THE CITY AND BOROUGH OF JUNEAU, ALASKA

Meeting Minutes – February 7, 2011

MEETING NO. 2011-03: 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, Merrill Sanford, David Stone, and Bruce Botelho.

Assembly Absent: Johan Dybdahl.

Staff Present: Rod Swope, City Manager; John Hartle, City Attorney; Laurie Sica, Municipal Clerk; Rorie Watt, Engineering Director; Craig Duncan, Finance Director; Rich Etheridge, Fire Chief; Mila Cosgrove, HRRM Director; Kirk Duncan, Eaglecrest Ski Area Manager; John Stone, Port Director; Roy Johnston, CCFR and IAFF Local Representative; and several CCFR Fire Fighters.

II. SPECIAL ORDER OF BUSINESS – None.

III. APPROVAL OF MINUTES

A. January 10, 2011 – Regular Assembly Meeting 2011-01

Hearing no objection, the minutes of the January 10, 2011 - Regular Assembly Meeting 2011-01 were approved.

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

V. PUBLIC PARTICIPATION ON NON-AGENDA ITEMS.

Chip Thoma, President of Responsible Cruising in Alaska, distributed copies of two letters that were originally directed to the Assembly. Mr. Thoma has concerns about Mr. Bob Stone’s letter to the Assembly as Chairman of the Alaska Cruise Association. He said the letter took the Assembly to task for spending for docks and seawalks. He said this letter lessens the credibility of the Alaska Cruise Association. Mr. Thoma said that with the retirement of John Hanson, NorthWest CruiseShip Association will not likely exist anymore and the Alaska Cruise Association is taking over that role. Mr. Thoma said Mr. Bob Stone is employed by Royal Celebrity Cruises in Seattle. Mr. Thoma objected to the manner in which Mr. Bob Stone cited a letter from Susan Bell, Commissioner of the Alaska Department of Commerce, Community and Economic Development to Alaska municipal leaders, which Mr. Thoma also distributed. He said that Mr. Bob Stone’s letter was meant to intimidate the smaller ports. There are 13 cruise ship ports in the state. The Alaska Cruise Association wants to tell communities what to do with the head tax, rather than receiving direction from state and local input. He asked the Assembly to disregard the letter from the Alaska Cruise Association. Mr. Thoma also referred to a New York Times article called the “Paradox of Corporate Tax,” and said that the article specifically cited the Carnival Corporation had an $11 billion net profit.
over the last five years and has paid a total of $110 million in the U.S. in corporate taxes, which is less than 1%, and is indicative of companies which incorporate their ships outside of the U.S. The only tax collected at all is in Alaska.

Bridgette Luhan, who serves on the Board of Directors for the Juneau Arts and Humanities Council, introduced Janis Hurley, the Artistic Director of Juneau Dance Unlimited (JDU), who was present to reintroduce JDU to the Assembly.

Janis Hurley said this year would be JDU’s 36th anniversary as a non-profit performing arts group. She discussed JDU’s program offerings, including dance instruction, performance opportunities, and the Fine Arts Camp. She said JDU has impacted 5,045 students and audience members over the past year. She thanked the community for its continued support.

VI. CONSENT AGENDA

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

There was a public request to remove Bid No. E11-137, Gastineau Elementary School Renovation, from the Consent Agenda.

B. Assembly Requests for Consent Agenda Changes

C. Assembly Action

MOTION, by Anderson, to adopt the consent agenda, as amended by the removal of Bid No. E11-137, Gastineau Elementary School Renovation. Hearing no objection, it was so ordered.

1. Ordinances for Introduction

a. Ordinance 2011-03(b)


Administrative Report: Attached. The manager recommended Ordinance 2011-03(b) be introduced and set for public hearing at the next regular meeting.

b. Ordinance 2011-05

An Ordinance Amending The Penal Code To Prohibit The Manufacture, Assembly, Distribution, Marketing, Sale, Use, Or Possession Of Substances Containing Synthetic Cannabinoids, And Providing For A Penalty.

Administrative Report: Attached. The manager recommended Ordinance 2011-05 be introduced and set for public hearing at the next regular meeting.

c. Ordinance 2010-11(AG)

An Ordinance Transferring $103,810 To The Open Space Waterfront Land Acquisition Capital Improvement Project, The Source Is Unexpended FY10 Marine Passenger Fees Budgeted To The General, Visitor Services, And Roaded Service Area Funds.

Administrative Report: Attached. The manager recommended Ordinance 2010-11(AG) be introduced and set for public hearing at the next regular meeting.
d. Ordinance 2010-11(AH)
An Appropriation Transferring to the Manager the Sum of $14,090 As Funding for the
Eaglecrest Fund Raising Operating Account, Funding Provided by the Challenge Grant
Capital Improvement Project.

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

2. Resolutions

a. Resolution 2558
A Resolution De-Appropriating $285,910 from the Eaglecrest Alpine Center/Challenge
Grant Capital Improvement Projects and $50,000 from the Beginner Chair Lift Capital
Improvement Project.

Administrative Report: Attached. The manager recommended Resolution 2558 be adopted.

b. Resolution 2559
A Resolution Expressing Assembly Support For The Juneau Coordinated Transportation
Coalition’s 2010 Addendum To The 2008 Transit Development Plan, Coordinated
Human Services Element, To Be Submitted To The State Of Alaska Department Of
Transportation.

Administrative Report: Attached. The manager recommended Resolution 2559 be adopted.

c. Resolution 2560
A Resolution Expressing The Assembly’s Support For Including The Auke Bay Bike And
Pedestrian Path Project In The Alaska Department Of Transportation And Public
Facilities Statewide Transportation Improvement Plan.

Administrative Report: Attached. The manager recommended Resolution 2560 be adopted.

3. Transfers

a. T- 924
Transferring $35,838 From Two Completed Eaglecrest Capital Improvement Projects To
The Mountain Operations And Lifts Capital Improvement Project.

Administrative Report: Attached. The manager recommended this transfer be approved.

4. Bid Awards

a. Bid No. DH11-151
Auke Bay Loading Facility – Phase II

Administrative Report: Attached. The manager recommended Bid No. DH11-151 be awarded
to Southeast Earthmovers, Inc. in the amount of $2,452,757.25, which includes the base bid
and additive alternate.
5. Liquor License

a. Liquor License Application

Administrative Report: Attached. The manager recommended the Assembly waive its right to protest the following list of Liquor License Renewals and approve the Restaurant Designation Permit for the Valley Restaurant, License #3049.

**Beverage Dispensary Licenses:**
- Lucky Lady Inc. d/b/a Lucky Lady ~ Beverage Dispensary License #674, location: 192 S. Franklin St.
- Los Arcos Inc. d/b/a G. W. Teal ~ Beverage Dispensary License #2728, location: 9105 Mendenhall Mall Road
- Jack D. & Arlene Tripp d/b/a Viking Restaurant & Lounge ~ Beverage Dispensary License #2533, location: 8335 Airport Blvd.
- BCM Inc. d/b/a Marlintini’s Lounge ~ Beverage Dispensary License #644, location: 9121 Glacier Hwy. 2nd Floor

**Package Store Licenses:**
- Oke Hui Rodman d/b/a Percy's Liquor Store ~ Package Store License #849, location: 214 Front Street
- Papdrew Inc. d/b/a Papadrew's ~ Package Store License #828, location: No Premise
- Breeze In Corporation d/b/a Douglas Island Breeze-In ~ Package Store License #662, location: 3370 Douglas Hwy. (Douglas)
- Allan Ahlgren & Michael Corcoran d/b/a Breeze In Liquor ~ Package Store License #176, location: 8 Mile Old Glacier Hwy. (Valley)
- Breeze In Corporation d/b/a Breeze In ~ Package Store License #4543, location: 5711 Concrete Way (Lemon Creek)

**Restaurant Eating Place Licenses:**
- DJ LLC d/b/a Asiana Gardens ~ Restaurant Eating Place License #4731, location: 9116 Mendenhall Mall Road
- The Silverbow, LLC d/b/a Silverbow Bakery & Catering ~ Restaurant Eating Place License #2175, location: 120 Second Street, Juneau
- Bullwinkles Inc. d/b/a Bullwinkles Pizza ~ Restaurant Eating Place License #1690, location: 2687 Mendenhall Mall Road

**Other Licenses:**
- Juneau Moose Lodge #700 d/b/a Loyal Order of Moose #700 ~ Club License #4034, location: 8335 Airport Blvd.
- Alaska Travel Adventures Inc. d/b/a Gold Creek Salmon Bake ~ Recreational Site Seasonal License #3409, location: 1061 Salmon Creek
- Alaska Zipline Adventures, LLC d/b/a Alaska Zipline Adventures ~ Recreational Site Seasonal License #4700, location: 3000 Fish Creek Road
- Southern-Odom Wine & Spirits of Alaska LLC d/b/a Southern-Odom Wine & Spirits of Alaska ~ Wholesale General License #4859, location: 5452 Shaune Drive Bay 2

**Restaurant Designation Permit Application:**
- Valley Restaurant LLC d/b/a The Valley Restaurant ~ Restaurant/Eating Place License #3049, location: 9320 Glacier Hwy., Juneau
Removed from the Consent Agenda:

Bid No. E11-137
Gastineau Elementary School Renovation

**Administrative Report:** Attached. The manager recommended award of this project to McGraw’s Custom Construction for the Base Bid and Additive Alternate Nos. 1 through 8, for a total award of $8,792,700.

Public Comment:

*Sam Slater* of Pioneer Glass, a business based in Fairbanks, Alaska, said he has done several jobs in the community. On this project, Bid No. E11-137, there is a Project Labor Agreement. The glazers in his company are not members of a union, so his firm did not have an opportunity to bid on this project. He had no problem with the Assembly requiring a firm to be qualified, but to mandate that a firm must be unionized is a poor approach. He understands the school renovation is a large-scale project and the glazing is a small part of the project. It is not a huge loss to him, but he said he felt strongly that Project Labor Agreements should not continue to happen.

**Assembly Action:**

*MOTION, by Doll, to approve award of this project to McGraw’s Custom Construction for the Base Bid and Additive Alternate Nos. 1 through 8, for a total award of $8,792,700.* Hearing no objection, it was so ordered.

**VII. PUBLIC HEARING**

A. Ordinance 2010-11(AD)

An Ordinance Appropriating To The Manager The Sum Of $19,129 As Partial Funding For The Main Street Improvements, Second To Seventh; Funding Provided By 2003B General Obligation Bond Interest Income.

**Administrative Report:** Attached. The manager recommended adoption of Ordinance 2010-11(AD).

Public Comment: None.

**Assembly Action:**

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

B. Ordinance 2010-11(AF)

An Ordinance Appropriating To The Manager The Sum Of $765,000 As Funding For The Acquisition Of Equipment For The Fire Department, Eaglecrest, And Parks And Recreation – Park Maintenance; Funding Provided By The Equipment Replacement Reserve Fund Balance.

Public Comment: None.

Assembly Action:

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

**VIII. UNFINISHED BUSINESS**

**IX. NEW BUSINESS**

A. Docks and Harbors Contract Amendment to PND Engineers for Statter Harbor Renovation

Administrative Report: Attached. The manager made no recommendation.

Public Comment: None.

Assembly Action:

**MOTION, by Danner, to approve this contract amendment to a maximum of $298,354.**

Mr. Doll asked why this needed to be a time and materials contract.

Mr. John Stone said this is the best method because some of the scope will be determined as the consultant works with Port staff and the Docks and Harbors Board. It is not definitive enough to give a fixed price at this time. We have done some preliminary inspection, but some of the work involved determines future expansion, so some planning work still needs to be done during the design process.

Hearing no objection, the contract amendment was approved.

B. Proposed Amendments To Docks and Harbors Regulation Regarding Waterfront Sales Permits

Administrative Report: Attached. The manager made no recommendation.

Public Comment: None.

Assembly Action:

Ms. Danner commended the Docks and Harbors Board for its work to address public concerns on this matter.

**MOTION, by Danner, for orders of the day.** Hearing no objection, the regulations were allowed to become effective.

**X. STAFF REPORTS**
XI. ASSEMBLY REPORTS

A. Committee Reports

Committee of the Whole: Chair Sanford said the COW met last week and reviewed the current status of the Alaska Coastal Management Program and directed staff to draft a resolution for review at the February 28 Assembly meeting. The COW also received an update on a wetlands mapping project. The COW heard information and gave direction to the City Manager on the draft Request for Proposals for recycling operations. The next meeting is Monday, February 14, and the COW will hear from Greens Creek Mining regarding their operations, Sealaska Heritage regarding their proposed building project, and will review the Assembly 2011 goals.

Finance Committee: Chair Stone said the next meeting is set for March 2, with a full agenda.

Public Works and Facilities Committee: Chair Doll said the PWFC met on January 31 and forwarded many items on tonight’s consent agenda. The committee will next meet on February 14 and one of the agenda items will be a proposal to convert Shattuck Way to a pedestrian walkway.

Lands and Resources Committee: Chair Anderson said the committee met on January 31 and received updates on the Lemon Creek material site and the Land Management plan.

Human Resources Committee: Chair Danner said the committee met tonight prior to the Assembly meeting.

The HRC made the following recommendations for appointments to CBJ boards and commissions, and without objection, the following appointments were made:

Jensen-Olson Arboretum Board:

Juneau Commission on Aging:
Laurie Onstott for a term expiring June 30, 2012.

Juneau Commission on Sustainability:

Juneau Public Libraries Endowment Board:

Local Emergency Planning Committee:
The HRC recommended the Assembly forward the following nominations to the state for appointment to the Local Emergency Planning Committee:

Seat 3 – Firefighter: Nathan Young to a term expiring 12/01/2013
Seat 3a – Alt. Firefighter: Chief Rich Etheridge to a term 12/01/2013
Seat 5a – Alternate Hospital: Rose Lawhorne to a term expiring 12/01/2011
*Seat 6 – Media: Kathleen Miller to a term expiring 12/01/2012
Ms. Danner said the HRC was impressed with the caliber of applicants to all the boards and commissions and encouraged the applicants who were not appointed to continue to take an interest by attending and participating in the boards and commissions for which they had applied.

B. Liaison Reports

**Sustainability Commission:** Liaison Crane said the Sustainability Commission held a retreat in January and is busy working with a contractor on the Climate Action Plan.

**Docks and Harbors:** Liaison Danner said that the Fisherman’s Bend property has been offered to Docks and Harbors for its consideration and a letter will be forwarded to the Assembly. The Docks and Harbors Board needs direction and help from the Assembly regarding this matter.

**Alaska Committee:** Liaison Becker said the Alaska Committee held its annual meeting on January 29 and reappointed five board members and elected one new member. The next meeting will be Wednesday, February 9, for election of officers and review of the budget presentation to the Assembly.

**School Board:** Liaison Becker said the next meeting is Tuesday, February 8.

**High School Project Team:** Liaison Becker said the team met on February 2 and Assembly members participating were Becker, Doll, and Sanford. Juneau School District made a presentation regarding leftover bond funds available for other expenditures for the Thunder Mountain project and requested that the funds be used for purchase of bleachers and a press box for the TMHS track and field. The total cost is $418,496, and the team recommends that this be done. An appropriation ordinance will be drafted for such a purpose.

**Eaglecrest Board:** Liaison Anderson said the Board has been working on a Request for Proposals for their strategic planning process. They will be mapping out a broader future agenda.

**Chamber of Commerce:** Liaison Anderson noted that the Thursday luncheon meetings have been moved to the Hangar on the Wharf during the legislative session.

**Planning Commission:** Liaison Doll said the Planning Commission (PC) met and reviewed the noise ordinance. This has been a great labor undertaken by the staff and the PC and there are a number of issues which continue to concern the PC, including noise carried across the water and whether noise permits should be finite. The PC will continue to discuss this at its meeting on February 8, and will also consider extension of the Variances for the Alaska Mental Health Trust building that were granted for height and parking for an office building.

**Parks and Recreation Advisory Committee:** Liaison Doll said the committee met on January 4, and discussed installation of lighting at the Twin Lakes Ice Skating area and volunteers to
monitor ice safety. In addition a possible portable ice rink at the Marine Park Bus Staging area was discussed.

Airport Board: Liaison Sanford said the runway safety area construction crew is working steadily to get the float pond straightened up. The building upgrade is over 90% complete on the west wing. The Board is working on its budget for submission to the Assembly.

Local Emergency Planning Committee: Liaison Danner said the next meeting is set for Wednesday, February 9, at Noon at Bartlett Regional Hospital.

XII. ASSEMBLY COMMENTS AND QUESTIONS

Ms. Crane attended Project Homeless Connect and said she was impressed by the community effort to make this happen. She thanked all who made it a successful event.

Ms. Danner said there would be a Native Issues Forum on Thursday, February 10, from 11:30 a.m. to 1 p.m., at the ANB Hall.

Mr. Sanford asked the Assembly if it was interested in doing some type of analysis on how declining oil revenues in the state will effect CBJ and the Southeast Region, in particular the CBJ’s budget revenues. He suggested JEDC could possibly do this type of analysis. In ten years, there may be little oil in the pipeline and this may be the time to look at this issue and see if there are alternatives, as a region, to increase our population, or at least to keep our population from leaving.

Mayor Botelho said he shares Mr. Sanford’s concern, however, such a report, produced with a worst case scenario, might become a disincentive towards businesses looking at Juneau for the first time and the Assembly could not control how such a report was used.

Mr. Sanford said it would be important to look at this as a balance between not scaring people off and letting people in this region know what is happening with the current economy and the decline in population in Southeast Alaska. This information needs to get out to leaders and businesses to do everything we can to protect and increase the number of jobs – to encourage something to happen.

Mr. Doll said that Juneau did without revenue sharing in the past, but declining oil revenues may impact more than just that program. With state oil taxes being reduced and an unfunded PERS/TRS program, he would like to see every drop of oil produced that is possible. We need to carefully and rationally think of the AJ Mine proposal and look at all the facts. He was willing to look at the parameters of such a study requested by Mr. Sanford.

Ms. Danner asked if this information is produced by staff for the budget. Mayor Botelho said this might be a topic to refer to the Finance Committee.

Mr. Anderson said he shares Mr. Sanford’s concern and is not sure a study is needed to tell us about our projected future – there are many indicators and studies out there. We need to be very cautious regarding the long-term commitments we make in budgeting. He thought the Finance Committee was a good place to discuss the topic.

Mr. Stone said he would be willing to continue this discussion in the Finance Committee.
Mayor Botelho said the first meeting of the AJ Mine Advisory Committee would take place Thursday, February 10, at 5 p.m. in the Assembly Chambers and encouraged attendance.

Mayor Botelho said the Alaska Municipal League Legislative meetings were happening in Juneau beginning Tuesday, February 8.

Mayor Botelho said Mr. Swope distributed a list of projects for the state legislature to the Assembly last week and the Assembly has not officially sanctioned this list so it has not been forwarded. Mayor Botelho asked if there was any objection to Mr. Swope proceeding to forward the list to the legislative delegation. Hearing no objection, it was so ordered.

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

XIV. EXECUTIVE SESSION – None.

XV. ADJOURNMENT – 7:45 p.m.

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