I. **FLAG SALUTE** was led by Deputy Mayor Jeff Bush.

II. **ROLL CALL**

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

Assembly Absent: None.

Staff Present: Rod Swope, City Manager; Kim Kiefer, Deputy City Manager; John Hartle, City Attorney; Laurie Sica, Municipal Clerk; Craig Duncan, Finance Director; Marc Matsil, Parks and Recreation Director; Rorie Watt, Engineering Director; Mila Cosgrove, HR Director; Garth Hamlin, CFO, Bartlett Regional Hospital; Merle Jensen, Jensen-Olson Arboretum Manager; Kirk Duncan, Eaglecrest Ski Area Manager; John Stone, Port Director.

III. **SPECIAL ORDER OF BUSINESS**

A. Mr. Swope wished Maria Gladziszewski well as she moved to state employment. As the Special Projects Officer for CBJ she worked on many issues, such as tourism, flight seeing, bears, commercial passenger vehicles, recycling, sustainability and the capitol design project. Mr. Swope thanked Ms. Gladziszewski for her work and said she had left her mark.

B. Mr. Swope spoke about the avalanche that happened today which caused the power outage on the Snettisham power line. One tower was damaged, and AEL&P is addressing this. Scott Willis, VP Generation AEL&P said that at 2:00 p.m. the Snettisham line tripped offline, as tower 3-5 was knocked off its footing by an avalanche. It is still too early to determine how long it might take to repair and how much it will cost. An expert from Anchorage would review the situation on Tuesday. AEL&P hired Alaska Avalanche Specialists to monitor the snow pack and avalanche danger daily since early November. They take control measures, dropping explosives from helicopter, to bring down small avalanches. They identified the increased danger and this weekend did another bombing run, but the visibility was low, so they were not able to get up higher where the avalanche today originated. Mr. Willis said that there has been no damage to neighboring towers. Mr. Wanamaker asked if AEL&P staff is working on a best estimate on rates paid in the near future and is looking at what kind of payment arrangements can be made with customers. Mr. Willis said that work has begun. Diesel costs are down from the last time this situation occurred; he has bids out now for diesel fuel. He said it is time to shift back in to a conservation mode; all efforts will help individuals and the community collectively.
IV. APPROVAL OF MINUTES

A. December 19, 2008 – Regular Meeting 2008-37

Hearing no objection, the minutes of Regular Meeting 2008-37 were approved.

V. MANAGER’S REQUEST FOR AGENDA CHANGES – None.

VI. PUBLIC PARTICIPATION ON NON-AGENDA ITEMS.

*Bill Leighty*, Downtown Juneau, spoke in favor of heat pumps for the airport and the swimming pool. The return on investment for the heat pump is attractive and can be justified as a public investment. Mr. Leighty suggested that re-routing the Snettisham line with a potential underwater cable was an expensive project but might be considered as part of the Economic Stimulus Program submission. He referred to an upcoming survey on energy conservation issues.

*Kirk Duncan*, Eaglecrest Ski Area Manager, provided an update on the Ptarmigan chairlift. Staff noticed a variance, examined the bearings in the bull wheel and found them to be failing, so closed the lift over the past weekend. Safety is their main concern at the ski area, despite the tremendous snow conditions. He reported on the efforts to make the repairs, and they anticipate the lift will be re-opened during the coming weekend. He thanked the staff and contractors involved in this operation. Mr. Duncan anticipated the cost of the repair to be $8000 and did not anticipate any affect on the construction schedule for the mid-mountain chair lift.

VII. CONSENT AGENDA

A. Public Requests for Consent Agenda Changes, Other Than Ordinances for Introduction

B. Assembly Requests for Consent Agenda Changes

Mr. Doll requested that Resolution 2458 regarding standards governing cruise ship wastewater be removed from the consent agenda.

C. Assembly Action

*MOTION*, by Stone, to adopt the consent agenda with the exception of Resolution 2458. Hearing no objection, it was so ordered.

1. Ordinances for Introduction

a. Ordinance 2009-02

*An Ordinance Amending Ordinance 2008-35 To Increase The Amount Authorized For A Loan From The Central Treasury To The Airport Fund By $1,000,000.00, For A Total Loan Amount Not To Exceed $9,183,000.00, For The Purpose Of Providing Interim Financing For The Airport Terminal Expansion And Renovation Project.*

Administrative Report: Attached. The manager recommended Ordinance 2009-02 be introduced and set for public hearing at the next regular Assembly meeting.
b. Ordinance 2008-15(AT)
An Ordinance Appropriating To The Manager The Sum Of $2,000,000 As Funding For The Sustainability Fund, Funding Provided By The Temporary 1% Capital Improvement Sales Tax Levies.

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

c. Ordinance 2009-03
An Ordinance Authorizing A Loan In An Amount Not To Exceed $2,000,000 From The Sustainability Fund To The Dimond Park Swimming Pool Capital Improvement Project For The Purpose Of Funding The Design And Construction Of A Ground Source Heat Pump System.

Administrative Report: Attached. The manager recommended Ordinance 2009-03 be introduced and set for public hearing at the next regular Assembly meeting.

d. Ordinance 2008-15(AN)
An Ordinance Appropriating To The Manager The Sum Of $12,591 As Funding For The City And Borough Lands Fund, Funding Provided By Lands Fund Money Returned From JPD Impound Lot Capital Improvement Project.

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

e. Ordinance 2008-15(AP)
An Ordinance Appropriating To The Manager The Sum Of $225,000 As Partial Funding For The Purchase of a Tanker Unit for Capital City Fire and Rescue, Grant Funding Provided By The Federal Emergency Management Agency.

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

f. Ordinance 2008-15(AQ)
An Ordinance Appropriating To The Manager The Sum Of $443,200 As Partial Funding For The Auke Bay Loading Facility Capital Improvement Project, Funding Provided By 2003B General Obligation Bond Interest Income and Harbors Fund Balance.

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

g. Ordinance 2008-15(AR)
An Ordinance Appropriating To The Manager The Sum Of $300,000 As Partial Funding For The Thunder Mountain High School Capital Improvement Project, Funding Provided By 2006 General Obligation Bond Interest Income.

Administrative Report: Attached. The manager recommended Ordinance 2008-15(AR) be introduced and set for public hearing at the next regular Assembly meeting.
h. Ordinance 2008-15(AS)
An Ordinance Appropriating To The Manager The Sum Of $5,000 As Funding For The Jensen-Olson Arboretum, Grant Funding Provided By The Stanley Smith Horticultural Trust.

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

2. Resolutions

a. Resolution 2459
A Resolution Making Revisions To The Personnel Rules.

Administrative Report: Attached. The manager recommended Resolution 2459 be adopted.

b. Resolution 2460
A Resolution De-Appropriating $1,000,000 From The Airport Terminal Expansion Capital Improvement Project.

Administrative Report: Attached. The manager recommended Resolution 2460 be adopted.

3. Transfers

a. Transfer T-888
Authorizing The Transfer of $450,000 From The Downtown Sidestreets Phase III Capital Improvement Project To The Jordan Creek Bridge Replacement CIP, Funding Provided By Areawide Street Sales Tax.

Administrative Report: Attached. The manager recommended Transfer T-888 be approved.

b. Transfer T-890
Authorizing The Transfer Of $892,362 From Thirteen Capital Improvement Projects To Eight On-Going CIPs.

Administrative Report: Attached. The manager recommended Transfer T-890 be approved.

Removed from the Consent Agenda:

Resolution 2458
A Resolution Urging The Alaska State Legislature To Modify The Standards Governing The Discharge Of Wastewater From Cruise Ships.

Administrative Report: Attached. The manager recommended Resolution 2458 be adopted.

Public Comment:

Don Habeger, Downtown Juneau, said he has been involved with the cruise industry and the Juneau waterfront since 1985, and has been part of a scientific panel to review wastewater issues of the cruise industry, which culminated in legislation the industry supported. The regulations have undergone a number of changes, the process has been good. There are some
issues of concern with the 2006 initiative, which this resolution addresses, and he urged its adoption.

Mr. Doll asked about the focus on the four elements, ammonia, copper, nickel, and zinc in cruise ship wastewater.

Mr. Habeger said the standards in the state wastewater program have numerous elements that are reviewed, and in that list are mentioned some of the metals that affect shellfish. Technology does not currently exist that can take the minerals out of the wastewater. In some areas, some of these minerals are in tap water.

Jeremy Geiser, Juneau Chapter President, Alaska Travel Industry Association (ATIA), spoke as a representative of tourism businesses in Juneau and statewide. The standards affect the number of hours a ship can berth in town. If the law stays the way it is now, it can affect the cruise schedule in southeast Alaska. Many of his constituents support this resolution. Many cruise ships are designing and installing the best wastewater facilities available. The cruise ships are doing better with their own discharge now than we are doing in our own community.

Mr. Dybdahl asked him to elaborate on the number of ports for ships to dock. Mr. Easer said the calendar was complicated to prepare. Over 26 ships arrived each week, and the schedulers needed to balance ship needs, community needs and dock availability, tides, arrival times. Mr. Geiser said based on the four elements included in the standards, cruise ships with existing systems could not meet these standards and would have to discharge outside of Alaska waters, which created additional distance to travel outside of their schedule.

Lorene Palmer, Executive Director, Juneau Convention and Visitors Bureau (JCVB), said the JCVB Board of Directors has also agreed to draft a resolution to ask the legislature to revisit that portion of the law, to ensure that cruise ships are not held to higher standards than other entities, which are discharging into Alaska’s waters. The goal is parity. This sends a strong message to other communities in southeast. The timeframe and costs of meeting the standards need to be considered.

Drew Green, Vice President of Governmental Relations of the ATIA, said the cruise ships already exceed the standards for municipality’s discharge standards and the 2006 initiative increases those standards further. It is undetermined that the technology exists that will allow the ships to meet these standards. To make ships to go outside Alaska waters to dump wastewater creates a difficulty in southeast due to the nature of the geography and the ability of the communities to accept the wastewater. This would be the third change made in the legislature to the initiative. We think it is important to unify with Ketchikan, Skagway, the Juneau Chamber of Commerce, and the Alaska Municipal League.

Mr. Anderson asked if the cruise ships would find it desirable to discharge wastewater into the municipal wastewater facilities. Mr. Green said that would be dumping into a system with lower standards. The problem is the law and the standards are too stringent. One ship that can discharge under limited capacity at the plant. Mr. Anderson asked if the CBJ made the facilities available, would it be desirable to use municipal facilities. Mr. Green said perhaps, but this would not be a solution for the upcoming season and the law needed to be addressed before spending on large infrastructure projects.
Bob Janes, Juneau Gastineau Guiding said the technology has not caught up with the law and we have to look at a cost benefit analysis. These are difficult economic times, this is a fluid situation, and we may be able to modify in time, but to be practical, we need to consider the costs of this situation and to support this resolution to request assistance from the legislature to at least delay this law.

MOTION, by Stone, to adopt Resolution 2458. Hearing no objection, Resolution 2458 was adopted.

VIII. PUBLIC HEARING

A. Ordinance 2008-39


Public Comment: None.

Assembly Action:


B. 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.


Public Comment: None.

Assembly Action:

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

C. 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.


Public Comment: None.

Assembly Action:
MOTION, by Anderson, to adopt Ordinance 2008-15(AM). Hearing no objection, Ordinance 2008-15(AM) was adopted.

IX. UNFINISHED BUSINESS

A. 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:

Mary Mearig, Chair of the Jensen-Olson Arboretum Board, said that the Board did not participate in the change to the investment policy, nor the decisions made regarding the replacement of the roof that created the shortfall in funds. As a new board, they are still learning the procedures. The Board would like this to be an appropriation rather than a loan. They would like to participate in forward thinking projects to develop the facility and the loan will always be out there and difficult to be paid back.

Assembly Action:

Ms. Chambers asked how the decisions were made if the Board had not participated in this.

Mr. Sanford said the decisions were made at the staff level and were approved by the Assembly, the Board was not in action at the time. Mr. Matsil said that in 2006 the Engineering Department did a facility assessment, the original roof from 1962 needed repair, and the decision was made to use some of the endowment funds to make those repairs.

Ms. Chambers asked if this was determined to be a legal expenditure of the funds. Mr. Matsil said yes.

Mr. Doll said the facility is a CBJ asset and needs to be protected, otherwise it could deteriorate further. Mr. Matsil said that was true.

Ms. Chambers asked about the operating expenses in 2009, and asked for the rationale to keep the arboretum going - has it been discussed to close the doors until the funds can be obtained to meet the original agreement. Mr. Matsil said the city agreed to protect the integrity of the arboretum and maintain its structures. Ms. Chambers asked if this was regardless of cost. Mr. Matsil said yes. Ms. Kiefer said when the original document was signed it was 15 years ago, Caroline Jensen decided her jewel of a garden would be given to CBJ. When she passed away, her accounts were about $2 million and it was assumed the interest would be able to preserve the property. If it is let go, the work is lost. We need to maintain the facility and keep a gardener on the site to protect this investment. At the time the facility was established, the money coming in from the investment supported the operations. The Board and staff have
determined that more would be lost than gained by not maintaining and keeping the facility open to the public.

Mr. Hartle said it was clear that the principle of the fund was not to be spent. It was not part of the original agreement that the facility would be self-supporting, it is not legally required or guaranteed.

Mr. Doll asked the logic of stating this as a loan or an appropriation. If the Parks and Recreation director asked for the funds outside of the facility funds, the assembly would probably have found the funds to protect this asset.

Mr. Bush said that he assumed the loan would be repaid by excess earnings in a particular year. The loan is a method of utilizing the funds over a long-term situation. Mr. Swope said that this was how he looked at it. Endowments can present a difficult situation for the city. We may be faced with putting more money into the facility until the endowment earns funds or the facility generates revenue.

Mr. Doll said the situation was comparable to Eaglecrest.

Mr. Sanford said there were still many things to be done at the facility, and if we are taking away funds, by making this a payback, it will be difficult to afford the necessary improvements. It should come out of our general funds. In the budget cycle, the facility needs to be considered. Tying it to a loan is not necessarily a good idea, and we should compare it to other parks and recreation facilities.

Ms. Chambers asked if grants were being pursued. Mr. Matsil said a Board retreat is scheduled for January 31, and this is one of the discussions.

**MOTION**, by Sanford, to amend Ordinance 2008-15(X)(b) to eliminate the wording in section two referencing a loan, and providing funds through the general fund balance.

Mr. Anderson asked if the facility has a five-year plan and if it was known how much the city will need to supplement the budget each year. Mr. Matsil said that $15,000 was needed for FY09. Priorities have been discussed and there will be grant applications forthcoming for the education portion of the facility.

Mr. Wanamaker said he did not support the amendment, and considering the state of the economy, a loan was a responsible approach this situation. The arboretum will be able to move forward and generate funds. Many social services will be requesting more funds, and there will be increased energy costs to address.

Mr. Doll said that one way or the other the manager needed to come up with $170,000, and he was satisfied that this is a normal expense from the general fund.

Roll call vote on the amendment:
Aye: Anderson, Doll, Dybdahl, Sanford, Stone, Botelho
Nay: Bush, Chambers, Wanamaker
Motion passed, 6 ayes, 3 nays.
MOTION, by Sanford, to adopt Ordinance 2008-15(X)(b) as amended. Hearing no objection, Ordinance 2008-15(X)(b) was adopted.

X. NEW BUSINESS

A. Liquor License

Ownership Transfer of Restaurant Eating Place License #1384
   D.B.A: Jovany’s Italian Restaurant
   Transfer FROM: Alfonso O. & Nenita S. Soriano
   Transfer TO: Alfonso Soriano (100% Owner)
   Location: 9121 Glacier Hwy., Juneau, AK 99801

MOTION, by Chambers, that the Assembly accept the recommendation of the Human Resources Committee and waive its right to protest the transfer of this liquor license #1384. Hearing no objection, it was so ordered.

XI. STAFF REPORTS

A. MEBA Contract

Mr. Swope distributed a memo prepared by Mila Cosgrove, Human Resources Director, dated January 12, 2008, seeking final Assembly approval of the MEBA contract.

MOTION, by Anderson, to approve the negotiated MEBA contract. Hearing no objection, it was so ordered.

B. Recycling efforts

Maria Gladziszewski provided an update regarding recycling. Cynthia Johnson of the Lands office will be taking on this responsibility.

Ms. Gladziszewski said a staff team of Cynthia Johnson, John Hartle, Joe Buck and Kim Kiefer was formed. The team is responding to the direction set by the Assembly in its adoption of the 12 recommendations from the waste management consultant. The team determined a rate study was needed to determine the costs of collection in light of curbside recycling. A firm from Florida has been retained to determine answers and the study is to be completed by May. Another issue to be determined is a site for the collection of recycled material, as the present location at the Waste Management (WM) landfill is inadequate for the projected volumes. There is a public meeting, Tuesday, January 13, hosted by Alaska Dept. of Environmental Conservation, to allow WM to discuss landfill odor issues. The Assembly discussed landfill odor issues.

XII. ASSEMBLY REPORTS

A. Mayor’s Report

Mayor Botelho invited the public to attend the Juneau Legislative Welcome Reception on Wednesday, January 21, from 5 – 6:30 p.m. in Centennial Hall.
B. Committee Reports

**Committee of the Whole:** Chair Bush said the next meeting is Monday, January 26, at 6 p.m.

**Finance Committee:** Chair Stone said the next meeting is Wednesday, January 14, at 5 p.m. in the Assembly Chambers.

**Lands Committee:** Chair Anderson said the next meeting is Monday, January 26, at 5 p.m. in the Assembly Chambers.

**Public Works and Facilities Committee:** Chair Sanford said the PWFC met on Jan 5, discussed project close outs and transfers which were on this agenda, and got updates on the downtown transportation center and ground source heat pumps for the airport and at Dimond pool. The next meeting is Monday, January 26, at Noon in the Assembly Chambers.

Human Resources Committee: Chair Chambers reported on the following recommendations of the HRC regarding board appointments. Separate motions were made for each committee.

**MOTION,** by Chambers, to appoint the following persons to CBJ Assembly Advisory Boards and Committees:

- Mary Anderson to the Americans with Disabilities Act Committee, for a term expiring August 31, 2011.
- Lorilyn Swanson to the Juneau Commission on Aging, for a term expiring June 30, 2010.
- Darren Dindinger and Kevin Ritchie to Public Seats, and Bev Schoonover to a non-profit environmental group seat on the Juneau Economic Development Council, terms expiring October 31, 2011, and Mike Notar to a seat representing organized labor, for a term expiring October 31, 2010.
- Zachary Jones and Leslie Daugherty to the Juneau Historic Resources Advisory Committee, with terms expiring June 30, 2011.
- Sue Chasen and Glenn Gray to the Juneau Sister Cities Committee, for terms expiring January 1, 2011 and January 1, 2012, respectively.
- Brenda Wright to the Wetlands Review Board for a term expiring December 31, 2011.

Hearing no objection, the committee appointments were approved.

C. Liaison Reports

**Planning Commission:** Liaison Doll said the next meeting is Tuesday, January 13, at 7pm, and will be the first meeting for three new planning commissioners.

**Commission on Sustainability:** Liaison Doll said the draft report on green house gas emissions is very interesting and will be presented to the Assembly at a future meeting.
Affordable Housing Commission: Liaison Chambers said the next meeting is Tuesday, January 13, at the 5:15 pm at the Downtown Public Library.

XIII. ASSEMBLY COMMENTS AND QUESTIONS

Mr. Sanford asked to discuss the Fisherman’s Memorial Fund proposal on a Finance Committee agenda in the near future as it was time to move this forward for a decision.

Mr. Sanford, said he had been contacted by Big Brothers Big Sisters about their proposal to institute a Memorandum of Agreement with city employees, similar to one they have with the Coast Guard. Mr. Swope said although it was a good program, he was not willing to have employees’ time in the program paid for by the city, but preferred some option of allowing employees more flexibility to use personal leave. He had discussed this with BBBS and thought the ball was in their court to provide an outline of the program proposal. The Assembly briefly discussed this idea. Mayor Botelho concurred with Mr. Swope that this was a managerial decision of a contractual nature that would be handled by the manager. Mr. Sanford said he would get back with the people he had spoken with and follow up on any next step.

Ms. Chambers thanked Mr. Wanamaker and Mr. Sanford for taking on some of her chair duties while she was out and said it was good to be back following the birth of her child, Jake Chambers.

Mr. Doll said CBJ crews have done a good job with snow removal and people need to understand that any increased snow removal services will require increases to the budget.

Mr. Wanamaker said he met with Senator Begich and presented the city’s economic stimulus package submission. He discussed his observations of the Supreme Court proceedings regarding the Kensington Mine case regarding the clean water act. He said a decision from the hearing was due between mid-April and the end of June.

Mr. Bush reported on the action of the City Manager Search Screening committee. The field of 33 applicants has been narrowed to 9 and telephone interviews are scheduled for January 19 and 20. The result will be to choose the top candidates for personal interviews.

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

XV. EXECUTIVE SESSION – None.

XVI. ADJOURNMENT – 8:50 p.m.

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