MEETING NO. 2010-31: 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 (teleconference), Mary Becker, Karen Crane, Ruth Danner, Bob Doll, Johan Dybdahl, Merrill Sanford, David Stone (teleconference), and Bruce Botelho.

Assembly Absent: None.

Staff Present: Rod Swope, City Manager; John Hartle, City Attorney; Kim Kiefer, Deputy City Manager; Laurie Sica, Municipal Clerk; Craig Duncan, Finance Director; John Stone, Port Director; Heather Marlow, Lands and Resources Manager; Barbara Berg, Library Director; Jane Lindsey, Museum Director; Greg Chaney, Planning Manager; Rorie Watt, Engineering Director; Rich Etheridge, Fire Chief; Tom Mattice, Emergency Program Manager; Beth McEwen, Deputy Clerk.

II. SPECIAL ORDER OF BUSINESS – None.

III. APPROVAL OF MINUTES

A. November 6, 2010 – Assembly Retreat - amend

MOTION, by Anderson, to adopt the minutes of the November 6, 2010 – Assembly Retreat, with corrections on pages 1 and 14. Hearing no objection, the minutes were approved as corrected.

B. November 29, 2010 – Regular Assembly Meeting 2010-28

Hearing no objection, the minutes of the November 29, 2010 - Regular Assembly Meeting 2010-28 were approved.

C. December 6, 2010 – Special Assembly Meeting 2010-29

Hearing no objection, the minutes of the December 6, 2010 - Regular Assembly Meeting 2010-29 were approved.

D. December 8, 2010 – Special Assembly Meeting 2010-30 - amend

MOTION, by Danner, to adopt the minutes of the December 8, 2010 - Regular Assembly Meeting 2010-30, with corrections on page 8, to read, “Ms. Danner asked the difference in moorage costs between Fisherman’s Bend and DeHart’s Harbor. Mr. Stone said Fisherman’s Bend’s are 10 – 20% higher than DeHart’s.” Hearing no objection, the minutes were approved as corrected.

IV. MANAGER’S REQUEST FOR AGENDA CHANGES – None.
V. PUBLIC PARTICIPATION ON NON-AGENDA ITEMS.

Bill Burk, member of Juneau People’s Power Project (JPPP), said the group is actively fighting the rate increase AEL&P has proposed. He asked for the Assembly to assist the JPPP in this fight. He asked how the city would pay for the increase to the city of $2 million in electrical power costs. Juneau may lose the capitol if this power increase goes into effect. He has heard that CBJ and AEL&P are in cooperation on this. This is an urgent matter and they need the Assembly’s assistance.

VI. CONSENT AGENDA

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

The public requested that Resolution 2551 be removed from the consent agenda.

B. Assembly Requests for Consent Agenda Changes

C. Assembly Action

MOTION, by Doll, to adopt the Consent Agenda as amended with the removal of Resolution 2551. Hearing no objection, the Consent Agenda was adopted as amended.

1. Ordinances for Introduction

a. Ordinance 2010-36

An Ordinance Amending The Docks And Harbors Board Code Regarding Board Vacancies.

Administrative Report: Attached. The manager recommended Ordinance 2010-36 be introduced and set for public hearing at the next regular meeting.

b. Ordinance 2010-40

An Ordinance Amending The Property Acquisition And Disposal Code Relating To Real Property Acquisition.

Administrative Report: Attached. The manager recommended Ordinance 2010-40 be introduced and set for public hearing at the next regular meeting.

c. Ordinance 2010-41

An Ordinance Amending The Land Use Code Relating To Access Driveways Allowed In The Right-Of-Way.

Administrative Report: Attached. The manager recommended Ordinance 2010-41 be introduced and set for public hearing at the next regular meeting.

d. Ordinance 2010-42

An Ordinance Amending The Land Use Code To Require Construction And Renovation Of Municipal Public Facilities To Meet A Sustainable Building Standard.
Administrative Report: Attached. The manager recommended Ordinance 2010-42 be introduced and set for public hearing at the next regular meeting.

e. Ordinance 2010-11(AC)
An Ordinance Appropriating To The Manager The Sum Of $30,000 As Partial Funding For The Library Server Room Capital Improvement Project, Grant Funding Provided By The Library Endowment Fund.

Administrative Report: Attached. The manager recommended Ordinance 2010-11(AC) be introduced and set for public hearing at the next regular meeting.

f. Ordinance 2010-11(AE)
An Ordinance Appropriating To The Manager The Sum Of $25,000 As Funding For A Feasibility Proposal For A Direct Market Fish Sales Facility In Juneau, Funding Provided By Alaska Fisheries Development Foundation Grant.

Administrative Report: Attached. The manager recommended Ordinance 2010-11(AE) be introduced and set for public hearing at the next regular meeting.

2. Resolutions

a. Resolution 2553
A Resolution Authorizing The Manager To Apply For, And Enter Into, Loan Agreements With The Alaska Department Of Environmental Conservation, Alaska Clean Water Fund, State Revolving Loan Fund, For The Twin Lakes Lift Station Replacement Project, And The Alaska Drinking Water Fund, State Revolving Loan Fund, For The Salmon Creek Water Source Secondary Disinfection.

Administrative Report: Attached. The manager recommended Resolution 2553 be adopted.

b. Resolution 2554
A Resolution Changing The Methodology For Calculation Of Compensation To Emergency Service Volunteers, And Repealing Resolution 2413.

Administrative Report: Attached. The manager recommended Resolution 2554 be adopted.

3. Transfers

a. Transfer T-921
Transferring $200,000 from Eaglecrest Mountain Operations/Lifts Capital Improvement Project (CIP) to the Casey Shattuck II CIP.

Administrative Report: Attached. The manager recommended Transfer T-921 be approved.

b. Transfer T-922
Transferring $74,675 from two completed Library Capital Improvement Projects (CIP) to the Library Server Room Upgrades CIP.

4. Liquor License

a. Liquor License Renewals


2. Beverage Dispensary License #76: Arctic Bar Inc. d/b/a Arctic Bar - location 148 S. Franklin Street.

3. Beverage Dispensary License #1081: Squires Rest LLC d/b/a Squires Rest - location 11806 Glacier Highway.


Administrative Report: Attached. The manager recommended the Assembly waive its right to protest the above liquor license renewals.

Removed from the consent agenda:

Resolution 2551

**A Resolution Supporting The State’s Recommendation That The Alaska State Centennial Museum Be Eligible For Listing In The National Register Of Historic Places And That Certain Preservation Mitigation Be Required If The Museum Building Is Demolished For The Library Archive Museum (LAM) Project, And Encouraging The State To Relocate The LAM Project And Work With The City And Borough To Determine Another Use For The Existing Museum Building.**

Administrative Report: Attached. The manager recommended Resolution 2551 be adopted, with an amendment to page 3, Section 1, to delete the word “supports” and replace it with the word “acknowledges,” to read “the CBJ hereby acknowledges SHPO’s recommendation that the Alaska State Centennial Museum be eligible to be listed in the National Register of Historic Places.”

Public Comment:

Mayor Botelho recognized Linda Thibodeau, Division Director of the State of Alaska, Department of Education and Early Development (DEED), Division of Libraries, Archives, and Museums, and James Simard, Head Librarian, Historical Collections, who were present to answer questions.

*John Wynne* said that the contents of the State Museum were historical, not the existing museum building itself. He provided two metaphors to illustrate his point. He displayed an historical book, “The Ladies of the White House” published in 1882, which he gave to his wife in an archival box. The box is not valuable, but the book is. He also related the Tlingit story of the Raven and the Box of Daylight. He said that as far as he knows, the recommendation the Assembly received from the Alaska State Historical Preservation Office (SHPO) is not a recommendation from the Governor’s Office. He asked the Assembly to deny their request to put the State Museum on the list of the National Register of Historic Places.
Wade Bryson said the Library, Archives, and Museums Project (LAM) is a grand project on Juneau’s horizon and will be great for the city. This $127 million project will help our economy. If the city agrees to put this building on a historic registry, it gains nothing with the agreement. The building was built to poor standards and has asbestos in the ceiling and the floor, and is not worth saving. The State of Alaska wants this project and our local delegation supports this project in its current location. The project is well into the design stage. The State owns the land and has designed the project. The location next to the JACC and Centennial Hall adds to this cultural hot spot. Please tell them this building is not historic, we want to make an historic building.

Assembly Action:

MOTION, by Becker, to adopt Resolution 2551.

MOTION, by Becker, to amend in Section 1 to change the word “support” to “acknowledge, to amend Section 2 to read, “That the CBJ hereby agrees that if the museum building is demolished, mitigation should be required in the form of preserving one or more of the concrete panels for interior or exterior display, and providing a publication and interpretive exhibit on the history of the original museum in the new facility."

Mayor restated Ms. Becker’s motion and added an amendment to delete Section 3 of the proposed resolution.

Mr. Doll asked if the Assembly took no action on this resolution or defeated this resolution, what would be the effect.

Mr. Sanford said the PWFC had reviewed this matter and forwarded it to the full Assembly without recommendation.

Heather Marlow said if no action is taken by the Assembly, the larger process will continue. SHPO has this determination of eligibility that is out for public comment. The project website is hosted by the Alaska Department of Transportation and Public Facilities (ADOT/PF) and comment will be taken through January 6. Following this, a decision will be made.

Mr. Doll asked if this implies a potential that an obstacle will be placed in this project if the recommendation is that the building should not be removed or demolished.

Ms. Marlow said the determination will be made by the state client agency, DEED. If they decide not to demolish the building and rebuild on that site, then they will go to an alternate site and will be looking at reuse of the existing museum. She thought it was more likely that the if it is determined that the building is to be demolished, mitigating action will be taken, to incorporate one or more panels from the exterior of the existing building into the new building and providing education on the architecture of the existing building.

Mr. Stone said he was speaking as an Assemblymember and not as a state employee. He supported the testimony. There is an opportunity to combine facilities. He does not want to lose this opportunity and spoke in favor of the resolution as amended.
Mr. Anderson asked if there was a representative of the CBJ Historic Resources Advisory Committee (HRAC) present to explain its recommendation. No one was present.

Mr. Anderson asked Mr. Swope why he recommended the word “acknowledge” instead of “support” in light of HRAC’s recommendation. Mr. Swope said this puts us on record that we acknowledge our advisory group’s recommendation, but he does not agree that we need to support the museum’s listing on the list of historic places. He thought his view was consistent with the views of the Assembly.

Mr. Sanford referred to the statement on page 2, item 4, and asked in the event that the state chose another location for the new building and it had no other use for the existing museum building, would CBJ have a use for the facility?

Ms. Marlow said three potential uses identified were an expansion of the Juneau Arts and Culture Center (JACC) functions, relocation of the city museum, or relocation of the visitor center out of Centennial Hall, but these have not been looked into seriously at this point. Mr. Sanford was concerned about CBJ taking over another old building, considering its age and condition, the need for continuing repair and maintenance, and the budget climate.

Mr. Doll said he thought adopting the designation as an historic building and recommending mitigation would avoid any interference with the construction of the building. If the Assembly does not pass a resolution this is left open to some else’s determination. Ms. Marlow said not passing a resolution leaves the question open and there is no CBJ participation in the process.

Ms. Crane supported the substitutes offered. She preferred to say that CBJ does not support the SHPO recommendation, but she can accept the word “acknowledges.” She said the CBJ should not pursue ownership of this building as it is in bad condition and routinely floods.

Mr. Dybdahl supported the amended resolution. He asked if the designation affects any funding or the decision making regarding a new building. Ms. Marlow said no. The mitigation has been described, and a new building cannot be built on the site without demolishing the old building.

Mayor Botelho said SHPO has made a recommendation and there is a process. This resolution is added to a public record, as an expression of the local governing body. If the resolution is not adopted, the CBJ’s silence would not stop the process. Whatever we do regarding the resolution with modifications will be added to the public record as part of the public comment. Ms. Marlow said that was her understanding.

Mr. Anderson said he thought every Assemblymember wanted to see the project move forward. Will passing this resolution help or hinder the construction of the project. Ms. Marlow said not the actual construction. The design phase is happening now and the project team is trying to be responsive to the process and do due diligence on an alternate site. One problem with an alternate site is reuse of the existing museum building. Talking with the CBJ is the next step in finding an alternate use for the building. If we do not pass a resolution that encourages the city and state to work together on this issue, it leaves the state on its own to answer the question.

Mr. Dybdahl asked if the current site could accommodate the current design. Ms. Marlow said yes.
Mr. Doll said he has no interest in retaining the building. This resolution continues the process. Further discussions will happen and we should not be deterred.

Mr. Sanford said CBJ was involved with providing the land and providing funds for construction of the building, then ownership was transferred to the State of Alaska. We are not partners on this project. Ms. Marlow said that was the case, that the building was transferred to the people of Alaska by state ownership.

Hearing no objection, the motion to amend Resolution 2551 in Section 1 and 2 and the deletion of Section 3, was approved.

Roll call:
Aye: Anderson, Becker, Crane, Danner, Doll, Dybdahl, Stone, Botelho
Nay: Sanford

Resolution 2551 was adopted as amended, 8 ayes, 1 nay.

VII. PUBLIC HEARING

A. Ordinance 2010-37

An Ordinance Creating Local Improvement District No. 91 To Construct A Sanitary Sewer System Along Portions Of North Douglas Highway.


Public Comment: None.

Assembly Action:

MOTION, by Sanford, to adopt Ordinance 2010-37. Hearing no objection, it was so ordered.

B. Ordinance 2010-38


Public Comment: None.

Assembly Action:

MOTION, by Doll, to adopt Ordinance 2010-38. Hearing no objection, it was so ordered.

C. Ordinance 2010-11(Y)

An Ordinance Appropriating To The Manager The Sum Of $34,500 As Funding for a Mt. Juneau Avalanche Study, Grant Funding Provided by the State of Alaska Department of Military and Veterans Affairs.

Public Comment: None.

Assembly Action:

**MOTION, by Danner, to adopt Ordinance 2010-11(Y).** Hearing no objection, it was so ordered.

D. Ordinance 2010-11(Z)
An Ordinance Appropriating To The Manager The Sum Of $301,549 As Funding For The Metropolitan Medical Response Systems, Grant Funding Provided By The State Of Alaska Department Of Military And Veterans Affairs.


Public Comment: None.

Assembly Action:

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

E. Ordinance 2010-11(AA)
An Ordinance Appropriating To The Manager The Sum Of $141,800 As Funding For The State Homeland Security Program, Grant Funding Provided By The State Of Alaska Department Of Military And Veterans Affairs.


Public Comment: None.

Assembly Action:

**MOTION, by Becker, to adopt Ordinance 2010-11(AA).** Hearing no objection, it was so ordered.

F. Ordinance 2010-11(AB)
An Ordinance Appropriating To The Manager The Sum Of $500,000 As Partial Funding For The Bartlett Regional Hospital Roofing Capital Improvement Project, Funding Provided By Bartlett Regional Hospital Fund Balance.


Public Comment: None.

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

VIII. UNFINISHED BUSINESS – None.

IX. NEW BUSINESS

A. Liquor Licenses

1. Application for Certification of De-designated Licensed Premises
   Universe Cyber Lounge d/b/a Latinos Restaurant
   Location: 109 S. Franklin Street, Juneau, AK

MOTION, by Danner, to accept the recommendation of the Human Resources Committee and approve the application for certification of de-designation of licensed premises at the Universe Cyber Lounge d/b/a Latinos Restaurant, for an event to be held from 12/30/2010, 6 p.m. to 12/31/2010, 1:30 a.m. Hearing no objection, it was so approved.

B. Juneau Economic Development Council (JEDC) Request for Approval – Revolving Loan Fund – Tracy’s Crab Shack

Administrative Report: Attached. The manager made no recommendation regarding the JEDC request for the Assembly to authorize issuance of this loan, per the existing CBJ/JEDC Memorandum of Agreement, for final approval of a recommended loan that does not meet the “participation lending” provisions of the MOA.

MOTION, by Doll, to approve the JEDC request for a rolling loan fund for Tracy’s King Crab Shack.

Margaret O’Neal, Southeast Alaska Revolving Loan Fund Director, said that none of loans through the revolving loan fund is backed by banks; there is no bank guarantee for any of the outstanding debt. We generally make loans cooperatively with banks, and the requirement is that banks participate with us, lending money to the borrower at approximately half of what we would put in. Our program has been set up so we have not used outside guarantors. We have used collateral. In this case, Doug Trucano supports this and is assisting in financing the growth of this business. Tracy LaBarge has not been able to obtain traditional bank financing, primarily because the collateral is perishable and is located out of state because of our cold storage limitations, the crab is shipped in increments. Ms. O’Neal said this is a credit worthy deal, regardless of bank participation. JEDC is asking for approval to loan the full amount of the inventory purchase and some additional equipment to allow better management of the business. We do not know if a bank will be involved at this point, there have been changes from a sole proprietorship to an LLC, and if we can get bank, JEDC will subordinate its loan. We are asking to do this with less bank financing that would be required and or without bank financing entirely. There is urgency, crab prices are going up. This project is based on $15 per lb. for crab and it is going up to $20. The situation is volatile. This is a short-term seasonal loan and all the money should be paid back with the proceeds from the current season – the maturity will be October 2011. She said there are ample funds in the loan fund. The worst-case scenario might be an extension on the payback of the loan. She did not see much risk in this proposal.
Mr. Sanford asked about competitors who might be interested in obtaining this type of loan. Ms. O’Neal said that was possible. She did not think that any other business sold as much volume as Ms. LaBarge, and if they did, they might have other buying capacity.

Mr. Dybdahl asked if there was a cold storage here that held crab, would those warehouse receipts suffice as collateral, which would enable banks to loan? Mr. O’Neal said having the crab stored out of state is one issue, and if stored locally it would have to be clear whose product belonged to who in the storage area. There is an issue of perishable goods. Lenders look to get 10 – 15% when they try to liquidate collateral and Ms. LaBarge has not had enough outside assets to secure a bank loan, even though her business is profitable. Ms. O’Neal attended a recent Bankers Forum and they are very conservative and not willing to risk going outside the normal course of business.

Mr. Dybdahl asked about Mr. Trucano’s participation. Ms. O’Neal said JEDC is not asking him to provide hard assets to secure this guarantee, but he has the liquidity to write a check to pay off the loan.

Hearing no objection, it was so ordered.

X. STAFF REPORTS – None.

XI. ASSEMBLY REPORTS

A. Committee Reports

Committee of the Whole: Chair Sanford said the committee met and gave direction to staff regarding the planning for the Bridge Park by the Douglas Bridge. The next meeting is Monday, January 3, at 6 p.m., and will include discussion on Assembly Goals and information from the Juneau Police Department on the status of crime in Juneau.

Finance Committee: Chair Stone said the committee met and approved funding $5800 from the Better Capital City Fund for the Juneau Homeless Respite Care pilot program. The committee discussed and tabled Ordinance 2010-32, which was drafted to remove jewelry from items that can be exempt from the single item purchase over $7500 exemption from sales tax.

Public Works and Facilities Committee: Chair Doll said the next meeting of the committee is January 3, at Noon.

Lands and Resources Committee: Chair Anderson said the committee met and approved the project to accept the donation of the Archie Van Winkle Memorial from private ownership, as CBJ is currently paying the costs to maintain the memorial. A resolution will be forwarded to the full Assembly regarding this topic. He said that the two pending land donations to the city from private ownership, one on Douglas Island and one near the Glacier, have been retracted. The next meeting is January 10 at 5 p.m.

Human Resources Committee:

MOTION, by Danner, to accept the recommendation of the HRC and re-appoint John Del Gado and Mary Kay Pusich to the Douglas Advisory Board, for terms ending Sept 30, 2013. Hearing no objection, it was so ordered.
Chair Danner said the HRC reviewed the annual report of the Douglas Advisory Board. She said that four additional seats are available and open to anyone living on Douglas Island.

Ms. Danner said that Mr. Manuel Hernandez explained that the dance on December 30 at Latinos will be a fun and safe event, geared for youth ages 17 – 25.

Mayor Botelho charged the HRC to evaluate the Douglas Advisory Board and make a recommendation to the full Assembly regarding its continued operation. He is concerned that maintaining a quorum has been a challenge for some time, despite the efforts of some dedicated people. Ms. Danner said she would be meeting with the Douglas Advisory Board at its January 4 meeting. Ms. Danner said she will also meeting with the Sister City Committee regarding its goals and similar challenges to maintain a quorum.

B. Liaison Reports

_Docks and Harbors Board:_ Liaison Danner said there will be a meeting Tuesday, December 21 to consider changes to waterfront tour permits, with a public hearing on the topic on January 27.

_School Board:_ Liaison Becker said Joyce Kitka, Community Schools Director, announced Energy Star Awards to JDHS, Auke Bay, Glacier Valley and Floyd Dryden, for energy conservation efforts. The School Board and the Activities Committee are working on budgets and the CIP list from the school is forthcoming.

_Alaska Committee:_ Liaison Becker said that Alaska Airlines is offering constituent rates again. The Legislative Reception will be held January 19.

_Eaglecrest Board:_ Liaison Anderson said the ski area was opened for the season on Saturday past and it will be open seven days a week from now until January 6, but closed on Christmas Day.

_Planning Commission:_ Liaison Doll said the Planning Commission met today and will meet again on December 28.

_Airport Board:_ Liaison Sanford said the Board met last week and is still moving forward on the terminal building remodel, which is scheduled for completion in the end of January. AIC is continuing work on runway safety improvements but will shut down for a few weeks soon, and then will be back to work.

XII. ASSEMBLY COMMENTS AND QUESTIONS

Mr. Sanford asked Mr. Hartle about his investigation on the new “spice” drug and any applicable laws. Mr. Hartle said he would have a report for the next meeting. Mr. Sanford said Senator Munoz is working on a state law regarding this issue and he has heard the military is addressing it within its organization.

Mr. Doll referred to Mr. Burk’s testimony regarding an AEL&P rate increase. He asked if the Assembly was willing to request that RCA hold its hearing in Juneau. Without objection, such a request will be made.
The Assemblymembers took turns wishing everyone a safe and happy holiday.

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

XIV. EXECUTIVE SESSION – None.

XV. ADJOURNMENT – 8:26 p.m.

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