



Alice Ruby, **Mayor**

**Council Members**

- Holly Johnson (Seat A) • Chris Maines (Seat B) • Misty Savo (Seat C)
- Curt Armstrong (Seat D) • Tracy Hightower (Seat E) • Paul Liedberg (Seat F)

**DILLINGHAM CITY COUNCIL**

**David B. Carlson Council Chambers**

Dillingham City Hall, 141 Main Street, Dillingham, AK 99576 (907) 842-5212

<b>WORKSHOP – AUDIT PRESENTATION</b>	<b>6:00 P.M.</b>	<b>FEBRUARY 5, 2015</b>
<b>WORKSHOP – MID-YEAR BUDGET REVIEW</b>	<b>6:30 P.M.</b>	<b>FEBRUARY 5, 2015</b>
<b>REGULAR MEETING</b>	<b>7:00 P.M.</b>	<b>FEBRUARY 5, 2015</b>

**I. CALL TO ORDER**

**II. ROLL CALL**

**III. APPROVAL OF MINUTES**

- A. Regular Council Meeting, December 4, 2014 ..... page 5
- B. Regular Council Meeting, January 15, 2015 .....page 11

**IV. APPROVAL OF CONSENT AGENDA**

- A. Adopt Resolution No. 2015-09, A Resolution of the Dillingham City Council to Offer Thanks and Commendation to William “Bill” McLeod for His Service as Superintendent of Dillingham City Schools ..... page 19

**APPROVAL OF AGENDA**

**V. STAFF REPORTS ..... page 21**

**VI. PUBLIC HEARINGS**

**VII. CITIZEN’S DISCUSSION (Prior Notice or Agenda Items)**

**VIII. ORDINANCES AND RESOLUTIONS**

- A. Introduce Ordinance No. 2015-01, An Ordinance of the Dillingham City Council Amending the Budget by Adopting Budget Amendment No. 1 and Appropriating Funds for the FY 2015 City of Dillingham Budget ..... page 61
- B. Introduce Ordinance No. 2015-02, An Ordinance of the Dillingham City Council Amending Chapter 4.20 of the Dillingham Municipal Code to Clarify Application of City Sales Tax Laws to Sales of Fuel by Sellers Located in Dillingham to Buyers Outside Dillingham and Requiring Sellers to Report Such Sales in a Uniform Manner and to Remit Appropriate Sales Taxes to the City ..... page 71

- C. Introduce Ordinance No. 2015-03, An Ordinance of the Dillingham City Council Amending Title 7, Animals, to Add a Definition for Adoption Eligible to Chapter 7.02, to Amend Chapter 7.09, Impoundment, to Remove Redundant Language, to Add a Reference for Adoption Eligible, and to Cross Reference Chapter 7.11, Euthanasia ..... page 77
- D. Adopt Resolution No. 2015-06, A Resolution of the Dillingham City Council Appointing an Alternate Community Representative to the BBEDC Board of Directors ..... page 93
- E. Adopt Resolution No. 2015-10, A Resolution of the Dillingham City Council Changing the Division of Motor Vehicle (DMC) Hours to Four Hours a Day, Monday through Friday ..... page 95
- F. Adopt Resolution No. 2015-11, A Resolution of the Dillingham City Council Accepting the Year End Audit for the Fiscal Year Ending June 30, 2014 ..... page 99
- G. Adopt Resolution No. 2015-12, A Resolution of the Dillingham City Council Amending the Process for Approving the Operational Procedures and Rules Recommended by the Library Advisory Board and Repealing Resolution No. 2013-71 ..... page 103
- H. Adopt Resolution No. 2015-13, A Resolution of the Dillingham City Council Opposing the Nomination of the Aleutian Islands National Marine Sanctuary ..... page 107
- I. Adopt Resolution No. 2015-14, A Resolution of the Dillingham City Council Supporting the Reinstatement of a Full \$60 Million into the Revenue Sharing Fund on a Yearly Basis with a One-Year Appropriation of \$8 Million to the Fund with an Effective Date of Prior to June 30, 2015 ..... page 137

**IX. UNFINISHED BUSINESS**

- A. Citizen Committee Appointments
  - 1. Cemetery Committee, 4 Seats Open
  - 2. Planning Commission, 1 Seat Open
  - 3. Parks and Recreation Committee, 2 Seats Open
- B. Council Committee Appointments
- C. Annexation Update

**X. NEW BUSINESS**

- A. Municipal Regulation of Marijuana ..... page 141
- B. Action Memorandum No. 2015-02, Award Contract to Coastal Surveyors to Render Professional Surveying Services to Complete an Exchange of Land Between Choggiung Limited and the City for the City Landfill ..... page 157

- C. Love Your Library Month – Fine Amnesty
- D. Reschedule a Workshop for Strategic Planning Session
- E. Action Memorandum No. 2015-03, Award Contract to Pearson Consulting to Assist with the Finance Director Search

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

**XII. COUNCIL COMMENTS**

**XIII. MAYOR'S COMMENTS**

**XIV. EXECUTIVE SESSION**

- A. Legal Matters – Knutsen vs. City of Dillingham

**XV. ADJOURNMENT**

**City of Dillingham Action Memorandum**

Agenda of: February 5, 2015

**Action Memorandum No.** 2015-03

**Subject:**

Award contract to Pearson Consulting to assist with the Finance Director search

City Manager: Recommend Approval

Signature: Rose Doeru

Route to	Department Head	Signature	Date
X	Finance Director	<i>Carol Shade</i>	<i>2/4/15</i>
X	City Clerk	<i>J Williams</i>	<i>2/4/15</i>

**Fiscal Note:**  Yes  No

**Funds Available:**  Yes  No

**Other Attachments:**

**Summary Statement:**

Our current Finance Director has indicated that her last day of employment with the City will be July 31, 2015. She originally stated the end of April but changed her mind.

The City has been advertising for a Finance Director position since November. We are advertising in Alaska Dispatch, Bristol Bay Times, KDLG, State and Alaska Municipal League. We have received 3 applicants interested in the position. Two of them we dismissed after conducting our initial review. We conducted a phone interview with one which we all thought sounded promising but after a more in-depth review decided we weren't interested.

This type of position is very hard to recruit and is extremely essential for the City. We +

**Action Memorandum No.** 2015-03

**Summary Statement continued:**

know that Kodiak has been looking for one for many months with no luck. Also local businesses in Dillingham have had to revert to consultants or employees working outside of Dillingham for this type of position.

We would like to offer a contract to Pearson Consulting who we have used in the past for recruiting the City Manager. He is currently working up a proposal for us which will be very similar to his past contract. The past contract was 15% of the past years wages and benefits. This will amounts to about \$18,006 for a six month contract.

We have modified our finance department budget by adding an additional \$25,000 for hiring someone on a contractual basis if needed. These funds can also be used for this contract since our current Director will be working until July 2015 which then is into our 2016 budget.

Recommend approval.

PASSED and APPROVED by a duly constituted quorum of the Dillingham City Council  
on \_\_\_\_\_.

\_\_\_\_\_  
Mayor

ATTEST:

[SEAL]

\_\_\_\_\_  
City Clerk

**City of Dillingham  
Fiscal Note**

Agenda Date: February 5, 2015

Request: \_\_\_\_\_

ORIGINATOR: Carol Shade

FISCAL ACTION (TO BE COMPLETED BY FINANCE)		FISCAL IMPACT	
AMOUNT REQUESTED:		FUNDING SOURCE <input checked="" type="checkbox"/> YES <input type="checkbox"/> NO	
\$	<b>18,006.00</b>	<b>General Fund</b>	
FROM ACCOUNT		Project	
1000 7060 10 14 0000 0	\$ 18,006	Finance Director Recruitmet	
TO ACCOUNT:	VERIFIED BY: Carol Shade	Date:	2/5/2015

**EXPENDITURES**

OPERATING	FY15	FY16	FY17	FY18
Personnel				
Fringe Benefits				
Contract	\$18,006.00			
Major Equipment				
Land/Buildings				
Miscellaneous				
<b>TOTAL OPERATING</b>	<b>\$ 18,006.00</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>

Major Equipment				
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REVENUE				
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**FUNDING**

General Fund	\$ 18,006.00			
State/Federal Funds				
Equipment Replacement				
<b>TOTAL FUNDING</b>	<b>\$ 18,006.00</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>

**POSITIONS**

Full-Time				
Part-Time				
Temporary				

ANALYSIS: (Attach a separate page if necessary)

See AM 2015-03

PREPARED BY: Carol Shade

February 5, 2015

DEPARTMENT: Finance Department

February 5, 2015

**BOYD, CHANDLER & FALCONER, LLP**  
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January 30, 2015

**VIA REGULAR AND ELECTRONIC MAIL**

Ms. Rose Loera  
City Manager  
City of Dillingham  
P.O. Box 889  
Dillingham, AK 99576

Re: FY 2014 Legal Year in Review

Dear Rose:

This letter is intended to keep you and the City Council informed regarding how the annual legal budget was spent during the 2014 fiscal year. These figures are taken from our billings and have not been audited. Expenses are billed each month rather than assigned to a particular billing matter. We have not attempted to break down expenses in this report. We have not double checked our math. Nevertheless, this gives a very good picture on the legal services provided between July 1, 2013, and June 30, 2014. This can be considered a public document.

In summary, the City spent \$125,126.70 in legal fees and expenses in FY 2014. Of this amount, \$6,206 were costs and \$118,920.50 were fees. This money was spent in the following general categories.

General Counsel Activities - \$30,190

We advised on the United States Supreme Court case relieving the city from preclearance requirements of the Voting Rights Act. We prepared a comprehensive rewrite of the penalty provisions of the city code to meet new court rules regarding minor offenses. We advised on the F/V Lonestar fuel spill. We advised on multiple personnel matters. We advised on issues related to public records requests. We advised on several planning matters including a potential land exchange, platting requirements and subdivision standards for access and rights of way, regulation of gravel extraction operations, and revisions to the floodplain ordinance. We prepared a lease between the City and GCI. We prepared an equipment purchase agreement and

an agreement for purchase of a fire truck. We advised on election questions regarding voter eligibility, write in votes and candidate qualification. We reviewed an updated records retention policy. We prepared a construction management contract. We prepared ordinances adding exemptions to city sales tax and amending real property tax appeal procedures. We advised on issues regarding the maintenance of Squaw Creek Road and on issues related to the Pebble Mine initiative Alaska Supreme Court appeal.

Sales Tax Matters - \$3,001

We provided advice on exemption issues and prepared an ordinance adding or revising some exemptions from sales tax. We assisted on several sales tax collection matters. We advised on a sales tax issue related to taxability of sales of electricity. We advised on the application of sales tax to sales of fuel oil delivered outside city boundaries.

Bingman - \$51,244

We prepared for and completed a trial which resulted in a judgment in favor of the City for \$292,691. \$60,647 of the judgment is to reimburse the City for some of the costs and attorney fees. We expect to recover 100% of the amount awarded by the Court.

Gladden - \$718

We completed successfully defending the City in Mr. Gladden's appeal from his criminal conviction for violation of the city's sales tax ordinance. We believe any future legal expenses associated with the numerous legal matters involving the City and Mr. Gladden will be minimal.

Property Tax Foreclosure - \$4,789

We completed the foreclosure covering years 2006-2011. The judgment obtained was for \$21,790. Included in the judgment amount was \$2,500 of attorney fees. We started work on the 2008-2012 foreclosure which is in process.

Annexation - \$14,940

We prepared for and participated in oral argument before Judge Douglas. We advised the City on the impact of the Judge's decision remanding the annexation to the Local Boundary Commission. We opposed Ekuk's motion for costs and attorney fees. We participated in proceedings before the LBC relating to the court remand order.

Public Safety Department - \$420

We advised on court orders to produce personnel files and on the Olson case which is being defended by another law firm.

Landfill - \$6,720

We prepared several contracts and a couple of bid packages for procurement of the new thermal conversion system. We prepared a design/build contract for the building that will house the new system. We advised on a potential bid protest.

Property Tax Matters - \$2,408

We advised on taxation of personal property stored on native allotments. We advised on a late-filed appeal. Some of the foreclosure costs are also included in this amount. We prepared a contract for tax assessment services. We advised on board of equalization procedures. We advised on several exemption issues.

Port - \$2,803

We advised on a land exchange for a port access road. We reviewed the port tariff and recommended changes. We helped the City obtain insurance proceeds to pay for repairs to the All Tide Dock.

Moreno - \$537

We filed a collection case and obtained a judgment in favor of the City for \$15,974. Included in the judgment was an award of \$547 for costs and attorney fees. We are endeavoring to collect the judgment from Ms. Moreno's PFD's.

Water-Sewer - \$514

We prepared opinion letters required for state loans. We advised on a notice of violation and compliance order from ADEC related to sewer treatment operations.

Wahl - \$633

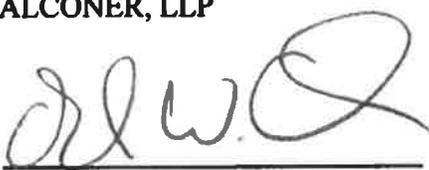
We responded to a union grievance which was ultimately dropped.

Ms. Rose Loera  
January 30, 2015  
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As always, we appreciate the opportunity to be of service to the people of Dillingham. The year ahead should see a drop in total legal fees as the Bingman case wraps up. There may be significant legal costs associated with the recently filed annexation petition if annexation continues to be challenged as it was several years ago. If you or the City Council have any questions about particular matters or how we provide our services to Dillingham, please let us know.

Very truly yours,

BOYD, CHANDLER  
& FALCONER, LLP

By:   
Brooks W. Chandler

BWC/ms  
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