

MINUTES FROM A REGULAR MEETING
OF SELDOVIA CITY COUNCIL
COUNCIL CHAMBERS

Monday
May 13, 2019
6:00pm

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| COLBERG CAMPBELL MORRISON ROJAS LETHIN SWEATT |
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- A. Call to Order & Roll Call: MEETING CALLED TO ORDER BY MAYOR LENT AT 6:00 PM
PRESENT: COUNCIL MEMBERS: COLBERG, CAMPBELL, MORRISON, ROJAS, LETHIN, and SWEATT

STAFF: CITY MANAGER CAMERON
POLICE CHIEF CUSHMAN
CITY CLERK GEAGEL

- B. Pledge of Allegiance: Held
C. Excused Absences: None
D. Agenda Approval:

ROJAS/SWEATT MOVED TO APPROVE TONIGHTS AGENDA OF MAY 13th, 2019
VOICE VOTE/UNANIMOUS/MOTION PASSED

- E. Consent Agenda: *(All items under the Consent Agenda are approved with a single motion, no discussion, and one vote. A Council Member may request to remove an item(s) for discussion and a separate vote.)*

1. Approval of Minutes: Minutes of the Regular Meeting, April 22, 2019
Minutes of the Special Meeting, April 29, 2019
2. Payment Approval Report: Payment Approval Report 04/17/2019-05/06/2019
3. Ordinance Introduction:

1. ORDINANCE 19-11 A NON-CODE ORDINANCE OF THE CITY COUNCIL OF THE CITY OF SELDOVIA, ALASKA, AUTHORIZING THE LEASE OF THE SPACE FORMALLY KNOWN AS THE "SELDOVIA CLINIC" FOR BUSINESS AND OFFICE RELATED OPPORTUNITIES TO BE DEVELOPED BY CITY ADMINISTRATION AND AUTHORIZING THE CITY MANAGER TO ADVERTISE THE SPACE AND ENTER INTO CONTRACT WITH FUTURE TENANTS AND USER GROUPS

2. ORDINANCE 19-12 AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF SELDOVIA, ALASKA, ADOPTING CHAPTER 11.10 FIREWOOD HARVEST AND TITLE 1 GENERAL PROVISIONS SECTION 1.08.040 CODE SECTION 11.10.020

SWEATT/ROJAS MOVED TO APPROVE THE CONSENT AGENDA
VOICE VOTE/UNANIMOUS/MOTION PASSED

- F. Mayoral Proclamations:

1. PROCLAMATION 19-03 A PROCLAMATION RECOGNIZING MAY 11 - 17, 2019 AS NATIONAL POLICE WEEK AND MAY 15, 2019 AS PEACE OFFICERS' MEMORIAL DAY
MAYOR LENT- READ INTO RECORD PROCLAMATION 19-03.

- G. Public Presentation Prior Notice: (each presenter has up to 10 min)

1. Steve Wadleigh, Altman, Rogers- FY17 Audit Report was presented telephonically and included;
 - That the 2017 audit was difficult to get through, but they were ready to move forward with 2018 and 2019.
 - An unmodified opinion was given on the report.
 - The financial statements were materially correct.

- There were several issues with the internal control structure and quite a few issues with conversion from QuickBooks to Caselle.
- The summary results of the audit and findings found during FY17 were read, including; the definition of significant deficiency and of material weakness which was even stronger than a significant deficiency.
- One material weakness was found and three significant deficiencies.
- The material weakness was the internal controls over the software conversion.
- The internal control for approval of credit card purchases was a significant deficiency
- The lack of segregation of cash receipting was a significant deficiency.
- There was a corrective action plan in place where the city manager was going to be more involved.
- Even though the beginning balances worked, the allocation by fund was incorrect, the general fund was not a deficit, and the senior meals fund balance was not true. The permanent fund was sitting in the fund balance. Going forward they would record moving funds to get each fund back to right allocation.
- The permanent fund could be a restricted fund for FY18.

CAMPBELL- Inquired and discussed the internal control processes that failed during the conversion.

LETHIN- Inquired about the permanent fund and stated that it should be shown as an asset.

CM CAMERON- Discussed that the AMLIP fund was included on page 17 of the report with a balance of \$832,980.

2. Willy Dunne, Kenai Peninsula Borough Assembly Member, presented a borough update. The borough was in the middle of their annual budget process. The mayor proposed an \$84,000,000 budget for FY20, which was a couple thousand more. The borough was struggling with finding revenues to cover the budget. They were taking a big hit that year, with 2 to 3 million cut in state funding for school bond debt reimbursement and fish taxes. They were looking at 15 million being cut if they were not able to tax oil properties, but that was now not the case. A bed tax was being proposed and had been talked about off and on over years. About 49 municipalities around the state have a bed tax. The City of Seward was the only municipality in the Kenai Peninsula borough to have one. The proposed 12% bed tax, would exempt nightly rentals from sales tax and there was a clause that would allow cities to have up to 6% of those monies if the city instituted a city bed tax. There would be a public hearing next Tuesday and the earliest it would be instituted was April 2020. If it passed the assembly it would go to the voters in October. It was discussed last year and the assembly failed to approve it. It was estimated that it would raise a net of 4.4 million borough wide, and that did not include city revenue. The borough has also talked about a tobacco tax, stepping down from senior exemptions, and raising sales tax, none have exceeded. Sales tax was above projections at the end of the year, and they were in better shape than they thought, and will about break even. If they don't raise more revenue, they will be spending down fund balance, which was not sustainable. The Supreme court ruled in favor of online sales tax, because Amazon was the only one paying sales tax, they could not give numbers for confidentiality reasons. The borough was estimating 1.5 million in online sales tax in the next year, and was working with AML to be a third-party vendor collecting all the online sales tax and distributing it to the vendors. It was probably about 18 months out. He stated that the school budget was a real frustration for him. That year the assembly approved 2.2 million additional funding to the school, which the mayor vetoed, it will be discussed at the next meeting and did not look very hopeful. In order to override the veto, they would need six out of nine votes, they only had five out of nine votes approve the 2.2 million and would need one member to change their vote for the veto. Members that were opposed in the past were speaking out for full school funding and that was looking good for next year. Tomorrow there would be a meeting with the SRSA board.

CAMPBELL-Inquired about the 12% bed tax with no sales tax, the city would lose the sales tax, but could get 6% of the bed tax.

ROJAS- Discussed that the sales tax would be a split if the city wanted to pass a bed tax and asked for clarification about what was on the table regarding the 2.2 million at the next assembly meeting.

CARLUCCIO- Inquired about the bed tax and that if the city did not pass a bed tax then the borough would get the whole bed tax and the city would still collect their sales tax.

CM CAMERON- Inquired about how the online sales tax revenues were looking, and the ferry budget.

H. Public Presentation for Items not on Agenda: (public has 3 min each)

LAUREL HILTS, resident- Discussed events coming up in the next few weeks. The Seldovia Bay Ferry would be running on May 23rd, and she gave a shout out to the Boardwalk who was now open 7 days a week, the Linwood was providing great meals, there was a new drive up coffee shop, and Suzie with Thyme on Boardwalk had been open since the 1st of May. She advocated and encouraged that businesses consider the 1st of May as their opening date. Mako Haggerty had brought that request to extend the shoulder seasons for May and September. May brought in large groups at the lab for tide pooling. The Kick-off for Summer would be Friday the 24th at the Alaska Tribal

Cache building at noon. It would be a barbeque and there would also be large equipment there for kids to climb on. Graduation would be Monday at 4:00 and would include the teeny-tinys. The Seldovia Human Powered Fishing Derby, 10th Annual Derby. The Seldovia Arts Council that Saturday for members of the council, those who wanted to join the council for a 20-dollar membership, or just enjoy a concert for 20 dollars, the River Town Royals would be playing. A climate change presentation was happening Friday with six different agencies. She stated she was going to recommend to all on the chatterbox that they search by topic names and put topic names into the text.

JEN SWICK- Asked for council to consider using part of the Rasmuson grant for lollipop park to make the ladder to the slide more safe, if a second railing could be placed that is lower or even just a lower railing, so that kids don't fall off the sides and discussed that she had not been able to get around fast enough and her son had got hung up.

CM CAMERON-Spoke to the Rasmuson Grant as a request for funding for new equipment.

I. Committee and Advisory Board Reports: (each member has 5 min) None

J. Public Hearings:

1. ORDINANCE 19-10(A) A NON-CODE ORDINANCE OF THE CITY OF SELDOVIA, ALASKA, ACCEPTING FY 2020 FEE SCHEDULE, APPENDIX A, OF THE FY 2020 BUDGET

a. Presentation by Staff or Council

CLERK GEAGEL- Presented Ordinance 19-10(A) adopting the FY20 Fee Schedule.

b. Council Discussion

ROJAS- Spoke to the ordinance having been gone through with a fine-toothed comb.

CAMPBELL- Spoke in support of ordinance 19-10(A).

MORRISON- Spoke in support of ordinance 19-10(A).

SWEATT- Spoke in support of ordinance 19-10(A).

c. Public Presentation or Hearing (public has 3 min each)

JEN SWICK- Spoke in support of the commercial rates being consolidated and asked for council to consider a winter incentive for businesses open during the winter.

d. Action/Disposition

ROJAS/SWEATT MOVED TO ADOPT ORDINANCE 19-10(A) A NON-CODE ORDINANCE OF THE CITY OF SELDOVIA, ALASKA, ACCEPTING FY 2020 FEE SCHEDULE, APPENDIX A, OF THE FY 2020 BUDGET

VOICE VOTE/UNANIMOUS/MOTION PASSED

2. ORDINANCE 19-10(B) A NON-CODE ORDINANCE OF THE CITY OF SELDOVIA, ALASKA, APPROPRIATING FUNDS, APPENDIX B, ANNUAL BUDGET, FOR FISCAL YEAR ENDING JUNE 30, 2020

a. Presentation by Staff or Council

CLERK GEAGEL- Presented Ordinance 19-10(B) adopting the budget for FY20.

b. Council Discussion

ROJAS- Spoke in support of Ordinance 19-10(B).

LETHIN- Inquired about the numbers presented for the FY7 and FY18 were actuals versus proposed.

CM CAMERON- Stated that numbers presented were not actuals because the audit was not complete. Actuals were presented during the budget workshops.

c. Public Presentation or Hearing (public has 3 min each)

MAYOR LENT called for public comment and none was offered.

d. Action/Disposition

SWEATT/ROJAS MOVED TO ADOPT ORDINANCE 19-10(B)

VOICE VOTE/UNANIMOUS/MOTION PASSED

3. ORDINANCE 19-08 AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF SELDOVIA, ALASKA, AMENDING TITLE 13 UTILITIES; ADOPTING CHAPTERS 13.02 DEFINITIONS AND 13.04 GENERAL

PROVISIONS, REPEALING CHAPTERS 13.16, 13.20, 13.32, 13.36, 13.64, AND 13.72, AND AMENDING TITLE 1 GENERAL PROVISIONS SECTION 1.08.040 TO ADOPT CODE SECTION 13.04.055- as amended

a. Presentation by Staff or Council

CLERK GEAGEL- Presented Ordinance 19-08 amending title 13 utilities with the amendment clarifying that a property had to be connected to the public main if it was within two hundred feet and if the property included a structure that could or would be occupied. The doubled definitions for side sewers was a clerical error and one could be removed. She discussed that the difference in small service rate and small service billing was that one was the definition of what a small service was and the other was the definition of what was the billing rate.

b. Council Discussion

SWEATT- Inquired about side sewer being defined twice, and the difference between the small service rate and small service billing.

CAMPBELL- Spoke in support of Ordinance 19-08.

ROJAS- Spoke in support of Ordinance 19-08.

c. Public Presentation or Hearing (public has 3 min each)

MAYOR LENT called for public comment and none was offered.

d. Action/Disposition

COLBERG/ROJAS MOVED TO ADOPT ORDINANCE 19-08
VOICE VOTE/UNANIMOUS/MOTION PASSED

K. Unfinished Business: None

L. New Business:

1. ACTION MEMORANDUM 19-10 APPROVING THE CERTIFICATION OF THE FY17 AUDIT AS PRESENTED BY ALTMAN, ROGERS & CO, CERTIFIED PUBLIC ACCOUNTANTS.

a. Presentation by Staff or Council

CLERK GEAGEL- Presented Action Memorandum 19-10 approving the certification of the FY17 audit as presented by Steve Wadleigh during public presentation prior notice.

b. Council Discussion

CAMPBELL- Spoke in support of Action Memorandum 19-10.

SWEATT- Spoke in support of Action Memorandum 19-10.

c. Public Presentation or Hearing (public has 3 min each)

MAYOR LENT called for public comment and none was offered.

d. Action/Disposition

ROJAS/COLBERG MOVED TO APPROVE ACTION MEMORANDUM 19-10
VOICE VOTE/UNANIMOUS/MOTION PASSED

2. ACTION MEMORANDUM 19-11- CONSENT TO THE APPROVAL OF THE VACATION OF THE 25-FOOT WIDE FRANK RABY DRIVE RIGHT-OF-WAY ADJOINING LOTS 3, 6, AND 7, BLOCK 44 AND THE VACATION OF A 10-FOOT WIDE ALLEYWAY ADJOINING LOTS 1A, 2, AND 3, BLOCK 44.

a. Presentation by Staff or Council

CLERK GEAGEL- Presented Action Memorandum 19-11 consenting to the approval of the vacation of the 25-foot-wide Frank Raby Right-of-way and the 10-foot-wide alleyway. Approval had been granted from the Seldovia Planning Commission and the Borough Planning Commission contingent on the City Council of Seldovia not having any objection to the vacations. She presented a map clearly identifying the land to be vacated in the regular packet.

b. Council Discussion

ROJAS- Discussed that it was ready to move forward.

CAMPBELL- Spoke in support of Action Memorandum 19-11.

c. Public Presentation or Hearing (public has 3 min each)

JEN SWICK- Discussed that after this approval the replat goes to borough and if approved then the surveyor marks the new corners.

d. Action/Disposition

ROJAS/SWEATT MOVED TO APPROVE ACTION MEMORANDUM 19-11
VOICE VOTE/UNANIMOUS/MOTION PASSED

3. ACTION MEMORANDUM 19-12 CONFIRMING THE APPOINTMENT OF KATHLEEN GRUBER TO THE SELDOVIA PLANNING COMMISSION FOR A ONE-YEAR TERM.

a. Presentation by Staff or Council

CLERK GEAGEL- Presented Action Memorandum 19-12 confirming the appointment of Kathleen Gruber to the planning commission for a one-year term.

b. Council Discussion

ROJAS- Spoke in support of Action Memorandum 19-12.

CAMPBELL- Inquired about the term length.

c. Public Presentation or Hearing (public has 3 min each)

MAYOR LENT called for public comment and none was offered.

d. Action/Disposition

SWEATT/COLBERG MOVED TO APPROVE ACTION MEMORANDUM 19-12
VOICE VOTE/UNANIMOUS/MOTION PASSED

4. Discussion- ORDINANCE 19-13 AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF SELDOVIA, ALASKA, AMENDING CHAPTER 2.32 ELECTIONS, SECTIONS 2.32.060 CANDIDACY ELIGIBILITY AND DECLARATION, 02.32.066 BALLOTS--DISTRIBUTION, AND 2.32.150 ABSENTEE VOTING OF

a. Presentation by Staff or Council

CLERK GEAGEL- Presented draft Ordinance 19-13 for discussion updating the city's election code to align with the boroughs election timelines to help facilitate future election efficiency and discussed that the changes would be to the declaration of candidacy, which was now fifty to thirty days before the elections and would be changed to a set time of August 1st through the 15th. Ballot possession times would be changed from 25 days beforehand to 15 days beforehand and 10 days before a special election. The absentee voting would be changed from no sooner than twenty days prior to the elections to any day after the ballots are prepared and available.

b. Council Discussion

LETHIN- Inquired about the short declaration of candidacy times and stated that that the opening of the candidacy should be notice sixty days beforehand to generate interest.

WILLY DUNNE, KPB Assembly Member- Discussed that it had been that way with the borough for as long as he had known and that candidates could work with the Alaska Public Offices candidates could begin campaigning beforehand.

c. Public Presentation or Hearing (public has 3 min each)

MAYOR LENT called for public comment and none was offered.

d. Action/Disposition

ROJAS/CAMPBELL TO INTRODUCE ORDINANCE 19-13 AT THE NEXT MEETING
VOICE VOTE/UNANIMOUS/MOTION PASSED

MAYOR LENT CALLED FOR A FIVE-MINUTE RECESS AT 7:40PM

****MAYOR LENT CALLED THE MEETING BACK TO ORDER AT 7:49PM****

M. Administration Reports:

1. Treasurer's Report: None

2. City Manager's Report: See Laydown

3. Chief of Police Report: None
4. Harbormaster's Report: None
5. Public Works Report: None

CM CAMERON- Presented the city manager's report as written and included that a significant repair would be started the last week of May on a water leak on Young Street and Shoreline. Another significant repair was needed on Main Street and Dock Street, but they were working with DOT for proper permits in order to do so. She had been working with Sean Lee with Village Safe Water (VSW), who took Lynn Morino's spot, and they were working to get a planning application together for the first step in securing funding for the wastewater and sewer septic system upgrades. They would put the application out there first and then if approved a feasibility study would be done and a complete analysis on the wastewater system. The Surplus Clinic Auction finally had an inventory list of 190 items, the bids will open May 28th and be open a whole month, the list would be available via the website May 23rd, there will be some minimum bids on some items. The clinic will be open with staged items on June 27th and June 28th. Winning bids would be announced July 2nd and items needed to be paid for and picked up by July 19th. The flyer will go out this week. The x-ray machine was listed on govdeals.com. The street signs including tsunami signs had been going up around town. The borough helped the city secure street signs and they had been placed and were really appreciated. The Jakolof Dock repair was scheduled for May 22 and 23rd, the city has the bull rails, there were private donors, and volunteers from Kasitna Bay Lab, Mako's Water Taxi and people that frequent the dock. The code had been written for Jakolof Dock but they were not ready to implement a management plan yet. Funding was given for the dock in 2008 and placed in the investment account. There were no formal resolutions or non-code ordinances receiving the funds that specified they were for Jakolof Bay Dock. The money was used overtime for the big boat haul out trailer and to purchase the loader, as well as for insurance, electricity, man hours, and overhead, etc. which added up to right around \$100,000 over the last eleven years. Bobbi and herself would be presenting on the Harbor Parking Lot Development June 3rd. The harbor water was turned on the previous week, there were a couple of leaks, they were getting parts and pieces. The harbor gangway repairs were taking place the following day. The canvas was purchased for \$2000 less than anticipated, and Lane Chelsey was coming over to help with installation. The quote for the repairs was for \$12,000.00, it was estimated now that it would cost half of that. She discussed that she had spoken with HEA about transitioning to LED will they were here. The city was billed a base rate of \$29.00 a light, and had 57 lights that they rented. There was a tariff within HEA for the HEA LED transition plan that would cost the city \$13,000 for the installation of LED lights, and \$20,000 more a year for the base rate for the LEDs. She spoke with Bruce with HEA and was getting numbers on what it would look like for city to own, maintain, and operate their own lights. Every single fixture in the city buildings would need to be replaced and the transition plan was a lot more in depth than original thought. HEA would replace the street light bulbs with LED lights when they broke and it would be just a matter of cycling through if the council wanted to just wait through HEA's plan. She was getting ready to meet with health consultant via teleconference and the new health insurance would kick in on July 1. CISPRI had negotiated with the city to update the wash down building. The goal was to have the upgrades complete by June 15th. CISPRI would be putting in ramp, railings, and a really nice sign. There would be a shower, washer, and dryer in back of facility, and CISPRI would also be taking on the winterization of the building, a \$1500 savings annually. The EOP was continuing to be worked on and another section was added. A Rasmuson grant was submitted for \$25,000 for new equipment for Lollipop Park, it could have turn around date of starting July 1 and being completed in a couple of months. The city could also fundraise for the park. The community cleanup was the best one ever with 40 participants, 50 bags of rubbish collected, and a bunch of crazy stuff. Bobbi donated pizza certificates, there were toys to give out, and the city had partnered with SVT and the SOCC. Susan B English School k-12 had a field trip to the water treatment plant the previous week and was one of the goals in the Source Water Protection Plan for community outreach. The Summer Kickoff was on 24th, and Chief Cushman would be there with police equipment, city fire and ems equipment and heavy equipment would be there as well.

LETHIN- Inquired about the sale of the x-ray machine.

MAYOR LENT- Discussed that a person had notified him that they would write a check for monthly moorage at the Jakolof Dock.

LAUREL HILTS- Inquired about the timeframe from when the original monies had come in for Jakolof Dock and mentioned that the city had also partnered with SVT for the bike rodeo.

CAMPBELL- Inquired as to how much the grant for Lollipop Park would be for.

SWEATT- Inquired if there was a Plan B for Lollipop Park.

WILLY DUNNE, KPBA Assembly Member- Discussed that there were probably half a dozen commercial water taxis in Homer that drop off clients at Jakolof Dock and stated that he was glad Mako's Water Taxi was helping out. He discussed that the state charges a drop off fee, for dropping passengers in the state park through a permit system. There was a flat fee for the permit, with a decal on boat, then an annual report on passengers was submitted and the state charged 4 dollars per passenger that was dropped off.

M. Informational Items Not Requiring Action:

1. The City Office will be closed Monday May 27th, 2019 in observation of Memorial Day.

O. Executive Session:

1. CITY MANAGER CONTRACT RENEWAL NEGOTIATION WHICH MAY BE A SUBJECT THAT TENDS TO PREJUDICE THE REPUTATION AND CHARACTER OF THE CITY MANAGER, PROVIDED THAT THE CITY MANAGER MAY REQUEST A PUBLIC DISCUSSION

ROJAS/COLBERG MOVED TO ENTER INTO EXECUTIVE SESSION FOR THE CITY MANAGER CONTRACT RENEWAL NEGOTIATION WHICH MAY BE A SUBJECT THAT TENDS TO PREJUDICE THE REPUTATION AND CHARACTER OF THE CITY MANAGER, PROVIDED THAT THE CITY MANAGER MAY REQUEST A PUBLIC DISCUSSION AND INVITED THE CITY MANAGER CASSIDI CAMERON TO JOIN at 8:05pm

NO OBJECTION/MOTION PASSED

ROJAS/COLBERG MOVED OUT OF EXECUTIVE SESSION NO ACTION WAS TAKEN at 8:16pm

NO OBJECTION/MOTION PASSED

ROJAS/COLBERG MOVED TO OFFER THE CITY MANAGER AS OF JULY 1st, 2019 A \$10,000 INCREASE TO HER WAGE WITH A TWO-YEAR EXTENSION OF HER CONTRACT

NO OBJECTION/MOTION PASSED

P. Council and Mayor Comments Concerning Items Not on the Agenda:

COLBERG- Thanked everybody for coming and the ladies for all the hard work they do.

CAMPBELL- Thanked the staff especially on the budget matters. He discussed that a couple years ago brush removal had been done on the fire hydrants, but it had been a couple of years since they had been touched and they were getting covered in moss, mold, and mildew. He had talked to Cassidi and Mark a little bit and maybe they could touch on getting the adoption program up and running again and what if there were any restrictions at the next meeting.

MORRISON-Thanked everyone for being there and spoke in appreciation of the staff they were doing a great job.

ROJAS-Thanked Laurel for coming and sticking with them. She thanked the staff she hears nothing but compliments about the city office. Council great job, it was nice to have them all back at one table.

LETHIN- Thanked the staff and Laurel for being there. Good meeting.

SWEATT-Thanked the staff for all their hard work and thanked Laurel for hanging in there.

MAYOR LENT- Discussed that he was with fire chief the last time there was a meeting it was just the two of them and the fire hydrant by where Chaz lives will not be replaced because they have enough hose to reach other hydrants and the one by the city office does not work. Otherwise that end of the town was good. Good evening everybody, he thanked the staff, thanks for being here.

Q. Next Meeting: A Special Meeting will be held on Monday, June 03, 2019 at 6:00 pm

CM CAMERON- Discussed that there would be a special meeting because of Memorial Day and that the next scheduled meeting was June 10th but the City Clerk would be out of town for training, the third was a great right in the middle of the road and then the regularly scheduled meeting at the end of June would follow.

R. Adjournment:

ROJAS/COLBERG MOVED TO ADJOURN AT 8:22PM
NO OBJECTION/MOTION PASSED

I certify the above represents accurate minutes of City of Seldovia Council meeting of May 13, 2019.



Heidi Geagel, City Clerk

Approved by Council 06/03/2019

