

I. CALL TO ORDER

A regular meeting of the Dillingham City Council was held on Thursday, January 15, 2015, 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 was present.

Council Members present and establishing a quorum (a quorum being four):

Holly Johnson	Chris Maines	Misty Savo
Curt Armstrong	Tracy Hightower	Paul Liedberg

Staff in attendance:

Rose Loera	Jean Barrett
Bernadette Packa	Dan Pasquariello

III. APPROVAL OF MINUTES

A. Minutes of December 4, 2014 Regular Council Meeting

MOTION: Holly Johnson moved and Tracy Hightower seconded the motion to postpone approval of the minutes of December 4, 2014.

VOTE: The motion passed unanimously by voice vote.

(Clerk Note: The minutes will be amended to add the consent agenda item that was omitted in error and to correct the voice votes to read as roll call votes.)

IV. APPROVAL OF CONSENT AGENDA

There was no consent agenda.

APPROVAL OF AGENDA

MOTION: Chris Maines moved and Holly Johnson seconded the motion to approve the agenda as presented.

VOTE: The motion passed unanimously by voice vote.

V. STAFF REPORTS

City Manager Loera reported on the following (these items were in addition to the Manager's report in the packet):

- Scheduled a meeting to Anchorage the next day to discuss finalizing the design on the incinerator building;

- Met with Jeff Laughlin of the State Trooper's WAANT unit, and expressed support to have that position filled in Dillingham;
- Final Audit would be presented at a workshop prior to the February Council meeting;
- Reminded of the Strategic Session planned for Saturday and Mayor/Council Members, Manager and Dept. Heads to attend;
- Noted the Library Advisory Board was recommending the Council take action on the three policies put forward: survey community for library services, youth policy and computer use policy.

MOTION: Paul Liedberg moved and Holly Johnson seconded the motion to approve the three action items from the Library [Advisory] Board.

VOTE: The motion passed unanimously by voice vote.

VI. PUBLIC HEARINGS

There was no public hearing.

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

Chris Napoli, representing BBEDC, asked that the Council table action on annexation until the borough feasibility study could be completed.

J.R. Dull, BB permit holder, felt fishers were being targeted, that they already contributed to other tax sources, didn't see non-residents not contributing more as justification for the raw fish tax. He urged the Council to stop the annexation process and find other ways to collect funds from non-residents.

Melvin Andrew, representing the City of Manokotak, noted their residents objected strongly to the draft annexation petition and asked the Council to postpone action, or at least recognize their concerns and amend the petition to drop the Igushik area.

Diane Wetter, local fisher, noted the fish were a regional resource and belonged to the region. The beaches of Clarks Point, Nushagak, Igushik and Ekuk, which were already spoken for and the water did not need to be part of the City of Dillingham, and asked the Council not to take something that did not belong to the City, that it was morally wrong. She was requesting that the Council wait for the borough study even if it was the more difficult process, because the villages had already said no to annexation without revenue sharing.

J.P. Amo, on behalf of Northland Services, Alaska Marine Lines, asked the Council to reconsider the harbor tariff rate increases being proposed, 20% increase being the base rate, but some of the rates drastically increased for 20 and 40 foot containers by more than 74-84%, and to consider incremental increases instead across the board. He voiced his concern that his firm already had contracts in place for the season.

Luke Donkersloot, on behalf of Northland Services, Alaska Marine Lines, commented the numbers were jarring, and asked that the proposed tariff rate increases be reworked, realizing

there needed to be some increase. He noted it would make it difficult for their firm and its customers to do business if the proposed rates were adopted.

Dan Dunaway noted he understood there was a borough study in progress, but approved the City moving forward with its annexation petition in the meantime. He noted these issues had been going on for years, but something needed to be done. As a member of the harbor committee [Port of Dillingham Advisory Committee], they had wrangled a long time over the fees, and felt the proposed skiff fees were pretty fair, but it was his understanding the rates for container vans were grossly undercharged and had recommended incremental increases.

Tom Tilden spoke in support of annexation, noting the timing was perfect what with the state's huge budget deficit, oil prices down, and because the voters had approved the annexation. He saw it as an opportunity to update the harbor services from its basic services.

Steven Davis, fisher, noted he was all for annexation, all for high-tech services, but he was not in favor where annexation didn't benefit the other villages.

Holly Wysocki commented she strongly opposed the fish tax. As a long-time fisher, she was frustrated that she would be saddled with another expense when it was already a hard way to make a living.

Tessa Nickerson had traveled from Manokotak with three other residents opposing the annexation. Commercial fishing from the Igushik Beach was the main income for many of the residents in Manokotak, and they could not afford another expense. She suggested Dillingham could tax the outsiders only, not the local people who were struggling. Suggested those that were in favor of annexation could donate to the City of Dillingham.

VIII. ORDINANCES AND RESOLUTIONS

- A. Adopt Resolution No. 2014-57 (AM), A Resolution of the Dillingham City Council Authorizing the Mayor to Submit a Petition to the Alaska Local Boundary Commission for Annexation of the Nushagak Commercial Salmon District and the Wood River Sockeye Salmon Special Harvest Area by the Legislative Review Method

MOTION: Paul Liedberg moved and Curt Armstrong seconded the motion to adopt Resolution No. 2014-57 (AM).

Mayor Ruby referred to the handout summarizing a meeting of the Interim Task Force which was set up to assess whether a borough was feasible. The group determined this project would be moderate to long term. A letter of invitation would go out to the communities in the Dillingham census area and the two school districts to see if there was an interest in looking at borough feasibility, and identifying the financial support that would be needed from each.

Discussion ensued:

- Recommended that the Council see if there was interest in forming a borough before voting on the annexation petition.

Mayor Ruby commented the petition would need to be before the legislature the first 10 days of the session, which would begin around January 15. If the Local Boundary Commission took the maximum time period for each of the steps required when they received the petition, it could take nine months or longer, recognizing appeals or delays in the process. It was anticipated that the LBC's review and approval process would be done in time for the 2016 legislative session.

Discussion:

- Noted there had not been much said about people's expectations if the borough was formed and operating a borough formation would require substantial financial support;
- Commented a huge factor in supporting annexation was that the community had voted for it;
- Recommended continuing with the annexation process and with the borough assessment as well;
- Recommended focusing on the borough, concerned if the City went forward with annexation all conversations of a borough would cease;

Mayor Ruby commented the annexation process had been in progress for four years with probably one to two more years before it would get to the legislature. Unlike other communities, Dillingham had implemented a partial exemption for low income fishers and for real property owners in Dillingham, and had created two funds, one for a borough study, and one for infrastructure improvements. She noted based on past experience she felt there would be no incentive to go forward with a borough study if the annexation petition was not approved. She voiced her concern with the state's deficit budget predictions for the next several years, and losing revenue sharing after this year. She encouraged Manokotak and Clarks Point to go forward with their petitions, and the borough feasibility to go forward so they could discuss their concerns with boundary issues and such.

VOTE: The motion passed 4 to 2 with Paul Liedberg, Curt Armstrong, Chris Maines, and Misty Savo in favor, and Holly Johnson and Tracy Hightower opposed.

- B. Adopt Resolution No. 2015-01, A Resolution of the Dillingham City Council Approving Lease Rates for Use of City Vehicle/Equipment for Rent, Insurance Work, or on Grant Funded Capital Improvement Projects

MOTION: Holly Johnson moved and Chris Maines seconded the motion to adopt Resolution No. 2015-01.

Manager Loera reported an audit finding had identified a problem with the way the rates were structured. A policy for renting vehicles and equipment was included under New Business.

VOTE: The motion passed unanimously by voice vote.

- C. Adopt Resolution No. 2015-02, A Resolution of the Dillingham City Council Approving an Increase in Harbor and Dock Rates

MOTION: Paul Liedberg moved and Curt Armstrong seconded the motion to adopt Resolution No. 2015-02.

Manager Loera noted the rates had not been revised since 2007.

Discussion ensued over an understanding that there would be incremental rate increases, but mainly the rates on the 20 and 40 foot container vans that lagged way behind when comparing other like harbors. The remaining items would increase by around 20% as proposed.

MOTION: Misty Savo moved and Tracy Hightower seconded the motion to amend the rate sheet appended to Resolution No. 2015-02, to change the rate, effective February 1, 2015, for 20' container vans from \$280 to \$180 and the amount for 40' container vans from \$400 to \$276.

VOTE: The motion to amend Resolution No. 2015-02 passed unanimously by voice vote.

VOTE: The motion to adopt the amended resolution No. 2015-02 passed unanimously by voice vote.

- D. Adopt Resolution No. 2015-03, A Resolution of the Dillingham City Council Adopting an Alternative Allocation Method for the FY15 Shared Fisheries Business Tax Program and Certifying that this Allocation Fairly Represents the Distribution of Significant Effects of Fisheries Business Activity in FMA 5: Bristol Bay

MOTION: Chris Maines moved and Holly Johnson seconded the motion to adopt Resolution No. 2015-03.

Manager Loera reported this was a routine resolution that would be forwarded to the State.

VOTE: The motion passed unanimously by voice vote.

- E. Adopt Resolution No. 2015-04, A Resolution of the Dillingham City Council Amending the Bank Signature Cards for Wells Fargo Checking Account Due to a Change in the Council Members

MOTION: Holly Johnson moved and Tracy Hightower seconded the motion to adopt Resolution No. 2015-04 and Resolution No. 2015-05.

VOTE: The motion passed unanimously by voice vote.

- F. Adopt Resolution No. 2015-05, A Resolution of the Dillingham City Council Amending the Investment Signature Authority Forms for City Investment Accounts Due to a Change in Council Members
- G. Adopt Resolution No. 2015-06, A Resolution of the Dillingham City Council Appointing an Alternate Community Representative to the BBEDC Board of Directors

Mayor Ruby asked to postpone action until the next meeting.

MOTION: Chris Maines moved and Holly Johnson seconded the motion to postpone action on Resolution No. 2015-06 until the next meeting.

VOTE: The motion passed unanimously by voice vote.

- H. Adopt Resolution No. 2015-07, A Resolution of the Dillingham City Council Approving the Purchase of a Backhoe for Public Works Department

MOTION: Paul Liedberg moved and Holly Johnson seconded the motion to adopt Resolution No. 2015-07.

Manager Loera reported she was asking for Council approval to move forward to purchase a backhoe that would be financed from a State legislative grant.

VOTE: The motion passed unanimously by voice vote.

- I. Adopt Resolution No. 2015-08, A Resolution of the Dillingham City Council Approving the Purchase of a Forklift for the Dock

MOTION: Paul Liedberg moved and Misty Savo seconded the motion to adopt Resolution No. 2015-08.

Manager Loera reported one of the forklifts used extensively at the dock was in need of replacement. The item would be purchased from the Equipment Replacement Capital Project Fund. The forklift being replaced would then be used minimally at the shop.

VOTE: The motion passed unanimously by voice vote.

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

Mayor Ruby recommended reappointing Andy Andersen to the Planning Commission.

MOTION: Tracy Hightower moved and Holly Johnson seconded the motion to concur with the Mayor's recommendation and reappoint Andy Anderson to the Planning Commission.

VOTE: The motion passed unanimously by voice vote.

B. Council Committee Appointments

There were no additional Council committee appointments.

- A. Action Memorandum No. 2015-01 – Adopt Vehicle/Equipment Rental Policy

MOTION: Chris Maines moved and Holly Johnson seconded the motion to adopt Action Memorandum No. 2015-01.

Manager Loera reported the Vehicle and Equipment Rental Policy was tailored after the policy on the Fleet Management Operating Procedures.

VOTE: The motion passed unanimously by voice vote.

- B. Liquor License Renewals
 1. Sea Inn Bar (beverage dispensary)
 2. Windmill Grille (restaurant / eating place)
 3. Olsen's Liquor Store (package store)

Manager Loera reported that the licenses were current, taxes were current, with one entity late on their utility payment, but it was being addressed. Mayor Ruby reported the State allowed that the Council could object to renewing the licenses based on the criteria presented if they could justify their action, or not take any action. The Council took no action.

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

There was no citizen's discussion.

XII. COUNCIL COMMENTS

Misty Savo:

- Thanked those who had come out to speak on the dock and harbor fees; and
- Thanked those who had come out to speak on annexation, noting she understood annexation was not favorable to some especially when it hit their pockets, and hoped borough formation and annexation could go forward with the community's support and input.

Paul Liedberg:

- Echoed Misty's comments, thanking everyone who participated in the meeting; and
- Thanked staff and volunteers for keeping the City running.

Curt Armstrong:

- Thanked everyone who had come out and participated, and encouraged participation in the borough meetings if the opportunity arose; and
- Commented he was pleased to work with the Council members.

XIII. MAYOR’S COMMENTS

Mayor Ruby:

- Thanked all those who had come out and participated in the meeting, commenting it had been a long and difficult haul for everyone;
- Commented on recent discussions with Rep. Edgmon that this was going to be a serious year financially, and possibly the last year for receiving revenue sharing from the State;
- Noted Manager Loera was planning a trip to Juneau, February 9, 10, and 11, and was there one or two Council members willing to accompany her;
- Reminded everyone of the Strategic Planning session scheduled for Saturday;
- Reported she had extended an invitation to PenAir to share their business plans; and
- Asked everyone to join in a moment of silence to recognize those lost since the last meeting.

XIV. EXECUTIVE SESSION

A. Legal Matter

1. Public Safety Department – Investigations Report

MOTION: Paul Liedberg moved and Holly Johnson seconded the motion to enter into executive session to discuss Public Safety Department-Investigations Report [8:49 p.m.).

VOTE: The motion to enter into executive session passed unanimously by voice vote.

(The meeting recessed for a short break.)

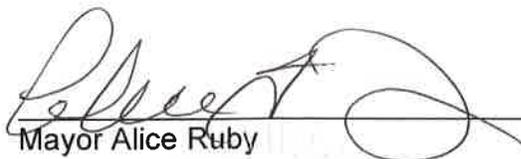
Mayor Ruby invited Manager Loera and Police Chief Pasquariello into the executive session.

MOTION: Misty Savo moved and Chris Maines seconded the motion to come out of executive session [9:15 p.m.].

VOTE: The motion to come out of executive session passed unanimously by voice vote.

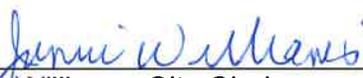
XV. ADJOURNMENT

Mayor Ruby adjourned the meeting at 9:15 p.m.



Mayor Alice Ruby

ATTEST: [SEAL]


 Janice Williams, City Clerk
 Approval Date: 1/15/15