment, and would put together two plans to present to the Council next week; and
- acknowledged individuals that have been lost in the last month in a moment of silence.

**IX. ADJOURNMENT**

Mayor Ruby adjourned the meeting at 7:50 p.m.

  
Alice Ruby, Mayor

ATTEST:

  
Janice Shilanski, City Clerk

