MEETING NO. 2010-27: 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 7:00 p.m. by Mayor Bruce Botelho.

I. ROLL CALL

Assembly Present: Jonathan Anderson, Mary Becker, Karen Crane, Ruth Danner, Bob Doll, Johan Dybdahl, Merrill Sanford, and Bruce Botelho.

Assembly Absent: David Stone.

Staff Present: Rod Swope, City Manager; John Hartle, City Attorney; Laurie Sica, Municipal Clerk; Craig Duncan, Finance Director; Heather Marlow, Lands and Resources Manager; Rorie Watt, Engineering Director; Jeannie Johnson, Airport Manager; Gary Gillette, Port Engineer; Shawn Morrow, Bartlett Regional Hospital Administrator; Marc Matsil, Parks and Recreation Director; Sheila Fisher, Recreation Superintendent; Kristi West, Zach Gordon Youth Center Manager.

II. SPECIAL ORDER OF BUSINESS

A. Outgoing Assemblymember Recognition – Randy Wanamaker and Jeff Bush

Mayor Botelho thanked Mr. Wanamaker (2001-2010) and Mr. Bush (2004-2010) for their service as Assemblymembers, and presented them with framed photos with scenes from their respective Assembly Districts.

B. Juneau Arts and Cultural Center – Recognition of Jim Herr

Mr. Swope recognized Jim Herr of Herr Painting Contractors. Of their own accord, the company cleaned, patched, and painted the Juneau Arts and Culture Center (JACC) at no charge, a job which had an approximate value of $40,000. Annie Calkins, on behalf of the JACC and the community, said it was a huge contribution, which enriches the community in many ways. She thanked the Assembly for its support of the JAHC and JACC as a hub for the community.

C. Zach Gordon Youth Center ARPA Recognition

Marc Matsil, Parks and Recreation Director, recognized the Parks and Recreation staff, including Sheila Fisher, Kristi West, Crandall Mark, Jessica Brown, Donnyel Burris, Erica George, Larry Blatnick, Andy Logue, Latroy Burris, and Engineering Department staff Steve Tada and Theresa Mores for their exceptional work at the Zach Gordon Youth Center. The Center received the 2010 Facility Excellence Award from the Alaska Recreation and Parks Association.
III. APPROVAL OF MINUTES

A. October 25, 2010 – Regular Assembly Meeting 2010-26

Hearing no objection, the minutes of the October 25, 2010 - Regular Assembly Meeting 2010-26 were approved.

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

V. PUBLIC PARTICIPATION ON NON-AGENDA ITEMS.

*John Cramer* said he is concerned that the list of priorities of the Assembly may not be a list of priorities of the community it represents. He asked how the list was determined. He said the bridge to Douglas was recently defeated on the ballot. It did not seem right for the Assembly to make it a top ten issue.

VI. 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 Sanford, to adopt the Consent Agenda. Hearing no objection, the Consent Agenda was adopted.

1. Ordinances for Introduction

   a. Ordinance 2010-34

      *An Ordinance Amending The Sales Tax Code Regarding The Senior Citizen Sales Tax Exemption To Provide The Spousal Exemption For Same-Sex Domestic Partners.*

      Administrative Report: Attached. The manager recommended Ordinance 2010-34 be introduced and set for public hearing at the next regular meeting.

2. Resolutions

   a. Resolution 2546

      *A Resolution Adopting Amendments To The Personnel Board Rules Of Procedure And Repealing Resolution No. 2471.*

      Administrative Report: Attached. The manager recommended Resolution 2546 be adopted.

VII. PUBLIC HEARING

A. Ordinance 2010-31

   *An Ordinance Amending The Airport Code Regarding Domestic Animals On Airport Premises.*

Public Comment: None.

Assembly Action:

MOTION, by Anderson, to adopt Ordinance 2010-31. Hearing no objection, it was so ordered.

B. Ordinance 2010-32


Public Comment:

Wade Bryson, a member of the Board of Directors of the Juneau Chamber of Commerce, said the Board is opposed to this action. He said singling out a particular business is a bad precedent. This may drive away businesses similar to the example of taxation on cruise ships. By targeting just jewelry and summer tourists, we could lose a jewelry store, whose employees live in the community. We will lose more in the end by implementing this prejudicial action. The storeowners are not here to defend themselves. At the least, postpone this action so they are able to comment on the matter. This can dissuade other businesses from feeling as if Juneau provides a pro-business climate.

Assembly Action:

MOTION, by Doll, to adopt Ordinance 2010-32.

Mr. Anderson said he remains opposed to this ordinance and asked if this is being done for a public purpose. Cigarettes and alcohol are taxed at a higher rate for a public purpose. We have not heard how much money is forgone on automobiles, or other large ticket items. This is singling out a particular business.

Ms. Danner said her friend worked in the jewelry business as a salesperson and she does not know what the markup is on jewelry but she does know the amount individual clerks are allowed to discount jewelry without manager’s consent. She said the amount is well in excess of CBJ sales tax. She supports the ordinance as it stands.

Roll call vote failed, 3 ayes, 5 nays:
Aye: Crane, Danner, Botelho
Nay: Anderson, Becker, Doll, Dybdahl, Sanford.
C. Ordinance 2010-33(d)

An Ordinance Amending The Real And Personal Property Tax Code Relating To Exempt Property And Providing The Surviving Spousal Exemption To Surviving Same-Sex Domestic Partners, And Providing For The Establishment Of Baseline Criteria For The Application Of The Hardship Exemption Authorized By State Law.


Public Comment:

Beverly Ward said that regarding the dramatic increase in applicants for the hardship exemption from 29 to over 100, she took some of the blame for that increase. She said in anticipation of turning 65, she asked about the upcoming $150,000 exemption, she found that she had already been eligible as a widow of a qualified applicant and also about the 2% hardship exemption. She said most people she knew were not aware of the program so she told many people about the program including her tax consultant. She has probably talked to over 500 people about this law on the books, which seems like a secret, and now that people understand this benefit, it may be changed. The part that troubles her in the ordinance is the gross household income. She asked if it includes social security disability payments, disability payments to disabled vets, and the regular social security payment. The 400 percent of the Poverty Guidelines is about $72,000. Perhaps a sliding scale should be considered. Many senior citizens are close to that level, and it seems like a substantial amount, but money does not go far in Alaska. This may benefit more seniors, but get away from giving the richest seniors a tax break. Senior citizens do not fit one size. Most of us share the aspect of living on fixed incomes, with increasing expenses, including property taxes. The values of homes have increased but seniors’ income does not reflect the lifestyle. She spoke about seniors’ donations to the community through giving to charities and by hiring local contractors to do work they may have done for themselves in the past, and the additional taxes paid cut into the ability to do those types of activities. Just because a person owns a highly assessed home does not mean that the person has a high income.

Brian Reeve said he is a disabled vet who did three tours in Viet Nam. He told the Assembly that vets fight for their rights and need the Assembly’s help. Vets are coming back every day, disabled, with injuries they might not have survived in previous wars, and they need our help. He did not want to see any benefit taken away for a few dollars of savings.

Assembly Action:

MOTION, by Danner, to adopt Ordinance 2010-33(d).

Ms. Danner said this is a very challenging issue. This hardship exemption was provided by the State to make it available to the municipalities to adopt in a way to support senior citizens and disabled veterans when there is a hardship. The original language did not specify what constitutes a hardship. It states if there is a hardship that the person does not have to pay more than 2% of their income as defined. The challenge is that CBJ finds itself in an unsustainable situation. We cannot open the doors to all seniors and disabled veterans to claim a hardship because the cost to the city would be that property taxes would have to be raised for all non-seniors and non-veterans. We need to be careful where we draw the line. We have come a long way by stating the city manager can provide for exemption due to extraordinary
circumstances. The Alaska Statute language will not allow us to initiate a sliding scale. It states 2%, which cannot be changed. Ms. Danner said that the city can determine who qualifies. She suggested that instead of using 300% or 400% of the Poverty Guidelines for Alaska, the Assembly should consider using the most current, Median Family Income for Juneau as set by the U.S. Department of Housing and Urban Development as a more locally derived figure as a better solution. The question is where to set that level. Whatever the Assembly does will create entitlement and her concern is how this will affect revenues and those who do have to pay property taxes to support the community. Ms. Danner distributed a sheet with a proposed ordinance amendment for Assembly review.

Mayor Botelho asked what a comparable level would be using median family income as a guide in comparison to what the Assembly had set forth in the draft ordinance at the Finance Committee.

Ms. Danner said if the Assembly is aiming at the 400% level, then $72,100 would be 115% of the median family income.

Mayor Botelho asked for a sense of the body on its willingness to move to this median family income.

Mr. Sanford asked if we have 189 people asking for the exemption now, and we move to the middle of the road, how many more people are going to apply if we do not set a tight percentage. The tax burden will fall on others, including the younger people of the community.

Mr. Doll asked if the Assembly accepts the 400 percent cap on eligibility in terms of a two-person household, that turns out to be $72,840. Of those 185 applicants last year, how many would fall below that cap? Mr. Duncan said 95.

Mr. Duncan said knowing what the gross household income of seniors is an unknown, we only know about those who have filed. He said there are about 1,300 seniors and disabled veterans currently receiving the $150,000 exemption, and of those 185 have applied for the hardship exemption. Most seniors do not think of themselves as a hardship, and it has grown exponentially as they have discussed this situation. We do not hide this exemption. We have discussed it numerous times and it is on our website. He believes a significant number of the 1,300 can qualify and if there is no upper limit, he could not say how many.

Mr. Doll asked if Ms. Danner’s proposal was adopted, how it would alter the 95-person eligibility figure. Mr. Duncan said at 115% of median family income level, it would not have a material impact, perhaps lower it a few $100. If it were dropped to 100% it would reduce the number of qualifying people from 95 to 75.

Mr. Doll asked what the advantage would be to switching the criteria. Mr. Duncan said the median level is flatter, and it represents more of a relationship to a household than the poverty level. He thought the median income is the better way to do this. Mayor Botelho said without objection of the Assembly, if members are willing to go forward with the median family income factor, then he asked for a suspension of the rules to discuss a percentage.

Mr. Doll said 115% seemed appropriate.
Ms. Crane said she would like to see a higher percentage.

Mayor Botelho asked if there was any expectation on the number of persons who might qualify at the 65-year-old threshold in the next five years. Mr. Duncan said he could not say, but the only segment of the population that is growing is the over-65 group – we have an aging community.

Ms. Crane said that the figure cannot be based on all seniors or all disabled veterans, because not all will apply.

Mr. Sanford said that realistically, people would take advantage of all savings available, so we need to be careful because the baby boomers are getting to an age when the burden will be on our younger generations, if we do not put some kind of limits on this.

Mr. Doll said just as the tax code is adjusted to attract retail businesses, and the businesses can stay or leave, the same is true for seniors. The State of Alaska has acknowledged an interest in keeping seniors in the state by providing for the tax break, and the seniors can choose to stay or go. We want to keep our seniors here and the law has been written to address this motivation.

Mr. Dybdahl said that this is difficult and we are getting close with this amendment, be it a rate of 115% or 120%. I am a little concerned about provisions that allow the manager discretion for emergencies because people do not fit into neat little boxes. As children grow older and do not cost the parents funds, they have funds to improve their home, and then the value increases, so I do not think we are giving that much to the seniors, but I am comforted by the fact that they can appeal this and demonstrate a true hardship.

Mayor Botelho called a recess at 8:03 p.m. and returned to regular session at 8:10 p.m.

MOTION, by Doll, to amend Ordinance 2010-33(d) on page 5, line 22, (3) to read: “The applicant’s gross household income, from all sources in the prior year, may not exceed 120% of the most current Median Family Income for Juneau as set by the U.S. Department of Housing and Urban Development for a similarly sized household except as follows: ...” Hearing no objection, it was so ordered.

MOTION, by Danner, to amend Ordinance 2010-33(d) on page 6, line 4, (i) “an applicant whose household gross family income exceeds 120% of the Median Family Income for Juneau as set by the U.S. Department of Housing and Urban Development may nevertheless qualify for an exemption in the case of a documented extenuating or extraordinary circumstance that results in a one-time expense that, when subtracted from the applicant’s household gross family income, results in the applicant’s gross family income falling below 120% of the Median Family Income for Juneau for the year in question. Determinations under this paragraph will be made by the City Manager and are appealable to the assembly under CBJ 01.50.030-260.

Mr. Anderson said he could not understand how this clarifies the definition of extenuating circumstances.

Hearing no objection, it was so ordered.
MOTION, by Sanford, to adopt a sunset date of two years to evaluate the effect of this legislation on the city finances, in a new section six. Hearing no objection, it was so ordered.

Ms. Danner recommended to the manager that when considering extraordinary circumstances, that he weigh it in favor of disabled veterans.

Hearing no objection, Ordinance 2010-33(d) as amended, was adopted.

D. Ordinance 2010-11(U)
An Ordinance Appropriating To The Manager The Sum Of $13,700 As Partial Funding For A Cold Storage Feasibility Study, Funding Provided By Fiscal Year 2011 Sales Tax Reserve.


Public Comment: None.

Assembly Action:
MOTION, by Doll, to adopt Ordinance 2010-11(U). Hearing no objection, it was so ordered.

E. Ordinance 2010-11(V)
An Ordinance Appropriating To The Manager The Sum Of $130,000 For Completion Of The Auke Bay Loading Facility-Phase I; Funding Provided By The Harbors Fund Balance.


Public Comment: None.

Assembly Action:
MOTION, by Danner, to adopt Ordinance 2010-11(V). Hearing no objection, it was so ordered.

F. Ordinance 2010-11(W)
An Ordinance Appropriating To The Manager The Sum Of $40,000 Additional Funding For A Camera System For The Capital Transit Buses; Funding Provided By The Bus Barn Maintenance And Site Paving Capital Improvement Project.


Public Comment: None.

Assembly Action:
MOTION, by Anderson, to adopt Ordinance 2010-11(W).
Mr. Anderson said the concern in the past was retention of the records obtained by the camera. Mr. Swope said there will be a 30-day loop of recording and then the tape would be recorded over. If there are incidents, the documentation of the incident would be kept for two years, which is the statute of limitations.

Hearing no objection, it was so ordered.

G. Ordinance 2010-11(X)
An Ordinance Appropriating To The Manager The Sum Of $939,400 As Funding For The CT Scan Renovation Capital Improvement Project; Funding Provided By Bartlett Regional Hospital Fund Balance.


Public Comment: None.

Assembly Action:

MOTION, by Sanford, to adopt Ordinance 2010-11(X). Hearing no objection, it was so ordered.

VIII. UNFINISHED BUSINESS

A. Ordinance 2010-30
An Ordinance Authorizing The Manager To Convey Lot 10, Block L, Pinewood Park 2, To Juneau Housing Trust, Subject To Certain Conditions, In Support Of The Juneau-Douglas High School Home Building Program.


Public Comment: None.

Assembly Action:

MOTION, by Danner, to adopt Ordinance 2010-30.

Ms. Danner said she supports this but she said that infill is a concern. Lemon Creek here is a very nice neighborhood and we need to make sure that sufficient off street parking is available for this project. She understands this is an issue for permitting.

Hearing no objection, it was so ordered.

IX. NEW BUSINESS

X. STAFF REPORTS
XI.  ASSEMBLY REPORTS

A. Committee Reports

Committee of the Whole: Chair Sanford said the COW met on November 1 and discussed the Noise Ordinance and the Hardship Exemption Ordinance. The COW will next meet on Monday, November 22, at 6 p.m. to discuss waste management.

Public Works and Facilities Committee: Chair Doll said the PWFC met on November 1 and reviewed a draft LEED ordinance, reviewed LID91 for North Douglas Sewer, and will meet on November 22 to discuss bus routing, road standards, and other topics.

Lands – next meeting rescheduled to November 29.

Human Resources Committee: Chair Danner reported that the HRC met earlier in the day and made the following recommendations for board appointments, which, without objection, were approved by the Assembly:

Juneau Human Rights Commission

Social Services Advisory Board
Eva Raczkowski Bennett Public Seat Term Exp. 9/30/2012
Suzanne Dutson Public Seat Term Exp. 9/30/2012

Ms. Danner said the full Assembly as HRC will meet on Monday, December 6, at 5:15 p.m. in City Hall Conference Room 224 to interview for three open seats on both the Planning Commission and the Bartlett Regional Hospital Board. Applications are due in to the clerk’s office by Monday, November 22.

Ms. Danner said the HRC discussed and recommends that liquor license permit renewals, which CBJ staff has found no basis for protest, be added to the Assembly’s Consent Agenda rather than appear as an action item on the HRC agenda. Ms. Danner said she has reviewed this with Mr. Hartle and no rule or code changes are required to change the procedures.

Mr. Sanford said he wanted to ensure that this change would only include licenses which have no basis for protest, as there have been some problem issues in the past with licenses which the Assembly has needed to address.

Finance Committee: Mayor Botelho said the next Finance Committee is scheduled for Wednesday, December 1 at 5:30 p.m. in the Assembly Chambers.

Mayor Botelho said he has scheduled a Special Assembly meeting on Wednesday, December 8 at 5:30 p.m. to meet with the Docks and Harbors Board.
B. Liaison Reports

**Juneau Commission on Sustainability:** Liaison Crane said the committee has a good head start on the Climate Action Plan.

**Affordable Housing Commission:** Liaison Crane said the commission next meets Tuesday, November 9, at 5:15 p.m.

**School Board:** Liaison Becker said the School Board next meets Tuesday, November 9, at 5:15 at JDHS, Room 206.

**Juneau Economic Development Council:** Liaison Dybdahl said he attended the last meeting and indeed, they did have a good lunch.

**Juneau Chamber of Commerce:** Liaison Anderson said the Chamber hosted its annual dinner and Richard Burns of the Juneau Radio Center was awarded “Citizen of the Year.”

**Eaglecrest Board:** Liaison Anderson said Eaglecrest is moving forward with its strategic planning.

**Planning Commission:** Liaison Doll said the commission next meets Tuesday, November 9, at 7 p.m. in the Chambers.

**Parks and Recreation Advisory Committee:** Liaison Doll said the committee next meets on Tuesday, December 7.

XII. ASSEMBLY COMMENTS AND QUESTIONS

Ms. Danner attended an event of Friends of Alaska CASA (Court Appointed Special Advocates), created to assist children within the legal system. Volunteering for CASA is a way caring adults in the community are helping children and she thanked them.

Ms. Becker remarked on the Capital City Celebration at the University and said it was a wonderful event.

Mr. Sanford said he wanted to ensure people that the ordinance regarding the hardship exemption has nothing to do with the senior citizen exemption to the property tax, and he asked the media to help get the word out.

Mayor Botelho said the HRC is currently reviewing recommendations regarding the labor relations code and suggested a full Assembly worksession for a briefing early on then having it go to the committee for detail drafting work. There are some contentious issues that the Assembly can discuss before specific language is developed. He said he is sensitive to committee process, but thinks the subject matter warrants engagement by all Assemblymembers and it may be helpful to launch on it together earlier rather than later. Mr. Doll said the alterations suggested are extensive so the elements of the code would be good to discuss at a suitable time.
Mayor Botelho asked Ms. Danner to work with the manager on developing a format for a full assembly presentation and a time on the calendar to do so this year.

Mayor Botelho served notice of reconsideration on Ordinance 2010-32.

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

XIV. EXECUTIVE SESSION – None.

XV. ADJOURNMENT – 8:35 p.m.

Signed:_________________________  Signed:______________________________
Laurie Sica, Municipal Clerk  Bruce Botelho, Mayor