

**WHITTIER CITY COUNCIL  
REGULAR MEETING  
TUESDAY, JUNE 01, 2010  
7:00 PM  
COUNCIL CHAMBERS  
P-12 BUILDING**

**MINUTES**

**1. CALL TO ORDER**

Mayor Lunceford called the meeting to order at 7:00 pm.

**2. OPENING CEREMONY**

Mayor Lunceford led the Pledge of Allegiance.

**3. ROLL CALL**

**A. Council Members Present:** Shawni Phillips, Jerry Vandergriff, Lester Lunceford, Juan Cardenas, Mary Brenneman, Shannon Tolman, Becky Cotner

**B. Council Members Absent:** None

**C. Excused Absence:** None

**D. Administration Present:** Brenda Krol, City Clerk; Ed Barrett, Interim City Manager

Others present included: Scott Korbe, Don Stevens, Lynn Highland, Kent Wohl, Kelly Bender, Dave Schofield, Chris Pallister, Phillip Freitag, Stephanie Burgoon, Sue Miller, Mike Bender, Ted Spencer

**4. APPROVAL OF MINUTES**

**A. 04 May 2010, Regular Meeting Minutes**

**B. 18 May 2010, Regular Meeting Minutes**

Jerry Vandergriff pointed out a needed amendment in the May 18<sup>th</sup> regular meeting minutes on page 9 of 10 in the first motion at the top of the page the only votes recorded were his and Shawni Phillips' and it also did not read whether or not the motion passed.

Jerry Vandergriff also stated that right after that motion it reads that Juan Cardenas nominated Shawni Phillips and Jerry Vandergriff as the two council members for the hiring committee and he asked if there was a second and a vote on that.

City Clerk stated that she would make the amendment to the first error that Jerry Vandergriff pointed out and that she would listen to the tape again but she does not believe that there was a second and a vote for Juan Cardenas' nomination.

**MOTION:** Jerry Vandergriff made a motion to approve the regular meeting minutes of May 4<sup>th</sup> 2010 as written and the regular meeting minutes of May 18<sup>th</sup> 2010 as amended.

**SECONDED:** Shawni Phillips seconded the motion.

**VOTE:** Motion passed unanimously

**Motion passed 7-0.**

## **5. APPROVAL OF REGULAR MEETING AGENDA**

**MOTION:** Jerry Vandergriff made a motion to approve the regular meeting agenda as written.

**SECONDED:** Juan Cardenas seconded the motion.

**VOTE:** Jerry Vandergriff: Yes, Juan Cardenas: Yes, Becky Cotner: Yes, Shannon Tolman: Yes, Mary Brenneman: Yes, Lester Lunceford: Yes, Shawni Phillips: Yes.

**Motion passed 7-0.**

## **6. MAYOR'S REPORT**

### **A. Mayor Report – Mayor Lunceford**

Mayor Lunceford reported that Senator Begich and Senator Murkowski have a couple of staff members that routinely go around to different towns during the summer, they refer to this as their mobile office and they were out here for a couple of hours today at the council chambers.

Mayor Lunceford stated “I dropped by the council chambers and gave them my appreciation for them being here as well as the appreciation for what Senator Begich and Senator Murkowski is doing for the community out here as far as the funding for Shotgun Cove Road Development and the transfer of the property up there at the tank farm.”

Mayor Lunceford turned the floor over to Kelly Bender to talk briefly about the Walk to Whittier.

Kelly Bender was present representing the Whittier Chamber of Commerce and she passed out a flyer pertaining to the Walk in Whittier.

Kelly Bender stated that this year the Chamber of Commerce was hosting the Walk in Whittier rather than the Walk to Whittier so they are not asking the tunnel to close down this year because it has become too difficult.

Kelly Bender stated that the date for this event is scheduled for June 13<sup>th</sup> from 1 pm to 5 pm. They have the cruise ship terminal parking lot so they can come in park their vehicle and pick up their treasure map.

Kelly Bender stated that there would be a treasure hunt throughout the harbor, the triangle, through the pedestrian tunnel and over to the museum.

Kelly Bender stated that they would also have games, prizes and entertainment in the triangle area.

Kelly Bender stated “what the chamber of commerce is asking from the City tonight is that the triangle be closed to traffic from 1pm to 5 pm and we would also like to have a pirate store where we can sell pirate hats, eye patches and hooks we are planning on having a table in the triangle area and at the cruise ship terminal and ask the council if the chamber of commerce could be tax exempt for that day.”

The Council discussed briefly the idea of allowing the Chamber of Commerce to be tax exempt on June 13<sup>th</sup> 2010.

### **B. Vice Mayor Report – Shawni Phillips**

None

## **7. CITY MANAGER'S REPORT**

### **A. City Manager Report – Ed Barrett**

See written report in original council packet.

Ed Barrett stated that last week he had met with representatives of the Economic Development Administration, which is a funding source for our plans for development at the Head of Passage Canal.

Ed Barrett stated "The Economic Development Administration is not by our standards a large funder it is \$625,000 which is matched by a State Legislative grant bring the total to a million dollars."

Ed Barrett stated "It was necessary to meet with them because they were concerned that our development plans had changed from what we originally told them that we were going to do which were basically a tractor launch operation and a parking lot and some vans to run people back and forth between town and the Head of Passage Canal."

Ed Barrett stated "City staff interviewed the leading firm that responded to our RFP for grant administration, the firm is called Informational Insights, these people were extremely sharp, they know all of the funders that we use and they are familiar with how things function in Juneau and they presented a program to us that was kind of the in birth of what they normally do, normally people ask them to get them grants and our town has plenty of grants we need somebody tend them."

Ed Barrett stated "As we studied these RFP's fifty percent of our grading was about grant administration rather than grant getting and they put together a program for us with a not to exceed figure in the contract of \$65,000."

Ed Barrett stated "That is a lot of money but we are dealing with millions of dollars and it is my belief that these people will pay for themselves within a year through new grant sources."

Ed Barrett stated "So rather than my spending almost 80% of my time trying to deal with this thing and whoever we hire in the support position in the office spending a good portion of their time doing that I believe that this makes perfect sense."

Ed Barrett told Councilor Tolman "I remember this being your idea and I am totally on board with this I believe this is the right way to go for the way that we fund our capital projects and I've offered up under council's consent agenda seeking your permission to enter into a contract for one year to see what they can do for us."

Jerry Vandergriff asked Ed Barrett "Will this be paid for out of the grant money or is this something that we have to come up with?"

Ed Barrett replied "I have no information on how we can grant fund this."

Jerry Vandergriff stated "Most grants when they are given out 10 or 15 percent of that is allocated for the administration of the grant."

Ed Barrett stated "Actually that is part of their contract and we would naturally fund that back to them and that would fund in part their efforts but we would have to be prepared I think for some bite on the general fund as we get going."

Vice Mayor Phillips asked "I know that council had discussed previously about setting up time for this candidate to come and meet with the Council, are we still intending on doing that?"

Ed Barrett replied "I notified the Mayor of the time and place for this meeting."

Vice Mayor Phillips and Councilor Cardenas both stated that they were not notified of this meeting.

Mayor Lunceford stated "It wasn't branched out to us because this was an administrative process and it wasn't our place to hire a contractor to do this."

**MOTION:** Juan Cardenas made a motion to hold a special meeting at 7 pm on Tuesday, June 8<sup>th</sup> 2010 to meet with Informational Insight.

**SECONDED:** Shannon Tolman seconded the motion.

**VOTE:** Juan Cardenas: Yes, Shannon Tolman: Yes, Becky Cotner: No, Mary Brenneman: No, Lester Lunceford: No, Jerry Vandergriff: Yes, Shawni Phillips: Yes

**Motion passed 4-3.**

Ed Barrett stated “The City has not had a finance officer for awhile now and I wanted to report to you that our contract addendum with Jeff Frier has actually been working much better than I thought it would. He and his assistant have been in the office once or twice a week and we have been working on scanning our documents into off site storage.”

Ed Barrett also stated “Our bills are getting paid in a more timely manner than they have been, it has forced the staff to spend more time thinking about their purchase orders which by the way we will be revisiting the subject when Mikunda Cottrell comes in to talk to us about our audit.”

Ed Barrett stated “Mikunda Cottrell did a random audit on our purchase orders and the staff was not up to snuff we were missing some here and there and that is not good but the effect of working more closely with Jeff has been tightening that system up and making it more effective.”

Ed Barrett stated “I am becoming to believe that if we want to continue our accounting relationship with our CPA to a heightened degree that we could probably hire a finance clerk rather than a finance officer and we would be a head of the game in terms of our accountability and also we could pay a little less for help in the office.”

Jerry Vandergriff asked “Wasn’t Joey the finance clerk before?”

Ed Barrett replied “He was and then we elevated him to finance officer because the work load, he was doing finance officer work and I believe that he found that to be a challenge because his area of expertise was more in medical accounting which is where he moved back to and he was just getting to the point to where he was able to draw from the proper funding sources to pay the bills in the proper way.”

Ed Barrett stated “The good thing about Jeff is that he knows our accounting system and our funding sources very thoroughly, so this has been a better fit than I thought it would be.”

Ed Barrett stated “I am getting more comfortable with the notion of having this done partially offsite which is kind of the same idea that we are moving towards with this grant administration.”

Jerry Vandergriff stated “The reason I asked the question is because it concerns me that we upped the contract for Jeff by \$5,600 a month to do what Joey had been doing but now we are talking about bringing in another person and paying them to do the bookkeeping plus we are adding \$60,000 for the grant administrator plus we created the position of assistant city manager for Mark which was adding another layer of payroll.”

Jerry Vandergriff stated “It just concerns me that we want to add an accounting clerk when we have already added \$5,600 for Jeff’s contract, where are we going to get all of this money.”

Ed Barrett replied “I know where you are going with this but we need somebody in the office to speak to the public but we don’t have to pay that person the salary level that we were paying Joey.”

Ed Barrett stated “It may cost us some more to have a finance clerk in that office but I would like to point out to you and others that I have saved you plenty of money this year from the harbormaster position and the Director of Administration that is not being paid.”

Ed Barrett stated “This is something that we may want to talk about is realigning this staffing so that it works, the challenge here is to have good accountability and to be able to serve the public.”

Ed Barrett stated “It feels to me that there is a lot of hollowness in that office.”

Jerry Vandergriff replied “Well there is but with the grant administrator we are taking away half of the work that the director of administration was doing, so what is the director of administration going to do to fill in that time and earn that salary?”

Ed Barrett stated “The notion that I have is that, that person will be managing lease, HR and risk and will be offered the position at considerably less than what Matt Abbey was making, that person will become more of an administrative assistant than a director.”

There was some brief discussion regarding the reorganization of the Administration Department.

Juan Cardenas asked “Is this something that maybe could be discussed at the special meeting?”

Jerry Vandergriff stated “That’s actually something that the city manager should bring to us, it’s not something that we need to discuss we just need to keep expenses under control. That is all I am concerned about.”

Ed Barrett stated “I would welcome the opportunity to bring a reorganization of the administration office back to the council.” “I think that is the key to getting us somewhere where we can operate.”

Juan Cardenas asked if this issue could be placed under new business for the next regular meeting.

## **B. Director’s Reports**

- **Harbor – Ed Barrett**

See written report in original council packet

Ed Barrett briefly went over his harbor report.

Ed Barrett stated “The report that I have given you revolves around an issue that is a main concern on the waterfront and that is the EPA is mandating that the ADEC manage their storm water run off permits which started at the end of October last year.”

There was some discussion about putting the EPA containment issue out to bid or having the harbor manage it.

- **Public Safety – Dave Schofield**

See written report in original council packet

Dave Schofield briefly went over his report and he welcomed any questions.

Ed Barrett stated that he would like to throw in a quick addendum to Dave’s report because he is too modest to say so but there was quite a crowd at last Wednesday’s Fire meeting. There were approximately ten people there including two representatives from Girdwood Fire, a captain and a lieutenant. They spent time training with us and there is a new spirit in that Fire Department and he thanked both Scott Korbe and Dave Schofield for being there every Wednesday and for helping create a new era for our Fire and EMS Department which trained together on Wednesday.

Everyone applauded.

Juan Cardenas asked Dave Schofield if it was possible that the council could get the old format of the public safety report showing the actual numbers.

Dave Schofield replied “Yes, you will unfortunately this month was a little busy, we were short handed this month out at the tunnel and I have been preparing for grand jury so I just didn’t have the time to get those numbers for you this month.”

Mary Brenneman told Dave Schofield if there was anything he needed from the council to help with his efforts of obtaining a vessel from the Coast Guard to let the Council know.

- **Public Works – Scott Korbe**  
See written report in original council packet

Scott Korbe briefly went over his written report and he welcomed any questions.

Scott Korbe stated “By next council meeting you will have a consumer confidence report which is our annual water quality report.”

Scott Korbe stated that the Shoreside warehouse is in plan review. We hope to have their permit out midweek this week for their building.

Scott Korbe stated “I will have for you next council meeting a striping and signage plan per your request for the entire City of Whittier.”

Scott Korbe stated “I encourage anyone looking; the forms are available at the city office for the Longtime Alaskan’s Pioneer monument.”

Vice Mayor Shawni Philips asked “Is it possible with the new striping machine to put some lines on the basketball court?”

Scott Korbe replied “Most definitely, if you can get one of the kids to figure out the dimensions.”

Lynn Highland told Scott Korbe that he liked the new water supply in the harbor and he asked Scott if that was his guys that did that.

Scott Korbe replied “That was the harbor staff that did that.”

## **8. CITIZEN’S COMMENTS ON AGENDA ITEMS NOT SCHEDULED FOR PUBLIC HEARING**

Stephanie Burgoon introduced herself as Principal and Teacher of Whittier School for those that did not know her.

Stephanie Burgoon gave a brief history of the existing community playground.

Stephanie Burgoon stated “That the playground was put together about ten years ago as a community effort and unfortunately in the last ten years it has not had any improvements or any additions made to it.”

Stephanie Burgoon stated “With the help of Shawni Phillips and her hard work of getting donations we have approximately \$400.00 that was collected for prizes for beautification.”

Stephanie Burgoon stated “The decision that was made was that we would like for that money to be used for something in the community.”

Stephanie Burgoon stated “We asked the children number one and number two choices, the number one choice was a swing set and the number two choice was a sandbox.”

Stephanie Burgoon brought forward a proposal for the improvement to the Whittier Community Playground.

Lynn Highland asked to whom and where donations could be sent.

Councilor Juan Cardenas made a donation for the improvement of the community playground.

Stephanie Burgoon stated that she spoke with the school superintendent today and they will help find funds because this is coming through our Educational Advisory Committee.

Stephanie Burgoon asked about the City’s Parks and Recreation fund.

Ed Barrett stated that he would be glad to check the City Parks and Recreation fund.

Scott Korbe volunteered to haul the sand to Whittier from Anchorage.

Stephanie Burgoon thanked everyone for their help and donations.

## **9. CONSENT CALENDAR**

### **A. Grant Administrator RFP selection – Authorize the City Manager to enter into a professional services agreement**

**MOTION:** Jerry Vandergriff made a motion authorizing the Interim City Manager to enter into a professional service agreement with Informational Insights for grant administrator.

**SECONDED:** Shawni Phillips seconded the motion.

**VOTE:** Jerry Vandergriff: Yes, Shawni Phillips: Yes, Becky Cotner: Yes, Shannon Tolman: Yes, Mary Brenneman: Yes, Juan Cardenas: Yes, Lester Lunceford: Yes.

**Motion passed 7-0.**

## **10. PUBLIC HEARINGS (NON-ORDINANCE)**

None

## **11. PRESENTATIONS**

### **A. Whittier Boat Owner’s Association – Harbor Rebuild Project**

Mayor Lunceford stated “Before we get started I would like to set some ground rules that we will all be respectful, I know all of us are very passionate about this harbor development.”

Mayor Lunceford stated “Typically the council allows three minutes per person but because this is such an important issue I will allow five minutes per person.”

Councilor Juan Cardenas asked “Can we do an initial presentation and then do the five minutes per person?” “Because I believe we have a slide show.”

Mayor Lunceford asked “is that right?”

Lynn Highland stated “I do, I don’t know that Kent does.”

The meeting recessed at approximately 8:29 pm for a five minute break  
The meeting reconvened at approximately 8:36 pm.

See handout from the Whittier Boat Owner's Association in original council packet.

Kent Wohl introduced himself as the President of the Whittier Boat Owner's Association and he gave a brief presentation regarding the Whittier Harbor Rebuild Project.

Kent Wohl stated "First I would like to say for the record that the Whittier Boat Owner's Association clearly and definitely wants the harbor improved, repaired, whatever there is no question about that."

Kent Wohl stated "We are also very disappointed in the past city administrations for allowing the harbor to degenerate into the disrepair that it is in right now."

Kent Wohl stated "The solution that the Whittier Boat Owner's Association supports is a safe public harbor that boaters can afford and that doesn't put the City in a financial risk."

Lynn Highland passed out a handout of his video presentation.

Lynn Highland thanked Scott Korbe for finding and setting up the City projector in the Council Chambers.

Lynn Highland introduced himself as a retired 30 year boater in Whittier.

Lynn Highland gave a brief video presentation regarding some financial issues and demand as it pertains to Northern Economics study of the Harbor Rebuild Project.

Lynn Highland stated that history shows that demand is not perfectly inelastic, in 2003 to 2007 the rates went up 86%, moorage revenue went up 46% and total harbor revenue went up 32% so all of a sudden you don't have perfectly inelastic demand.

Lynn Highland stated "other things that might affect demand, a 24 foot slip will cost about \$2,500 a year that is for a boat that could easily be put on a trailer."

Lynn Highland stated that Northern Economics didn't study demand.

Lynn Highland stated that nearly all of the revenue that comes into harbor, 85%-90%, it varies year to year comes from moorage fees.

Lynn Highland stated that the financial success of the harbor is entirely dependent on moorage fees being what they need to be to fund the harbor.

Lynn Highland stated "If revenue falls short because demand falls you don't have any options because you don't have any other source of money."

Lynn Highland briefly described the difference between a revenue bond and a general obligation bond.

Lynn Highland stated that "The City's alternatives could be to actually understand demand which is hard to do. Northern Economics would be the people to study it since they are good at that or to ease into this project and leave escape routes so that you are not back there where the bond has been issued the money has all been spent, the harbor has been built and then and only then you find out if demand is real or not."

Lynn Highland at the end of his presentation offered to email copies of the word documents from his presentation to anyone that wished to have them.

Everyone applauded.



Ed Barrett stated that working with Lynn Highland has always been illuminating to him, he does present a sound view of the world in my estimation and I believe that we are at a point now with our economic study where we knew there would be questions and addendums to the contract may make sense.

Ed Barrett stated that he believed that asking Northern Economics to study demand from a different point of view absolutely makes sense but we are coming to some point here where it is make or break for this year and we are going to have to make a decision as to whether we're going to have a construction project going on here pretty soon or whether we are going to put it off yet again for more study.

Ed Barrett suggested that the City should probably add an addendum to our Northern Economics study to look at this demand picture in the light presented by Lynn Highland and that we also look at some other notions about how we collect revenue on the waterfront.

Ed Barrett also encouraged Council to think about changing the City's mil rate.

Ed Barrett thanked Lynn Highland for the time that he puts in thinking about our harbor.

Juan Cardenas stated that we have that new project that we are looking at for that containment unit and that might be something that we look at keeping in-house for more revenue for the harbor.

Ed Barrett stated that new lines of business are always a good idea.

Juan Cardenas stated that the harbor is going to have to supervise the containment no matter what so we might as well be involved in the revenue collecting part of it.

Chris Pallister spoke briefly about the idea of a pay as you go plan for the Harbor Rebuild Project.

Lynn Highland told Ed Barrett that in his sustainability part of going forward with the new harbor he really likes his suggestion that the City engage Northern Economics to try and evaluate the demand assumption that has been made about the new harbor to see if it is valid or not.

**MOTION:** Juan Cardenas made a motion to direct the City Manager to enter into an addendum to the contract with Northern Economics to study demand as it pertains to the Harbor Rebuild Project and that the study not exceed \$10,000 and for this to be paid out of the restricted harbor savings account.

**SECONDED:** Shannon Tolman seconded the motion.

**VOTE:** Juan Cardenas: Yes, Shannon Tolman: Yes, Becky Cotner: Yes, Mary Brenneman: No, Lester Lunceford: Yes, Jerry Vandergriff: Yes, Shawni Phillips: Yes

**Motion passed 6-1.**

Mayor Lunceford suggested that the City go ahead with the Harbor Rebuild Project so that we can meet the deadlines for putting this on the ballot and simultaneously work on the other plan.

Juan Cardenas agreed and stated that was a great idea, it keeps us moving and if need be we can step back and redirect.

Juan Cardenas welcomed the Whittier Boat Owner's Association to come to the next council meeting to look at plan B and C if they are ready to present it.

Mayor Lunceford suggested holding a couple of council workshops if the City is going to take both approaches.

**MOTION:** Mary Brenneman made a motion directing administration to move forward with the Harbor Rebuild Project.

**SECONDED:** Jerry Vandergriff seconded the motion.

**VOTE:** Motion passed unanimously.

## **12. ORDINANCES**

### **A. Introduction (first reading)**

None

### **B. Public Hearing (second reading)**

None

## **13. RESOLUTIONS**

### **A. #968-10 – A resolution approving funding from a restricted fund in the amount of \$300,000 for the Shotgun Cove Land Survey**

**MOTION:** Jerry Vandergriff made a motion to adopt resolution #968-10.

**SECONDED:** Becky Cotner seconded the motion.

**VOTE:** Motion passed unanimously.

## **14. UNFINISHED BUSINESS**

### **A. Harbor Uplands/Land Acquisition Process / Brooks**

### **B. Grant for Hydroelectric power**

### **C. Striping / Signage update**

### **D. Adopt a bear proof garbage can program**

### **E. Survey of VonWichman property**

### **F. City of Whittier Tariffs**

### **G. 5 year Comprehensive Plan update**

Ed Barrett stated “In the interest of time I would ask the Council if they would consider deferring the unfinished business list until the next regular meeting.

Council agreed to deferring unfinished business until the next regular meeting and adding H Reorganization of Admin Office to unfinished business.

## **15. NEW BUSINESS**

None

## **16. COUNCIL DISCUSSION**

Juan Cardenas asked where the City stood with the Inn at Whittier.

Juan Cardenas stated that he would like the whole history on the Inn at Whittier.

Ed Barrett stated that the Inn at Whittier is an issue that the Council should be talking to the city attorney about there are also two other legal issues that the Council should be speaking with the attorney about.

Ed Barrett stated “You asked me to see if we could bring Brooks to a public meeting but I think you need to have an executive session with Brooks Chandler or a special meeting with him to discuss several issues.”

Mayor Lunceford suggested asking the City Manger to check with Brooks schedule to see when he might be available and then I will send an email out to give you some proposed dates and times that we can have a special meeting.

Juan Cardenas stated that there is a special meeting scheduled for June 8<sup>th</sup> and suggested putting him on that agenda if not then schedule him for the June 15<sup>th</sup> meeting.

**17. CITIZENS' DISCUSSION**

Mike Bender commended the harbor staff for doing a fantastic job over the Memorial Day weekend on the East launch ramp.

**18. COUNCIL AND ADMINISTRATION RESPONSE TO CITIZENS' COMMENTS**

None

**19. COUNCIL DIRECTION TO CITY MANAGER**

None

**20. EXECUTIVE SESSION**

**MOTION:** Juan Cardenas made a motion to go into executive session at 10:28 pm for personnel reasons.

**SECONDED:** Jerry Vandergriff seconded the motion.

**VOTE:** Motion passed unanimously.

**MOTION:** Jerry Vandergriff made a motion to go back into regular session at 11:00 pm.

**SECONDED:** Mary Brenneman seconded the motion.

**VOTE:** Motion passed unanimously.

**MOTION:** Jerry Vandergriff made a motion to hire Ed Barrett as City Manager at \$118,000 a year with no contract.

**SECONDED:** Juan Cardenas seconded the motion.

**VOTE:** Jerry Vandergriff: Yes, Juan Cardenas: No, Mary Brenneman: Yes, Shannon Tolman: Yes, Becky Cotner: Yes, Lester Lunceford: Yes, Shawni Phillips: No.

**Motion passed 5-2.**

**21. ADJOURNMENT**

**MOTION:** Juan Cardenas moved to adjourn the meeting at 11:01 pm.

**SECONDED:** Jerry Vandergriff seconded the motion.

**VOTE:** Motion passed unanimously

**Attest:**

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Brenda Krol  
City Clerk

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Lester Lunceford  
Mayor