MEETING NO. 2008-36: The Regular meeting of the City and Borough of Juneau Assembly, held in the Assembly Chambers of the Municipal Building, was called to order at 7 p.m. by Mayor Bruce Botelho.

I. FLAG SALUTE was led by Mayor Bruce Botelho.

II. ROLL CALL

Assembly Present: Jonathan Anderson, Bruce Botelho, Jeff Bush, Bob Doll, Johan Dybdahl, Merrill Sanford, David Stone and Randy Wanamaker.

Assembly Absent: Sara Chambers.

Staff Present: Rod Swope, City Manager; John Hartle, City Attorney; Laurie Sica, Municipal Clerk; Craig Duncan, Finance Director; Mila Cosgrove, Human Resources Director; Dave Palmer, Airport Manager; Dale Pernula, Community Development Director; Kirk Duncan, Eaglecrest Ski Area Manager; Marc Matsil, Parks and Recreation Director; Sheila Fisher, Recreation Supervisor; Ben Lyman, Planner; Greg Chaney, Planner, Bonnie Chaney, Budget Analyst; Kristie West, Zach Gordon Youth Center Manager; Mike Meersman, and Tracy Goldsmith of the Zach Gordon Youth Center.

III. SPECIAL ORDER OF BUSINESS

A. Employee Recognition

1. Kristi West

Marc Matsil, Parks and Recreation Director, presented Kristie West, Mike Meersman and Tracy Goldsmith of the Zach Gordon Youth Center with an Alaska Municipal League Community Award of Excellence for the “Bikes, Bikes and Bikes” program. This program provides free bikes for citizens to use around town. ZGYC provides a location, equipment, tools and instructions for bike repair, youth repair bikes found and turned in to JPD, and ZGYC promotes bike riding in town.

2. Ben Lyman

Dale Pernula, Community Development Director, thanked Ben Lyman, Planner, for his high quality work and positive impact on the Capital Transit Development Plan and on the Comprehensive Plan.

3. Bonnie Chaney

Craig Duncan, Finance Director, thanked Bonnie Chaney, long-time CBJ employee and Budget Analyst for the last 10 annual budget cycles, for her instrumental role in making the budget happen.
B. Governor’s Arts Award Recipients – Cristine Crooks, Dan DeRoux, and Dr. Rosita Worl

Mayor Botelho said three Juneau residents are recipients of the prestigious 2008 Governor’s Awards for the Arts and Humanities. Christine Crooks earned the Arts in Education Award, Dan DeRoux was acknowledged as the Individual Artist of the State, and Dr. Rosita Worl was awarded the Distinguished Services to the Humanities Award. Ms. Crooks and Mr. DeRoux were present to receive congratulations from the Assembly.

IV. APPROVAL OF MINUTES

A. November 17, 2008 – Regular Meeting 2008-34

*MOTION*, by Sanford, to approve the minutes of November 17, 2008, Regular Meeting 2008-34, with a change to a staff member’s title. Hearing no objections, it was so ordered.

B. November 25, 2008 – Special Assembly Meeting 2008-35

Hearing no objection, the minutes of the November 25, 2008, Special Assembly Meeting 2008-35, were approved.

V. MANAGER’S REQUEST FOR AGENDA CHANGES

Mr. Swope requested that the Assembly substitute Version B of Ordinance 2008-15(X) in the red folder with the version in the packet. Version B includes a purpose section. Mr. Swope made a correction to the manager’s report for Ordinance 2008-38, to read, “The current related-party exemption, which includes only real property leases, exempts approximately $212,000 per year in sales tax on lease payments.”

VI. PUBLIC PARTICIPATION ON NON-AGENDA ITEMS – None.

VII. CONSENT AGENDA

A. Public Requests for Consent Agenda Changes, Other Than Ordinances for Introduction – None.

B. Assembly Requests for Consent Agenda Changes


C. Assembly Action

*MOTION*, by Bush, to adopt the consent agenda, as amended with the removal of Ordinance 2008-39. Hearing no objection, it was so ordered.
1. Ordinances for Introduction

a. Ordinance 2008-37
   **An Ordinance Authorizing The Manager To Execute A Lease Of The Mayflower Building And Grounds To The Juneau Montessori Center, Inc., To Include Expansion Of The Playground And Use Of The Adjoining CBJ Parking Lot.**

   **Administrative Report:** Attached. The manager recommended Ordinance 2008-37 be introduced and set for public hearing at the next regular Assembly meeting.

b. Ordinance 2008-38
   **An Ordinance Amending The Sales Tax Code To Exempt Transactions Between Related-Party Businesses.**

   **Administrative Report:** Attached. The manager recommended Ordinance 2008-38 be introduced and set for public hearing at the next regular Assembly meeting.

c. Ordinance 2008-40
   **An Ordinance Amending The Sales Tax Code To Exempt Federally Recognized Tribes From Sales Tax With The Exception Of The Sales Of Pull-Tab Games.**

   **Administrative Report:** Attached. The manager recommended Ordinance 2008-40 be introduced and set for public hearing at the next regular Assembly meeting.

d. Ordinance 2008-15(AI)
   **An Ordinance Appropriating To The Manager The Sum Of $1,342,351 As Funding For The North Douglas Sewer Capital Improvement Project, Grant Funding Provided By Alaska Department of Environmental Conservation Municipal Matching Grant.**

   **Administrative Report:** Attached. The manager recommended Ordinance 2008-15(AI) be introduced and set for public hearing at the next regular Assembly meeting.

e. Ordinance 2008-15(AJ)
   **An Ordinance Appropriating To The Manager The Sum Of $1,196,755 As Funding For The West Mendenhall Valley Sewer Expansion Capital Improvement Project, Grant Funding Provided By Alaska Department of Environmental Conservation Municipal Matching Grant.**

   **Administrative Report:** Attached. The manager recommended Ordinance 2008-15(AJ) be introduced and set for public hearing at the next regular Assembly meeting.

f. Ordinance 2008-15(AK)
   **An Ordinance Appropriating To The Manager The Sum Of $1,000,000 As Partial Funding For The Replacement Of The City And Borough Of Juneau’s Core Financial System, Funding Provided By Lease Proceeds.**

   **Administrative Report:** Attached. The manager recommended Ordinance 2008-15(AK) be introduced and set for public hearing at the next regular Assembly meeting.
2. Resolutions

a. Resolution 2457

A Resolution Adopting An Alternative Allocation Method For The Fiscal Year 2009
Shared Fisheries Business Tax Program.

Administrative Report: Attached. The manager recommended Resolution 2457 be adopted.

3. Transfers

a. Transfer T-889

Transferring $25,000 From The Waterfront Seawalk Capital Improvement Project (CIP)
To A New CIP For Preliminary Land Planning, Funds Provided by Marine Passenger
Fees.

Administrative Report: Attached. The manager recommended Transfer T-889 be approved.

Removed from the Consent Agenda:

Ordinance 2008-39 – pulled from Consent Agenda

Administrative Report: Attached. The manager recommended Ordinance 2008-39 be
introduced and set for public hearing at the next regular Assembly meeting.

Assembly Action:

Mr. Anderson asked if this ordinance had been reviewed by the Americans with Disabilities
Act (ADA) Committee, and if not, could this be done prior to Assembly action. He asked if the
matter was time sensitive. Mr. Swope said it had not gone before the ADA Committee, but it
could be accomplished, and the matter was not time sensitive.

MOTION, by Anderson, to introduce Ordinance 2008-39 – set for public hearing at the first meeting
following review by the ADA committee. Hearing no objection, it was so ordered.

VIII. PUBLIC HEARING

A. Ordinance 2008-35

An Ordinance Authorizing A Loan In An Amount Not To Exceed $8,183,000.00 From
The Central Treasury To The Airport Fund For The Purpose Of Providing Interim
Financing For The Airport Terminal Expansion And Renovation Project.

Administrative Report: Attached. The manager recommended that Ordinance 2008-35 be
adopted.

Public Comment: None.

Assembly Action:
MOTION, by Bush, to adopt Ordinance 2008-35.

The Assembly discussed the nature of this loan request from the Airport and the financing plans. The Assembly asked several questions of Mr. Duncan and expressed concerns about decreased sales tax revenues and the effect on the project. Mr. Duncan said the passenger facility charge revenues pledged to pay back this loan significantly exceeded the amount borrowed.

Hearing no objection, it was so ordered.

B. Ordinance 2008-15(X)(b)

An Ordinance Appropriating To The Manager The Sum Of $170,900 As Funding For The Fiscal Year 2007, Fiscal Year 2008 And Projected Fiscal Year 2009 Shortfall In The Permanent Principal Balance Of The Jensen-Olson Arboretum Endowment Fund, And De-Appropriating $72,000 In Funding From The Jensen-Olson Arboretum Endowment Fund, Funding Provided By The General Fund Balance.


Public Comment: None.

Assembly Action:

MOTION, by Anderson, to adopt Ordinance 2008-15(X)(b).

The Assembly expressed concern and asked several questions about how this situation came to be, how the operating budget would be supported in the future and how this situation could be prevented in the future.

Marc Matsil said the city was not aware of the leaks in the roof when the city obtained the property. Funds from the principle of the Jensen-Olson Arboretum trust were spent on needed repairs to the roof and structure, with anticipation that interest from the principal earnings would cover the expenses. The downturn in the market was not anticipated at the time the budget decisions were made and the interest was not realized. The facility will be placed on the essential and deferred maintenance list in the future. Mr. Matsil talked about fundraising plans.

Mr. Hartle said the documents, which established the endowment, were not clear on all issues, but it was clear that the principle was not set up as a loan fund. The earnings on the principle could be spent, but the principle needed to be paid back. There was not a time frame for repayment outlined in the documents, but the repayment must be made and this ordinance was presented as a mechanism to do so.

The Assembly asked about the fund’s present investment. Mr. Duncan said the portfolio was set up as a long-term balance of investments recommended by Callan and Associates, which said if the portfolio was maintained, it would achieve its revenue goals in the long-term.

The Assembly asked about the Jensen-Olsen Arboretum board’s participation in the decision-making. Mr. Duncan said decisions were made by Finance and Parks and Recreation staff, with
Callan and Associates, and information was presented to the Assembly Finance Committee, and the Assembly, resulting in an ordinance.

**MOTION**, by Sanford, to defer action until the Jensen-Olsen Arboretum board has an opportunity to review this ordinance. Hearing no objection, it was so ordered.

C. Ordinance 2008-15(Z)
An Ordinance Appropriating To The Manager The Sum Of $311,584 As Funding For The Metropolitan Medical Response System, Grant Funding Provided By The State Of Alaska, Department Of Military And Veterans Affairs.


Public Comment: None.

Assembly Action:

**MOTION**, by Wanamaker, to adopt Ordinance 2008-15(Z) and he asked for unanimous consent. Hearing no objection, it was so ordered.

D. Ordinance 2008-15(AA)
An Ordinance Appropriating To The Manager The Sum Of $80,000 As Funding For Emergency Operations Planning And Notification System, Grant Funding Provided By The State Of Alaska, Department Of Military And Veterans Affairs.


Public Comment: None.

Assembly Action:

**MOTION**, by Bush, to adopt Ordinance 2008-15(AA) and he asked for unanimous consent. Hearing no objection, it was so ordered.

E. Ordinance 2008-15(AD)
An Ordinance Appropriating To The Manager The Sum Of $513,000 As Partial Funding For The Airport Terminal Renovation Project, Funding Provided By An Alaska Energy Authority Grant.


Public Comment: None.

Assembly Action:

**MOTION**, by Sanford, to adopt Ordinance 2008-15(AD) and he asked for unanimous consent. Hearing no objection, it was so ordered.
F. Ordinance 2008-15(AH)

An Ordinance Appropriating to the Manager the Sum of $446,918 as Funding for The Jordan Creek Sediment Analysis Capital Improvement Project, Grant Funding Provided by an Alaska Department of Environmental Conservation Municipal Grant.


Public Comment: None.

Assembly Action:

MOTION, by Anderson, to adopt Ordinance 2008-15(AH) and he asked for unanimous consent. Hearing no objection, it was so ordered.

IX. UNFINISHED BUSINESS – None.

X. NEW BUSINESS

A. Liquor License

1) Recreational Site Renewal of License #4700
Owner: Alaska Zipline Adventures, LLC d/b/a Alaska Zipline Adventures
Location: 3000 Fish Creek Road, Juneau, AK 99801

Administrative Report: Attached. The manager recommended that the Assembly waive the right to protest the renewal of Recreational Site License #4700 for Alaska Zipline Adventures.

Public Comment: None.

Assembly Action:

Hearing no objection, the Assembly accepted the manager’s report and waived the right to protest the renewal of Recreational Site License #4700 for Alaska Zipline Adventures.

XI. STAFF REPORTS

XII. ASSEMBLY REPORTS

A. Committee Reports

Committee of the Whole – Chair Bush: The COW met December 1, discussed graffiti, gave the manager and JPD some instruction on further action. There may be a future ordinance for review on this topic. No other COW meetings were scheduled for December.

Lands and Resources – Chair Anderson: The next meeting is Monday, December 15, at 5pm, in the Chambers.
Public Works and Facilities – Chair Sanford: The next meeting is Monday, December 15, at Noon, in the Chambers.

B. Liaison Reports

Juneau Economic Development Council – Liaison Wanamaker attended a recent JEDC meeting, JEDC members reviewed applications for board appointments to JEDC.

Planning Commission – Liaison Doll attended the recent PC meeting, PC approved a conditional use permit for an owner to keep an excess of three farm animals on a property on Cohen Dr. The next meeting will be held Tuesday, December 9, at 7pm, in the Chambers.

Airport Board – Liaison Sanford said the Airport Board was busy working on its budget.

Chamber of Commerce – Liaison Anderson said the Chamber is just beginning a project called “Juneau 20/20” to look at economic development future of Juneau.

XIII. ASSEMBLY COMMENTS AND QUESTIONS

Mr. Wanamaker said he was present at the ceremony for the National Guard on December 7, and provided welcome home remarks. He was proud to see so many Juneau men and women serve their country.

Mr. Sanford said Ketchikan, the Alaska Municipal League and the Chamber of Commerce have passed resolutions on cruise ship wastewater effects. He asked staff to prepare a Juneau resolution to protect the aquatic environment similar to the other resolutions adopted. Mr. Anderson asked to hear from public works staff regarding comparisons that might be made to municipal discharge. Mr. Swope spoke about potential mutual benefits to CBJ and the cruise industry in making improvements to Juneau’s wastewater treatment system and by CBJ accepting cruise ship gray water for disposal. Mayor Botelho asked Mr. Hartle to prepare an appropriate resolution.

Mr. Sanford proposed the Assembly send a letter to the Governor and Lt. Governor supporting opening the Kensington Mine, building the Juneau Access road, and establishing hydropower potential in Southeast Alaska – all three items will be a boon to the Southeast economy and provide jobs. Mr. Wanamaker supported this. Mr. Anderson asked what effect such a letter could have as the mine issue was in the court and in the hands of the mine owners. Mr. Doll supported hydropower for Southeast and asked the Assembly to focus its support for the Second Crossing project. Mayor Botelho asked Mr. Sanford to draft a letter for the Assembly to review.

On behalf of the Assembly, Mayor Botelho congratulated Mike and Sara Chambers on the birth of their son.

Mayor Botelho said the JEDC board would like to meet with the Assembly prior to the convening of the legislature – sometime in first of the new year.

Mayor Botelho spoke about progress made by the Tongass Futures Round Table on a comprehensive resolution on timber issues in Southeast.
Mayor Botelho said Mark Begich is asking communities for a list of projects that are “ready to go” to submit to the new administration in Washington, DC. There was no Assembly objection to Mr. Swope preparing a letter about Juneau projects based on the six-year CIP and the Assembly’s list of legislative priorities.

Mayor Botelho said oral argument before the Supreme Court on the Kensington Mine issues would be held on Jan. 12 in Washington, DC.

XIV. CONTINUATION OF PUBLIC PARTICIPATION ON NON-AGENDA ITEMS – None.

XV. EXECUTIVE SESSION

   A. Lobbyist Contracts
   B. Update on negotiations with MEBA

MOTION, by Bush, to enter into executive session, to discuss the lobbyist contract and MEBA negotiations, both were matters of which the immediate knowledge could have a detrimental effect on city finances.

Public Comment: None.

Hearing no objection, the Assembly entered into executive session at 8:19 p.m. and returned to regular session at 9:02 p.m.

Upon returning to regular session, Mayor Botelho said restated the purposes of the executive session. He said with respect to MEBA negotiations, the Assembly gave instructions to the manager. With respect to the lobbyist contracts, the Assembly gave instructions to the Mayor and the manager in one instance to confirm a contract. A discussion was held about the pending change in the administration and Congress, and the specific tasks that need to be taken to get Juneau’s recommendations into a stimulus package working with the DC lobbyist and delegation.

XVI. ADJOURNMENT - 9:05 p.m.

Signed: ___________________________   Signed: ___________________________
Laurie Sica, Municipal Clerk       Bruce Botelho, Mayor