MEETING NO. 2008-37: 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 Noon by Mayor Bruce Botelho.

I. FLAG SALUTE was led by Mayor Bruce Botelho.

II. ROLL CALL

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

Assembly Absent: Jeff Bush, Sara Chambers.

Staff Present: Rod Swope, City Manager; Kim Kiefer, Deputy City Manager; John Hartle, City Attorney; Laurie Sica, Municipal Clerk; Craig Duncan, Finance Director;

III. SPECIAL ORDER OF BUSINESS – None.

IV. APPROVAL OF MINUTES

A. December 8, 2008 – Regular Meeting 2008-36

Hearing no objection, the minutes of Regular Meeting 2008-36 were approved.

V. MANAGER’S REQUEST FOR AGENDA CHANGES

Mr. Swope requested that the Assembly substitute a version (b) of Ordinance 2008-38, regarding Sales Tax Exemption for Transactions Between Related-Party Businesses, which was presented in the red folder with a memo from John Hartle, City Attorney.

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 – None.

C. Assembly Action

MOTION, by Anderson, to adopt the consent agenda as presented. Hearing no objection, it was so ordered.
1. Ordinances for Introduction

a. Ordinance 2008-15 (AL)
   **An Ordinance Appropriating To The Manager The Sum Of $2,314,944 As Partial Funding For The Bartlett 2005 Capital Improvement Project, Funding Provided By Bartlett Regional Hospital Fund Balance.**

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

b. Ordinance 2008-15 (AM)
   **An Ordinance Appropriating To The Manager The Sum Of $1,000 As Partial Funding For The Purchase Of Artworks For The Juneau-Douglas City Museum, Grant Funding Provided By Museums Alaska, Incorporated.**

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

VIII. PUBLIC HEARING

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.**

   Mayor Botelho declared a conflict of interest as his spouse serves as an employee of the Juneau Montessori Center, and asked to be excused from participation on this matter. Hearing no objection, the gavel was passed to Randy Wanamaker.


   Public Comment: None.

   Assembly Action:

   MOTION, by Sanford, to adopt Ordinance 2008-35. Hearing no objection, Ordinance 2008-35 was adopted.

   Mayor Botelho rejoined the meeting.

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

   Administrative Report: Attached. The manager recommended that Ordinance 2008-38(b) be adopted.

   Public Comment: None.
Assembly Action:

*MOTION*, by Wanamaker, to adopt Ordinance 2008-38(b).

Mr. Wanamaker asked Mr. Hartle for comment. Mr. Hartle said Ordinance 2008-38(b) needs a proper effective date. He spoke with the Finance Director and Sales Tax Administrator and their recommendation was to add an effective date of February 1 to Ordinance 2008-38(b).

*MOTION*, by Wanamaker, to add an effective date of February 1 to Ordinance 2008-38(b). Hearing no objection, it was so ordered.

Mr. Hartle discussed the exemption certificate to be issued by the Sales Tax Administrator for entities applying for this exemption. This would not need to be done for each transaction, but it would be a one-time action. Mr. Wanamaker said he had spoken with Mr. Hartle regarding a possible amendment to this ordinance in this regard, but his concerns were satisfied, and offered no further amendment.

Mr. Sanford noted that on Page 3 of the Ordinance, Line 3 & 4, referred to the effective date of the transaction, and asked if this created a problem. Mr. Hartle reviewed the wording and said that line should be stricken.

*MOTION*, by Sanford, to strike the words “and the effective date of the transaction.” from Page 3, Lines 3 & 4. Hearing no objection, it was so ordered.

Hearing no objection, Ordinance 2008-38(b) was adopted as amended.

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.


Public Comment:

William Martin, President of the Central Council of the Tlingit & Haida Indian Tribes of Alaska (CCTHITA), thanked the Assembly for considering this request to have tax-exempt status for sales tax purposes. The recognized tribes of the United States were granted status the same as the tribes per Article 8 of U.S. Constitution. CCTHITA considers itself as a recognized tribe of the U.S. and should have the same status as State and Local governments.

Assembly Action:

*MOTION*, by Wanamaker, to adopt Ordinance 2008-40. Hearing no objection, Ordinance 2008-35 was adopted.
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 that Ordinance 2008-15(AI) be adopted.

**Public Comment:**

*Sloan Swendsen,* Indian Cove, owner of Juneau Septic Service, said he was concerned that the city keeps putting money into extended sewer service but there is no enforcement addressing the 1500 – 2000 residential septic tanks that are presently located in Juneau. The Alaska Department of Environmental Conservation says it has no budget to hire a person to do enforcement and only permits systems. The city does not permit septic systems. Instead of putting money into city sewer it would be better spent towards enforcement and perhaps making funds available to persons with failing systems that cannot afford to fix what they have. The problems are at Fritz Cove and on out the road. In addition, there are not adequate pumping facilities at the dump station and it is very difficult to access the station – there is almost a car accident every time we try to access this.

Mr. Sanford said an ordinance was done to set a standard for maintenance and require pumping at the new subdivision at Lena Point, and we were going to look at this ordinance for area wide standards. Mr. Sanford asked Mr. Swendsen if he recommended this ordinance be established on an area wide basis. Mr. Swendsen said absolutely. The stipulation is good for new construction, but the failing systems are 20 – 40 years old and those owners often cannot afford a fix to the system. He has heard that extending the sewer system to properties makes the property cheaper and more affordable, however, he said that it cost him $200 to maintain his system, and city sewer cost $700 a year. He said those on city sewer used copious amounts of water.

**Assembly Action:**

*MOTION, by Doll, to adopt Ordinance 2008-15(AI).* Hearing no objection, Ordinance 2008-15(AI) was adopted.

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 that Ordinance 2008-15(AJ) be adopted.

**Public Comment:** None.

**Assembly Action:**

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.


Public Comment: None.

Assembly Action:

MOTION, by Stone, to adopt Ordinance 2008-15(AK). Hearing no objection, Ordinance 2008-15(AK) was adopted.

IX. UNFINISHED BUSINESS – None.

X. NEW BUSINESS

A. Docks and Harbors Contract Approval

CBJ Cruise Ship Uplands Operations Study Contract Approval


Public Comment: None.

Assembly Action:

MOTION, by Dybdahl, to approve the contract with PND Engineers, Inc. (PND) in the amount not to exceed $123,184.90 for a study of the upland operations at CBJ’s cruise ship docks.

Mr. Doll asked if the work included in the contract was related only to municipal docks operations and improvements. John Stone, Port Director, said yes.

Hearing no objection, the contract was approved.

XI. STAFF REPORTS

A. Capital Project List

Mr. Swope referred to the CIP list, which included a broad range of projects throughout the borough including enterprise operations, and provided a draft copy to the Assembly for consideration. There is a second page of projects not in the six-year CIP binder, which includes high visibility projects important to the community, also included for consideration. The idea is to get in line with all the other communities across the nation requesting funds from
the Economic Stimulus Package under consideration by Congress. Mayor Botelho said there is a $150 million price tag on these projects.

Mr. Anderson asked how the items on the second page (i.e. the pool, sewer expansion) fit in and could move forward. Mayor Botelho said these items are already underway; they are permitted. All projects are those that are underway or can be underway within 2 years. The purpose is to satisfy a request initially from Senator Elect Begich and from the U.S. Conference of Mayors to provide items to be included in the Economic Stimulus Package for consideration within the first weeks of Congress. Mr. Anderson asked why the second page items were not in the CIP list. Mr. Swope explained the CIP process. Diamond Pool is being funded through a bond initiative, not sales tax. Some of these projects could be supplanted with federal funding, and the funds slated for the projects could be used elsewhere.

The Assembly discussed the level of project detail required for the request submission.

Hearing no objection, the Assembly approved moving forward with the list presented by the manager.

B. Holiday Leave

Mr. Swope said the governor declared the day after Christmas, Friday, December 26, as a state holiday this year. CBJ contracts with the general bargaining unit and the firefighters union contractually obligate CBJ to abide by this same holiday. He asked the Assembly to consider whether CBJ could make the same offer to the unrepresented employees. Mr. Swope said approximately 30% of the employees are non-union.

Hearing no objection, the Assembly provided the same leave to unrepresented CBJ employees as to union employees on the day following the Christmas holiday.

XII. ASSEMBLY REPORTS

A. Committee Reports

Lands and Resources: Chair Anderson reviewed the action at the last committee meeting, including receiving a report on the West Douglas Road extension, the process for updating the Land Management Plan following the recent adoption of the Comprehensive plan, and received information from S.E.A.L.Trust on their use of mitigation funds, particularly regarding the airport projects. The committee discussed allocation of a lot to be used by the JDHS construction program for a building project. The Lands Committee would like the Committee of the Whole to discuss the Land Management Plan update at a future meeting.

B. Liaison Reports

High School Project Team: Liaison Sanford said there will be artwork dedications on January 26 and more information will be forthcoming. There are finally complete bids on the last section of the project, and the project is $296,190 short of funds. There is $600,000 left in bond interest and the project team voted to take the shortfall out of the bond package. This should be the last time funds are needed for this project and the finish date is proposed to be May 2009.
Mr. Wanamaker said he met with advocates of the valley swimming pool, and there is a shortfall in funding due to less money being received than expected from the Rasmussen grant. They suggested an ordinance appropriating money into a sustainability fund, so that fund can make up the shortfall for the ground source heat pump, and the money can be paid back from facility earnings. They also propose an ordinance for funds to be taken from bond interest earnings to make up some shortfall. He suggested staff meet with them and come back to Finance Committee with a recommendation.

Mr. Sanford said all Assemblymembers were contacted on this matter. The pool now is $2 – 2.5 million short and he asked staff to look at any ideas to address this shortfall.

Mr. Swope said staff has worked closely with the pool proponents and thought that the idea of replenishing a sustainability fund was a helpful idea. Staff will look into this matter further.

Mayor Botelho requested that the chairs of Finance and PWFC meet with staff to assist with this review.

Mr. Dybdahl asked about the time sensitivity of this, regarding the bidding schedule. Ms. Kiefer said the ground source heat pump project would be done to coincide with the pump at the airport, and would bid the projects so that if the funding were not available for the pool that part could be pulled out and made known in the bid itself. The savings would be on only one mobilization to get the company set and the difference would be a six-month project or a four-month project. There is money to bid the ground source heat pump at the pool, where it will come in will be when the full project is built. It is time sensitive, they would like to get the bid awarded in late February, early March, with the pool.

Mr. Sanford said the only problem is not having the full amount for the pool to go to bid. Ms. Kiefer said that the bids would be for 90 days for the ground source heat pump that will allow the pool bid to be open and see where it comes in, so we will be able to hold the award. If the pool bid comes in lower than expected the funds may be available to do the ground source heat pump. The ground source heat pump bid will not be awarded until the bid for the pool is known.

**Sustainability Commission:** Liaison Doll said the commission would be interesting in commenting on this project, and next meets on January 7, at 5:15 p.m.

**Hospital Board:** Liaison Stone said the next meeting is set for December 22, at 5 p.m.

**XIII. ASSEMBLY COMMENTS AND QUESTIONS**

Mayor Botelho said he met with the West Douglas Working Group (WDWG). There are varying agency views about “4F” and its applicability to any North Douglas Crossing. (The Department of Transportation Act, Section 4(f) (49 USC Subtitle I, Section 303), prohibits approval for the use of land from a significant publicly owned public park, recreation area, or wildlife and waterfowl refuge, or any significant historical site for transportation projects unless no practicable alternative exists.) He recommended the Assembly instruct staff to prepare an appropriating ordinance, with an amount of up to $50,000, to have an expert on “4F” provide a comprehensive opinion on the state of the law.

Mr. Wanamaker supported the idea.
Mr. Sanford agreed and wants to understand the source of funding.

Mr. Anderson supports this idea and said the WDWG wants the Assembly to designate someone internal or a consultant to “shepherd” this project through all the agencies. After receiving this report, the Assembly should consider who specifically will be designated to make sure this issue moves forward.

Mayor Botelho recommended discussing a variety of issue regarding the North Douglas Crossing at a future Committee of the Whole or Finance Committee meeting dedicated to this project. Mr. Sanford supported a COW meeting for this topic.

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

XV. EXECUTIVE SESSION - None.

XVI. ADJOURNMENT - 12:55 p.m.

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