



THE CITY OF WHITTIER

Gateway to Western Prince William Sound

P.O. Box 608 • Whittier, Alaska 99693 • (907) 472-2327 • Fax (907) 472-2404

**WHITTIER CITY COUNCIL
REGULAR MEETING
TUESDAY, DECEMBER 20, 2016
7:00 PM
COUNCIL CHAMBERS
P-12 BUILDING**

MINUTES

1. CALL TO ORDER

Mayor Daniel Blair called the meeting to order at 7:05 p.m.

2. OPENING CEREMONY

Mayor Daniel Blair led the Pledge of Allegiance.

3. ROLL CALL

A. Council Members Present and establishing a quorum: Debra Hicks, Monty Irvin, Dave Pinquoch, Victor Shen, Dave Dickason and Daniel Blair

B. Council Members Absent: Peter Denmark

MOTION: David Pinquoch made a motion to excuse Peter Denmark from tonight's council meeting.

SECONDED: Monty Irvin

VOTE: David Pinquoch: Yes, Monty Irvin: Yes, Victor Shen: Yes, Dave Dickason: Yes, Debra Hicks: Yes, Dan Blair: Yes.

Motion passed 6-0

C. Administration Present:

Mark Lynch, City Manager

Jennifer Rogers, City Clerk

Scott Korbe, Public Works Director

David Schofield, Director of Public Safety

Andy Dennis, Harbormaster

Lynette Dennis, Finance Officer

Holly Wells, City Attorney

Moe Zamarron, Public Safety Bldg. Manager

Others Present:

Mike Bender

Gregg Clifford

Melody Clifford

Mark Donadieu

Lindsey Erk

David Goldstein

Tommy O'Malley

Don Stevens

4. APPROVAL OF MINUTES

November 9, 2016 Regular Meeting Minutes and December 6, 2016 Special Meeting Minutes

MOTION: David Pinguoch made a motion to approve the meeting minutes of November 9, 2016 and December 6, 2016.

SECONDED: Monty Irvin

VOTE: David Pinguoch: Yes, Monty Irvin: Yes, Victor Shen: Yes, Dave Dickason: Yes, Debra Hicks: Yes, Dan Blair: Yes.

Motion passed 6-0

5. APPROVAL OF REGULAR MEETING AGENDA

MOTION: David Pinguoch made a motion to approve the regular meeting agenda for tonight, December 20, 2016 with an amendment to move Item #18, New Business, to after Item #10.

SECONDED: Dave Dickason

VOTE: David Pinguoch: Yes, Dave Dickason: Yes, Victor Shen: Yes, Monty Irvin: Yes, Debra Hicks: Yes, Dan Blair: Yes.

Motion passed 6-0.

6. MAYOR'S REPORT

A. Mayor's Report by Mayor Daniel Blair

Dan Blair gave a brief verbal report on the holiday dinner he attended which was hosted by the City. He also reported that he attended the school's holiday program.

B. Vice Mayor Report by Vice Mayor Dave Pinguoch

None

7. MANAGER'S REPORT

A. City Manager's Report- Mark Lynch

See written manager's report in original council packet.

Mark Lynch briefly went over his written report.

• Financial Report

See November 2016 monthly revenue and expense report in original council packet.

B. City Attorney's Report

Holly Wells reported that there was a lot of legal input with the City this past month regarding the Girdwood Police Service contract, the railroad negotiations and lease matters.

C. School District Report

Melody Clifford briefly went over her written report and announced upcoming school events.

D. Director's Reports

1. Harbor Report- Andy Dennis

See written report in original council packet.

2. Public Safety Report- Dave Schofield

See written report in original council packet.

3. Public Works Report- Scott Korbe
See written report in original council packet.

4. Public Safety Building Report- Moe Zamarron
See written report in original council packet.

8. COMMISSION/COMMITTEE REPORTS

A. Planning Commission

See November 2, 2016 meeting minutes in original council packet.

B. Port & Harbor Commission

None

C. Parks & Recreation Committee

Mark Lynch reported that the Planning Commission approved the zoning of the parcel where the new park will be to Open Space and he will work towards updating the zoning maps.

Dave Dickason asked Mark Lynch if the City needs to dedicate the land as a park now that it has been zoned Open Space. Mark replied that he can do that if that's what the council wants him to do, however, we would need to obtain a surveyor to get a legal description of the land first.

D. RCAC

Whittier RCAC representative, Mike Bender, announced that he attended a board meeting a couple of weeks ago and they'll have a long range planning for projects for the upcoming year in January 17th and 18th. He, Lisa Matlock and Roy Robertson will have a presentation at the January 17th meeting to explain what's going on with RCAC, particularly the SERVS tugboat turnover which will take place in July 2018.

9. CITIZENS COMMENTS ON AGENDA ITEMS NOT SCHEDULED FOR PUBLIC HEARING

Tommy O'Malley stated that the community of Girdwood has welcomed the Whittier Police Department. The Turnagain Times published a list of all the contacts the police had made. He has been concerned with the social concerns and organized the Coffee with Cops Program. He added that the community members are looking to accept the police.

Glacier City Gazette publisher, Mark Donadieu, stated that there was an article printed in the Turnagain Times two weeks ago which harshly criticized the Whittier Police Department for issues that had long been resolved. Karen Dempser, President of the BTI, wrote a letter that eviscerated the argument. Her response was not printed in the most recent Turnagain Times, but Mark Donadieu stated that it will be printed in the December 28th Glacier City Gazette.

10. CONSENT CALENDAR

None

11. NEW BUSINESS

A. Proclamation for Marilyn Heddell

Mayor Daniel Blair read aloud the proclamation dedicated to Marilyn Heddell.

B. APPOINT PRINCE WILLIAM SOUND AQUACULTURE REPRESENTATIVE

Mayor Daniel Blair stated that he read the qualifications of both applicants, then with the council's approval, he appointed Don Stevens as Whittier's representative for the PWSAC. He thanked Eric Flemming for applying.

12. ORDINANCES (Non-Ordinance)

A. Introduction (1st reading)

1. **#10-2016** – An ordinance amending WMC 2.54.020 (B) to amend meeting frequency of the Port & Harbor Commission.

MOTION: David Pinquoch made a motion to introduce Ordinance #10-2016 and set the public hearing date for January 17, 2017.

SECOND: Victor Shen

DISCUSSION: None

VOTE: David Pinquoch: Yes, Victor Shen: Yes, Dave Dickason: Yes, Debra Hicks: Yes, Monty Irvin: Yes, Dan Blair: Yes

MOTION PASSED: 6-0

B. Public Hearing (2nd reading)

1. **Ordinance #08-2016-** An ordinance authorizing the City Manager to execute an agreement with the Municipality of Anchorage in which the Whittier Police Department agrees to provide police services to the Girdwood Valley service area January 1, 2017 through December 31, 2019 for \$618,000 per year as adjusted by the percentage increase or decrease in the consumer price index.

MOTION: David Pinquoch made a motion to open the public hearing for Ordinance #08-2016.

SECOND: Victor Shen

DISCUSSION: None

VOTE: Dave Pinquoch: Yes, Victor Shen: Yes, Monty Irvin: Yes, Debra Hicks: Yes, Dave Dickason: Yes, Dan Blair: Yes

MOTION PASSED: 6-0

MOTION: David Pinquoch made a motion to close the public hearing for Ordinance #08-2016.

SECOND: Victor Shen

DISCUSSION: None

VOTE: David Pinquoch: Yes, Victor Shen: Yes, Debra Hicks: Yes, Monty Irvin: Yes, Dave Dickason: Yes, Dan Blair: Yes

MOTION PASSED: 6-0

MOTION: David Pinquoch made a motion to adopt Ordinance #08-2016.

SECOND: Victor Shen

DISCUSSION: David Pinquoch stated that he has concerns regarding the auditing process. Holly Wells replied that the documents the public can request are documents they can access. She was able to limit the scope of their ability to audit and the amount of time or notice required. They also created protections as far as what Whittier would be required to give. Access to records have not been limited, but the costs associated with the requests has been limited.

Mark Lynch added that there will be a new office assistant position created for the police department that will assist with the requests.

David Schofield announced that the contract with Girdwood is an all-inclusive service contract. The intent is to provide Girdwood with services and not spend a great deal of time with record keeping. Dave Pinquoch asked Dave Schofield if he had concerns with liability. David Schofield responded that he did not have any concerns with liability as far as insurance; liability would be the same as it would be here for our officers.

Mayor Dan Blair added that he found a couple of typos under Appendix B. Marl replied that the typos would be corrected before the contract is signed.

VOTE: David Pinquoch: Yes, Victor Shen: Yes, Debra Hicks: Yes, Monty Irvin: Yes, Dave Dickason: Yes, Dan Blair: Yes

MOTION PASSED: 6-0

2. Ordinance #09-2016- An ordinance adopting an operating and capital budget for the FY 2017 and appropriating the amount of \$12,285,089.

MOTION: Victor Shen made a motion to open the public hearing for Ordinance #09-2016.

SECOND: David Pinquoch

DISCUSSION: None

VOTE: Victor Shen: Yes, David Pinquoch: Yes, Debra Hicks: Yes, Monty Irvin: Yes, Dave Dickason: Yes, Dan Blair: Yes

MOTION PASSED: 6-0

MOTION: Victor Shen made a motion to close the public hearing for Ordinance #09-2016.

SECOND: David Pinquoch

DISCUSSION: None

VOTE: Victor Shen: Yes, David Pinquoch: Yes, Debra Hicks: Yes, Monty Irvin: Yes, Dave Dickason: Yes, Dan Blair: Yes

MOTION PASSED: 6-0

MOTION: Victor Shen made a motion to adopt Ordinance #09-2016.

SECOND: David Pinquoch

DISCUSSION: David Pinquoch asked City Manager to explain the difference in the amount allocated for liability insurance since it is noticeably lower than previous years. Mark replied that it is the rate of the new insurance company.

David Pinquoch commended the city manager and department heads for containing costs over the past year. He then suggested that the City look into cost increases for the water and waste water. Mark replied that he and Scott Korbe have discussed this and discovered that the last rate increase occurred over ten years ago. They discussed to potentially increasing the rate to ten percent, which equates to one percent per year, which is far less than what the actual cost have gone up. Mark Lynch plans to bring an ordinance to this effect in February, March or April.

VOTE: Victor Shen: Yes, David Pinquoch: Yes, Debra Hicks: Yes, Monty Irvin: Yes, Dave Dickason: Yes, Dan Blair: Yes

MOTION PASSED: 6-0

City Manager, Mark Lynch, explained that the following three resolutions. "The first resolution authorizes bond counsel. That's the attorney we're required to have to see us through the entire process. The second resolution is referred to as the master resolution which basically authorizes us to take as much as \$6.5 million dollars in bonds if we need them; it establishes the cap. The third resolution says, right now, we're going to do a bond sale soon, probably in January for \$2 million dollars. That will get us through the first phase. We've got half a million from the state and the contract is for \$2.5 million. During that time, we'll look at a number of possible loans that we'll apply for that has a lower interest rate than the bonds. If we're able to get any of those loans, we won't need to take the bonds for future improvements on the harbor."

15. RESOLUTIONS

1. **Resolution # 35-2016- A resolution authorizing the City Manager to sign an engagement letter with Birch, Horton, Bittner and Cherot for bond counsel services.**

MOTION: David Pinquoch made a motion to adopt #35-2016 with an amendment to correct a typographical error on the first *whereas*.

SECOND: Dave Dickason

DISCUSSION: Dan Blair stated that he found a typo on the first *whereas*; the word, *owner* should be replaced with *owned*.

VOTE: Dave Pinquoch: Yes, Dave Dickason: Yes, Debra Hicks: Yes, Monty Irvin: Yes, David Pinquoch: Yes, Dan Blair: Yes

MOTION PASSED: 6-0

2. **Resolution #36-2016- A Resolution authorizing Harbor Revenue Bonds for Harbor Improvements, establishing lien upon Commercial Passenger Vessel Tax Payments from the State, and establishing covenants of the City related to the bonds.**

MOTION: David Pinquoch made a motion to adopt Resolution #36-2016 with an amendment to correct an error on page 84. Whittier is listed as a *first class city*; it need to state that Whittier is a *second class city*.

SECOND: Victor Shen

DISCUSSION: Victor Shen inquired about the longevity of the bond, Mark Lynch replied, "Typically, they're twenty year bonds with a ten year call date; which means they can be paid off in ten years but not sooner, without a penalty. The bond will be paid off with Commercial Vessel Passenger Funds. For the first \$2,000,000, the payments would be just short of \$141,000 a year if the bonds are sold at 3 1/5 percent. For every percent saved in the interest, it would be \$545,000 over the term of the loan."

There was a lengthy discussion regarding whether or not it is permissible to dedicate funds for the harbor.

David Pinquoch added, "The Whittier Boat Owners Association unanimously approved to pay a 10% facilities charge which would be dedicated towards paying off the loan. Once the improvements are complete, they would determine if they want the 10% to go into a reserve fund, or cut the 10% out."

Holly Wells stated, "Under the State constitution, the State cannot dedicate funds because it binds future legislators. It's even less clear in municipalities because we don't have that specific prohibition placed upon us." There was further discussions about this topic.

Don Stevens recommended starting a reserve fund for repairs. Mark replied that he is a big proponent of keeping reserve funds. Since his arrival, he has created reserve funds for both the Public Works and Public Safety.

VOTE: David Pinquoch: Yes, Victor Shen: Yes, Dave Dickason: Yes, Debra Hicks: Yes, Monty Irvin: Yes, Dan Blair: Yes

MOTION PASSED: 6-0

3. **Resolution #37-2016- A Resolution authorizing issuance of Harbor Revenue Bonds not to exceed \$2,000,000 for the purpose of Harbor capital improvements, establishing the terms of the bonds and authorizing the sale of bonds.**

MOTION: David Pinquoch made a motion to adopt Resolution #37-2016.

SECOND: Victor Shen

DISCUSSION: David Pinquoch asked if the cap on the bonds were at 6.5. He asked if that number came up because of the cost of the harbor. Mark Lynch replied that the total cost of the harbor is almost 7.5 total and the total on the bonds is 6.5, with a half a million from the State, and we would have to put in a million of our own money. Dave asked if it was based on a formula on how much money we bring it. It's based on the price to redo the harbor. We have that cost from Bellingham Marine.

David Pinquoch then asked if it's bonding the City, or the harbor enterprise fund. Mark replied that technically it's the harbor enterprise fund, but the harbor is owned by the City, so we have to tell them what we're pledging. And by pledging, what is our collateral and the collateral is the harbor revenues, i.e., surplus revenues and CVP.

Dan Blair added that once we spend the Tier II money, we can apply for another Tier II. Mark added that we can apply for that this fall and potentially have that money by next summer and could be available to be used towards the tail end. We also have the option of using Tier II money to do some work on the City Dock.

VOTE: David Pinquoch: Yes, Victor Shen: Yes, Debra Hicks: Yes, Dave Dickason: Yes, Monty Irvin: Yes, Dan Blair: Yes

MOTION PASSED: 6-0

4. Resolution #38-2016- A Resolution adopting a Fee Schedule for FY2017.

MOTION: David Pinquoch made a motion to adopt Resolution #38-2016.

SECOND: Monty Irvin

DISCUSSION: The emergency snow removal fee has been increased.

VOTE: David Pinquoch: Yes, Monty Irvin: Yes, Dave Dickason: Yes, Debra Hicks: Yes, Victor Shen: Yes, Dan Blair: Yes

MOTION PASSED: 6-0

5. Resolution # 39-2016- A resolution approving a ground lease between the City of Whittier and Hai Han Ye.

MOTION: David Pinquoch made a motion to adopt #39-2016 with an amendment to cross out, "*is the owner*" on the first whereas and should be changed to, "*holds interest in*".

SECOND: Dave Dickason

DISCUSSION: There was a brief discussion regarding some of the language of the resolution. It was determined that there would be no change to the resolution aside from the amendment.

VOTE: David Pinquoch: Yes, Dave Dickason: Yes, Monty Irvin: Yes, Victor Shen: Abstain

DISCUSSION: Victor Shen stated that he wanted to recuse himself from voting on this resolution because Hai Han Ye is his cousin. There was a brief discussion about this. City attorney, Holly Wells, recommended that he use the phrase, abstain instead of recusing. Victor stated that he'd like to abstain since he has a conflict of interest.

MOTION: David Pinquoch made a motion to excuse Victor Shen from voting on adopting this resolution due to his disclosed partiality.

SECOND: Dave Dickason

VOTE: David Pinquoch: Yes, Dave Dickason: Yes, Debra Hicks: Yes, Monty Irvin: Yes, Dan Blair: Yes
Victor Shen was excused from voting due to his conflict of interest.

Continuation of vote on adopting Resolution #39-2016.

VOTE: Debra Hicks: yes, Dan Blair: Yes

MOTION PASSED: 5-0

6. **Resolution #40-2016- A Resolution authorizing the City Manager to apply for and execute any and all documents pertaining to a loan from the Alaska Drinking Water Fund and the City Council's authorization to borrow from the Alaska Drinking Water Fund of an aggregate amount not to exceed \$1 million.**

MOTION: David Pinquoch made a motion to adopt Resolution #40-2016.

SECOND: Dave Dickason

DISCUSSION: Victor Shen asked if this water loan puts any stipulations on our water regulations. Mark replied that it has nothing to do with regulations. Mark reminded the council that they authorized him to apply for this loan in a past council meeting. Scott Korbe added that there is funding available for the loan and if selected, if we qualify for the financials. Mark clarified that we are tentatively approved and the amount is less than a million. The interest rate is 1.5%.

The Water and Waste Water funds have been pledged for this loan. There was some discussion on possible ways to pay off this loan.

Scott Korbe informed the council that there is a reserve fund balance of \$900,000 in the Water and Waste Water enterprise.

VOTE: David Pinquoch: Yes, Dave Dickason: Yes, Monty Irvin: Yes, Debra Hicks: Yes, Victor Shen: Yes, Dan Blair: Yes

MOTION PASSED: 6-0

City Council recessed at 9:03 p.m. and returned to the regular meeting at 9:18 p.m.

15. EXECUTIVE SESSION

Public Safety Building Phase II- Design and Build Options

MOTION: David Pinquoch made a motion to enter into executive session to discuss Public Safety Building Phase II. Matters that, if immediately disclosed, would tend to adversely affect the finances of the City.

SECOND: Dave Dickason

DISCUSSION: None

VOTE: David Pinquoch: Yes, Dave Dickason: Yes, Monty Irvin: Yes, Debra Hicks: Yes, Victor Shen: Yes, Dan Blair: Yes

MOTION PASSED: 6-0

Council entered into executive session at 9:19 p.m.

MOTION: Dave Dickason made a motion to end the executive session and return to the regular meeting.

SECOND: David Pinquoch

DISCUSSION: None

VOTE: Dave Dickason: Yes, Dave Pinquoch: Yes, Monty Irvin: Yes, Debra Hicks: Yes, Victor Shen: Yes, Dan Blair: Yes

MOTION PASSED: 6-0

Council returned to the regular meeting at 10:15 p.m.

16. UNFINISHED BUSINESS

A. Shotgun Cove Road Project

Victor Shen inquired about the grant extensions. Mark replied that he and Moe Zamarron have started conversations with an engineering firm. Scott Korbe will talk to a surveyor because a portion of the land needs to be surveyed.

Mark added that there is a lot of confusing language in the document from the State that he needs to clarify. It was implied that the entire parcel needs to be surveyed before we can do anything. Mark will attempt to have the State agree to allow us to survey a small piece. Mark would like to survey the first 40 acres and start plotting lots and perhaps put some of the lots for sale. Electricity also needs to be placed out there. Cost, who would pay for it, and how it would be dealt with it still needs to be figured out. Water and sewer can be dealt with, but electricity is a requirement.

There is a grant application out for another \$2 million for Shotgun Cove Road. There is still 2.4 million in State money, 2.9 million in Federal and another potential 2 million; we have money to continue the project.

B. ARRC/COW Land Swap

Not discussed during this meeting.

C. Improve Salmon Sport Fishing in Northwest PWS

David Pinquoch announced that the Whittier Boat Owners Association sent a letter to the Governor stating that three of the Board of Fisheries seats are up. Historically, it has been weighted four to three commercial, and it's time for a change.

The intent of the letter was to inform the Governor that sport fishing is only catching one percent of the reds in the Prince William Sound. They've lost one thousand percent in Passage Canal in silvers and they've lost thirty-eight percent of the silvers in the Western Prince William Sound because of the changes in 2011.

The Boat Owners Association will invite the Governor to a meeting. Dave stated that if council agrees, our lobbyist should have contact with the Governor to show him this information and encourage him to meet with the Boat Owners Association.

Mark Lynch clarified that David Pinquoch is asking Council to send our lobbyist, Kris Knauss, to inform the Governor's Office that the City supports the Governor meeting with the Whittier Boat Owners Association. David Pinquoch agreed. There were no objections from the council.

David Pinquoch also mentioned that in his opinion, we should inform the Corp that we can't continue with the project since we have other projects going on right now. He personally cannot support the project. For informational purposes, Mark Lynch interjected, "We can't sit on it. If we tell them that we're going to stop the project, the 90-10 match goes away." With work in kind included, we've invested \$850,000 of city money.

There was further discussion about this topic.

D. Public Safety Complex- Phase 2

Discussed during the Public Safety Building Report by Moe Zamarron.

E. Paddle Craft Launch

Not discussed during this meeting.

F. Head of Passage Canal Project

Discussed under Improve Salmon Sport Fishing in PWS

17. NEW BUSINESS

Moved to Item #11 on the agenda.

18. COUNCIL DISCUSSION

Victor Shen asked if the Innovative Readiness Training group will survey the P-12 Building. Mark Lynch, "They would try to work it in. They needed to calculate how many people they had available and how much they could do in the time they had available. The P-12 building was on the list of things we told them we'd like to do. They are structural people, so they'll just give us a structural evaluation."

There was discussion about the need to update the comprehensive plan this year and who would have oversight of this project.

19. CITIZEN'S DISCUSSION

None

20. COUNCIL AND ADMINISTRATION'S RESPONSE TO CITIZEN'S COMMENTS

21. ADJOURNMENT

MOTION: Dave Dickason moved to adjourn the meeting at 10:46 p.m.

SECOND: David Pinquoch

VOTE: Motion passed unanimously.

ATTEST:


Jennifer Rogers
City Clerk


Daniel Blair
Mayor