



THE CITY OF WHITTIER

Gateway to Western Prince William Sound

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**WHITTIER CITY COUNCIL
REGULAR MEETING
TUESDAY, APRIL 18, 2017
7:00 PM
COUNCIL CHAMBERS
P-12 BUILDING**

MINUTES

1. CALL TO ORDER

Mayor Daniel Blair called the meeting to order at 7:00 p.m.

2. OPENING CEREMONY

Mayor Daniel Blair led the Pledge of Allegiance.

3. ROLL CALL

A. Council members present and establishing a quorum: Monty Irvin, Victor Shen, Dave Pinquoch, Dave Dickason, Peter Denmark and Daniel Blair.

B. Council Members Absent: Debra Hicks

C. Administration Present:

Mark Lynch, City Manager
Jennifer Rogers, City Clerk
Scott Korbe, Public Works Director
David Schofield, Director of Public Safety

Kyle Sinclair, Harbormaster
John Li, Finance Officer
Terry Morrison, Public Safety Bldg. Manager
Katie Davies, City Attorney

Others Present:

Charlene Arneson	Lindsey Erk
Gordon Burton	Don Stevens
Greg Clifford	Derick Ames
Melody Clifford	

4. APPROVAL OF MINUTES

March 21, 2017 Regular Meeting Minutes and April 11, 2017 Special Meeting Minutes

MOTION: Dave Pinquoch made a motion to approve the meeting minutes of March 21, 2017 and April 11, 2017 as is.

SECOND: Dave Dickason

DISCUSSION: None

VOTE: Motion passed unanimously

5. APPROVAL OF REGULAR MEETING AGENDA

MOTION: David Pinquoch made a motion to approve the regular meeting agenda with an amendment to move business Items #12 to before Item #5A.

SECOND: Dave Dickason

DISCUSSION: None

VOTE: Motion passed unanimously

6. PRESENTATIONS

A. Gordon Burton with the Department of Transportation, gave a brief verbal presentation on why he believes it is important to proceed with the harbor project at the head of the bay. He provided statistics regarding the capacity of the tunnel staging area.

Building a harbor will attract more boat traffic. It would provide jobs, it would provide a good opportunity for businesses, and it'll give people more opportunities to visit the Prince William Sound.

Gordon Burton answered questions regarding the capacity limits for the traffic numbers.

Don Stevens asked Gordon if it would be possible to have annual passes available for purchase. Gordon replied that that decision would have to be made by someone other than himself.

Peter Denmark praised city staff who shuttled people back and forth from the head of the bay the previous weekend.

7. MAYOR'S REPORT

A. Mayor's Report by Mayor Daniel Blair

Mayor Blair reported that he attended the Prince William Sound Economic Development District meeting and the Greater Whittier Chamber of Commerce meeting in Anchorage. He also stated that he met with the company that will be opening the commercial seafood processing company in Whittier; they'll take over the Great Pacific building. He also attended the local Easter Sunday Service.

He signed the bond series "A" earlier in the day. It will be used to complete the funding for Phase II of the harbor project.

Dave Pinquoch inquired about the rate of the bond. Mark replied that the interest rate changes from year to year, but he was told that the average will be around the 4.1 or 4.2 range. He added that he didn't have the amortization schedule for the final interest rates.

B. Vice Mayor Report by Vice Mayor Dave Pinquoch

None

8. MANAGER'S REPORT

A. City Manager's Report- Mark Lynch

See written manager's report in original council packet.

Mark Lynch reported that he had just returned from his three week vacation. He conducted about two to six hours of city business each day while he was gone which involved a lot of communication regarding the harbor bond.

Mark then went over his written report.

- **Financial Report**

See written report in original council packet.

- B. City Attorney's Report**

City Attorney, Katie Davies was present and stated that she would be willing to answer any questions. Peter Denmark asked Katie if there were any progress regarding the development of a lease with the Whittier Manor. Katie asked Mark for assistance in answering this question. Mark replied that he gave the lease to Whittier Manor about three or four months ago and he has yet to hear from them.

- C. School District Report**

Melody Clifford went over her written report.

Mark Lynch asked the council for clarification on whether or not they want him to provide a shuttle service or if they want the hauling of passengers to be left to private businesses. He added that there will be a couple of busy weekends, so he wanted direction on how to handle the situation. Dave Pinquoch replied that there is a private business that will use golf carts to transport people. Mark stated that in order for that business to transport people from the head of the bay, they would have to use the bike/walking path because they can't operate on the highway. Mark added that their drivers need to be trained to give large leeway to people on bicycles or on foot to avoid accidents.

Harbormaster, Kyle Sinclair, added that this business didn't operate the previous weekend because they were waiting to obtain insurance. Victor asked Mark who has ownership of the bike path. Mark replied that he was not sure. Dave Schofield added that he was approached by the business owner last year for the operations of the golf cart, but his business plan was supposed to be a round trip from the parking lot to the launch ramp; at no time did he represent that he would go to the head of the bay and back.

The business path would be Barnette's lot, Whittier Street, crossing into the harbor and then to the harbor. The carts should remain on city roads and off of the highway.

- D. Director's Reports**

- 1. Harbormaster's Report

See written report in original council packet.

Derick Ames from Bellingham Marine Industries, gave an update on the harbor project. There was a brief delay when the travel lift went down; so they're about seven business days behind schedule. They'll make it up to the best of their ability by working six days a week. Due to the work of the harbormaster and Scott Korbe, the travel lift is once again operational. All of the fingers from the "C" float are staged in the parking lot for the city to move to the head of the bay. "C" dock is disconnected from the mooring piling and is pushed up against the finger piling. The new dock will be assembled within the next few days.

- 2. Public Safety Report- Dave Schofield

See written report in original council packet.

David Schofield reported that we'll participate in our first nationwide Drug Takeback Day on April 29th. Anyone can drop off prescription drugs and over-the-counter drugs from 10:00 am to 2:00 pm. A box will be placed outside of the clinic. With the exception of inhalers and syringes, anything will be accepted. This is an anonymous program so there will not be an inventory of what is collected. The box will be sealed and taken to town for disposal. Law enforcement will partner with the clinic and the Girdwood clinic for this program.

Dave Dickason asked David Schofield for an update on policing Girdwood. David Schofield replied that things are going well. There has been a decline in calls. He's unsure if it's because they've passed the "testing period", or if it's the time of the year. The Turnagain Arm policing district passed. According to

Dave's understanding, there is a \$50,000 tax annually to send police out from Anchorage as needed. Not for patrols, but for calls and service. Crow Creek is in that district, so Dave is unsure as to how that area will be serviced. Since the contract with Girdwood was signed, Girdwood has expanded their area, but we have not expanded our area. It was written in the contract that we accepted Girdwood with the existing boundaries of the time, so we'll have to renegotiate the new boundaries in the future.

3. Public Works Report- Scott Korbe

See written report in original council packet.

4. Public Safety Building Report

See written report in original council packet.

Terry Morrison stated that the Phase II contract has been easy to administer. There were some concerns with the schedule initially, but those concerns have subsided. The framing on the first floor is complete as well as the design of the second floor. Concrete for the second floor will begin on Thursday.

Dan Blair asked Terry for clarification on the number of people that can be in the building; he asked if it is still at 100. Terry replied that the capacity has been raised. He didn't have an exact number to provide the council at the moment. He met with the fire marshal and the calculations have been based off of the mechanical drawings; the number will be substantially greater than 100.

There was a lengthy discussion regarding the location of the unisex restrooms on the third floor and the wall in the council chambers room. Terry stated that the design for the third floor should be settled soon because that's the only piece that's outstanding right now.

9. COMMISSION/COMMITTEE REPORTS

A. Planning Commission

Planning Commission Chairman, Charlene Arneson, announced that they'll have a big meeting tomorrow night. They have two hearings on the agenda; one is for a variance for Joe Shen and the other is for approval of lots for the Marston property at the head of the bay. Charlene added that with the exception of variances, conditional uses, plat changes, Scott Korbe takes care of almost everything else.

B. Port & Harbor Commission

March 2, 2017 Regular Meeting Minutes were included in the packets.

Port & Harbor Commission member, Greg Clifford, reported that they met earlier in the month, but will not have approved meeting minutes to present to the council until after their next meeting date which is in October.

C. Parks & Recreation Committee

Dave Dickason stated that the Parks & Rec. members are attempting to acquire some lumber for Horsetail Falls Trail for repair work. They also discussed adding a disc golf to the current park. The new addition would be inexpensive and wouldn't interfere with the well houses.

Victor Shen added that June 3rd is National Trails Day and they're hoping to put together an event for that day.

D. Prince William Sound Aquaculture Corp.

Don Stevens reported that he attended a meeting on March 3rd and the next one will be held on October 6th. The general manager will retire effective on June 1st and an interim manager has been appointed. They are in the process of hiring a new manager.

He stated that the fish at Port Towers has not worked out well; the returns have been relatively low so they'll drop that. The same amount of fish at Saint Juan will now become pinks. More chums will be released at Esther because they had a greater return; the chums were released remotely. The corporation has a state loan for \$2 million dollars.

E. Regional Citizen's Advisory Council

No report.

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

None

11. PRESENTATIONS

Moved to Item #5 on the agenda.

12. CONSENT CALENDAR

A. Approval of Liquor License for Swiftwater Seafood Cafe

MOTION: David Pinquoch made a motion to approve the consent agenda which includes the liquor license renewal for Swiftwater Seafood.

SECOND: Dave Dickason

DISCUSSION: None

VOTE: Motion passed unanimously

13. ORDINANCES (Non-Ordinance)

A. Introduction (1st reading)

1. #02-2017 – An Ordinance Amending WMC Chapter 2.10 authorizing a Hearing Officer to Preside in Hearings Regarding Violations of Chapter 2.10 entitled, "Code of Ethics" of the Whittier Municipal Code, Repealing the Board of Ethics, and Updating the Administrative Hearing Process to Create a More Simple Appeal Process.

MOTION: David Pinquoch made a motion to introduce Ordinance #02-2017 and set the public hearing date for May 16, 2017.

SECOND: David Dickason

DISCUSSION: David Pinquoch that there were too many words crossed out on the last page of the draft ordinance, section 2.10.170. He suggested amending the ordinance to include the wording, "to the Mayor and council".

Dave then asked, "The hearing office does not enact penalties, they deliver to the council and the council has to approve or disapprove what they recommend, correct?" Katie Davies answered that the council will be the body that decides the penalty.

VOTE: Motion passed unanimously

B. Public Hearing (2nd reading)

None

14. RESOLUTIONS

1. Resolution # 09-2017- A resolution supporting funding designated for the design of the Whittier City Park and Creation of a Development Schedule.

MOTION: David Pinquoch made a motion to adopt #09-2017

SECOND: David Dickason

DISCUSSION: David Pinquoch asked for clarification of the resolution since resolutions passed with the wording *development* usually has a monetary figure attached to it. David Dickason replied that it would depend on whether or not they obtained an engineer. The purpose of this resolution is mainly to get the ball rolling so that it will be known if a contracted engineer will be used to assist with the design of the park.

Dave asked, "Does this open us up to an open checkbook for getting this done?" Victor replied that he spoke to an engineer and was given an estimate of \$20,000 to \$30,000 to survey the area. However, he thought a survey of the area had already been done. Mark replied that the area has not been surveyed, and he also received a \$6,000 quote.

Mark would like to send out an RFP in the near future to employ a city engineer that would be used for all projects.

Victor added that they'd like to create a development schedule to show what they want to accomplish over the years.

VOTE: Motion passed unanimously

15. EXECUTIVE SESSION

None

16. UNFINISHED BUSINESS

A. Shotgun Cove Road Project

Not discussed during this meeting.

B. ARRC/COW Land Swap

Mayor Daniel Blair reported that the management agreement with the railroad regarding the DeLong Dock is still in process. The army and railroad need to complete their business before it is presented to the City for negotiation.

Mark Lynch added that the Army Corp of Engineers and the Railroad were given clear instruction that the deed needs to be transferred soon. The City and Railroad do not have any more objections at this point; the deed should have been transferred a month ago. Once it is transferred, a management agreement will need to be in place within six months.

Peter Denmark asked if records are compiled, documenting the bad faith issues and fruitless negotiations. Dan Blair replied that they have been documented.

C. Improve Salmon Sport Fishing in Northwest PWS

Nothing new to report.

D. Public Safety Complex- Phase 2

There was a lengthy discussion about the location of the unisex restrooms, walls of the council chamber room and audio/visuals for the third floor. Victor Shen asked if it would be better to use the school gymnasium for special events instead of using the third floor. Mark Lynch replied that a lot of money was spent when this layout was decided on eight months ago. Dave Pinquoch added that there will be functions where the school will not be able to accommodate the meetings.

Terry Morrison announced that final plans for the third floor needs to be decided soon.

David Pinquoch suggested that department heads create a list of office furniture and equipment, with estimated costs, that they'd like to replace in the new Public Safety Building.

E. Paddle Craft Launch

Nothing new to report.

F. Head of Passage Canal Project

Nothing new to report.

17. NEW BUSINESS

None

18. COUNCIL DISCUSSION

David Pinquoch asked the council to entertain the idea of putting a cap on taxes to create a more kind and friendly city. He stated that other municipalities have done the same and suggested following in their steps. He added that placing a cap on taxes would eliminate valuing a boat. There was further discussion about this topic.

Dave Pinquoch then discussed the head of the bay design. He stated, "We'll lose \$400,000 a year if we try to make the harbor self-sufficient. It doesn't include any buildings at the head of the bay, launch ramps, land to purchase, parking lots, or harbormaster; it's just for the floats that we'll lose \$400,000 each year on today's money."

He added, "The design we're on right now is just the turning basin with a launch ramp. Without paying for the launch ramp, without any land, roads any parking lots, we'll lose \$50,000 a year; that's the number I came up with. Twelve years ago when this concept came around, it was based on we would own that land and we still don't own that land, so I think we need to look heavily at what is this really going to cost us? We got the turning basin for \$8 million dollars. We're spending \$8 million dollars of the public's money up there and we really don't have an end game for the head of the bay. We don't own the land; it's contaminated, we don't know the cost of building the ramps; all that stuff adds up. We don't know if it's going to draw away from the existing harbor and if it does, there's that expense. All that stuff needs to be laid out before we spend more money."

Dave then read out loud a couple of emails and text messages he received this week regarding Whittier projects. Dave Dickason added that this is another example of why we need an assistant manager; we need plans written out on paper.

Mark Lynch added that he feels that the Army Corps of Engineers is close on wrapping up the design phase. "If we instruct them to stop, they'll stop and never come back."

Dave Pinquoch asked who would pay for the project if it doesn't work out. Mayor Blair replied that the boat owners will not pay for it. There was some discussion regarding taking steps towards making the harbor self-sufficient.

Mayor Dan Blair suggested that a flow chart be created to show how the Phase II and Phase III will be financed. Peter Denmark requested to have something in writing that depicts, "What are we doing, where we are at and where are we going." Dan Blair announced that he signed the bond today which stated that we'll pay \$159,000 a year which is based on a twenty year note. Peter stated, "We need to see this on paper. I like it whereas we're developing the harbor, we've already done one phase two years ago, we're doing a phase now and there's a phase for us in the future. I'd like to see it spread out; what we've done,

what we're in the middle of and what we can potentially anticipate for the third phase." He went on to say that he'd like to know where the money is coming from to fund these phases.

Dan explained that half of the \$159,000 would be paid from CVP funds and the other half from the harbor. Peter Denmark reminded the council that he has yet to receive the information he asked for during the February meeting. He asked, "How do we present an action item to the city manager and have it done? Because as far as I'm concerned, if you look at the February minutes, I asked for this bit of homework in conjunction with an accounting spread of the P-12 building, which we got at the last meeting. How is any of us supposed to understand this? We don't have it straight. Whatever the process is, please, let's decide. You want to commit CVP funds for ten years? What does that amount to? A third of the CVP funds for any given year, assuming the cruise ships are still with us in ten years."

Mark added, "You've committed them for twenty; that's already done. That was done by resolutions that were passed several months ago." Peter replied, "All I'm hoping is to get a synopsis of what we've done to let us know what we need to do and where we're going. And we still have a Phase III and maybe a Phase IV to think about. I have people ask me what's going on and I can't answer them. Where I want to go with this...if it's not the city manager's job to put that together and give him whatever information he has, I don't know whose it is, but I have another item I want to bring it up and I want to designate it as an action item. How do I get it there?"

Dave Pinquoch suggested that for Phase III, we should allow Kyle to get answers from the other loans before jumping to a worst case scenario.

Mark stated, "There's no repayment because that has not been decided. I have put together the same exact information that was presented for the Public Safety Building and there was never a discussion about how we're going to repay the potential million dollar loan. It wasn't in the material I presented because at the time council hadn't discussed how they wanted to go about that. I'll present it as soon I know what council wants to do. I can do the number crunching and give you that, but it's not my job to decide how the finances of the city are going to be spent and repaid."

Peter said, "Without a synopsis of the information we have, it's hard to even know what questions to ask." Dave Dickason asked, "What are the options we have to look at and then we can make a decision." Mark replied, "I don't know how better to put it at this point, and for the next phase, the Phase III of the harbor that David and I were looking at today and I talked to Dan about, those numbers are totally estimates at this point because we don't know the interest rates yet. The interest rate difference between the loans that Kyle is working on and the bonds are almost \$100,000 just in difference in interest rates. We can do all kinds of scenarios, but that's why I think David is saying, let's wait until we see what kind of interest rate, to get a better idea of what we're actually going to be talking on that. In Phase II the numbers are \$2 million dollars roughly in bonds a half a million in state grant money which is free, it's free money, and the payments are \$159,000 a year."

There was another lengthy discussion regarding the funding of Phase III and Phase IV.

Once again, Peter Denmark asked, "How do we present an action item to get a result? This conversation that you just had and the open ended questions that still exists...it's time for a review of our current vestment, investment in future plans for the harbor. We have a Port & Harbor Commission that meets a couple of times a year. We won't hear from them until Christmas; it's up to us to do this. My problem is I don't get it. I don't understand where we're at. Where the revenue sources are and how this is going to get paid for through the multiple loans and accruals that we have going here. I would like to see that plotted out. This was relatively done on the Public Safety building at our last meeting. I am in the dark where we're at in the harbor. I am simply asking for a comparable exercise as was presented to us for the Public Safety Building as regard to the harbor."

Mark replied, "Which is what exactly what I showed you guys today, but you didn't think it was going to be this you wanted a payment plan of some type. And that is not what I gave on the Safety Building." Peter stated, "It wasn't a payment plan, but it showed what the funding sources were."

Mark replied, "It'll be really easy because it'll say, bond \$2 million dollars, state grant \$500,000. \$2.5 project, \$2.5 million. Balance, zero; that's the plan." Peter stated, "There's the plan and then some component of that plan will be the repayment. How are we going to pay back the bond? How are we going to pay back the loan? It's a budgeting issue that is going to lose track of if we don't have a singularly focused document. Maybe I'm the only one who doesn't get it, but, that would be very helpful to me."

Mayor Blair stated that the funding sources for the harbor are the CVP tax, the harbor fees and funding from the State.

Mayor Dan Blair then mentioned that Whittier has only one radio station and they've been having difficulties with UUI in terms of service. The public radio system is also having funding issues. He asked fellow council members to consider making a donation of \$500 to keep the radio station going until August. The radio station has been providing their service at no cost for years, and he wanted the City to assist with the bill. Fiber optics will be installed by the end of August and they'll be able to provide it at no cost at that time.

MOTION: Monty Irvin made a motion to direct the city manager to make a donation in the amount of \$500 to radio station 88.3.

SECOND: David Pinquoch

DISCUSSION: None

VOTE: Motion passed unanimously

Peter Denmark spoke of concerns involving the compliance of the SERVVS contractor. There are some difficulties with the current FVA in regards to responding within one hour of a call-out. Dave Pinquoch clarified that there are two components to the SERVVS response contractor.

Mayor Blair gave a brief history on why the City of Whittier discontinued the SERVVS contract three years ago. The contract is now going to expire and it will not go out for RFP; it will be awarded to the same contractor.

Dave Pinquoch stated that the attorney should review this to determine if we need to take action.

Peter Denmark added that the contract can be renewed twice at the discretion of Alyeska Pipeline for one year stints. If a problem is perceived, now would be the time to take some action, whether to approach Alyeska directly through RCAC or by an attorney.

Victor Shen stated that he'd like to see a summary of fund balances within the financial report at every meeting.

Don Stevens asked for the time and spacing for Phase II and Phase III. Mark Lynch replied that we have to wait until the end of this phase before we can apply for the next phase. We can apply for another grant in September and should know by next spring.

Don also asked about the status of the DeLong Dock. Mayor Blair replied that the dock is still owned by the federal government. Mayor Blair gave a brief update on the issues the City is faced with the DeLong Dock management with the railroad.

Lastly, Don Stevens disclosed that the 2017 year will more than likely be the same as the 2016 season for the cruise ship passengers. Princess has added another ship which would add five thousand people a

month. Mark replied that the according to the State, we had the best year ever, but we saw a decrease. He asked if the passenger count was down. Don replied that they changed ships in Whittier and went with two smaller ships. They will have the same configuration this year. There will be two Wednesday ships and two Saturday ships in 2018.

19. CITIZEN'S DISCUSSION

Charlene Arneson announced that Bob Crumley and the school board would like to invite everyone to a barbeque on May 4th in conjunction with the Make Whittier Prettier clean-up day. Bob will be retiring at the end of the year so Charlene encouraged the community to come out and say goodbye to him.

Charlene then shared that Aaron Cooper with the Forest Services, stated that they are interested in engaging with Whittier on a special occasion such as Kittiwake Day. They would like to start promoting some type of a 'Day' in Whittier.

She commended the Parks & Recreation Committee for doing a great job. She also suggested a possibility of hosting a Mount Marathon this summer.

She then stated that she is and has been in favor of developing the head of the bay to allow growth to the City.

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

Mark Lynch read out loud a letter he received from Perry Solomson of Sound Paddler regarding a letter distributed by Kelly Bender on behalf of the Chamber of Commerce. The letter was sent out by Kelly Bender who opposes business development at the head of the bay; she sent the letter without support of the chamber members.

Speaking as a citizen, not a council member, Peter Denmark reported that Copper River and others unload fish at the city dock which blocks his business. Fish totes are stacked and semis are parked on the sidewalk in front of his building. He asked that the fish can be unloaded at the ocean dock since it is designated as a fish unloading area.

Mayor Blair replied that he believes RC Collins works with Copper River Seafood. Mark Lynch directed Kyle to make sure that Peter's business is not obstructed.

David Pinquoch stated, "The letter from the Chambers. Dan and I attended the Chamber meeting and there was backlash from this letter. It was done by consensus, not by resolution. At the meeting she agreed to withdraw it and redo it. At this point, it doesn't exist or it's just from Kelly, it's not an official Greater Chamber letter. That's what she agreed to do at the meeting."

Referring to a comment that Monty made in a previous meeting in which he said boat owners weren't responsible for the head of the bay. Dave clarified that the council allocated \$250,000 from the harbor enterprise fund and was used for the design last November. Mayor Blair replied, "If you look at the net of what we have contributed during that same timeframe, I think we put like \$2 million dollars towards it, so if you sum those together then we're still \$1.75 million to the good."

David replied, "I'm not disagreeing, but the money came out of the harbor fund and we were told that it wouldn't be used for that and it was used for the head of the bay. And the statement was made that the boat owners would not be responsible for it."

In response, Mayor Blair stated, "That wasn't the boat owner's money. If we put in \$2 million dollars of CVP funds, we're definitely supporting the harbor. We want to work towards a solution. We may not all agree on the head of the bay but we all agree that the harbor is crucial infrastructure."

21. ADJOURNMENT

All were in favor of adjourning the meeting at 10:20 p.m.

ATTEST:



Jennifer Rogers
City Clerk



Daniel Blair
Mayor