

City of Edna Bay - Regular Meeting

1 — Meeting Date, Place and Call to order:

This Regular meeting was held on Monday, May 14th, 2018 at Edna Bay School.
Mayor Richter called the meeting to order at 6:10 PM.

2 — Roll Call:

Heather Richter	- Mayor / Presiding Officer	(Present)
Karen Williams	- Vice Mayor / City Council	(Present)
Tyler Poelstra	- Clerk / City Council	(Present)
Myla Poelstra	- Treasurer / City Council	(Present)
Sandy Henson	- City Council	(Present)
Doris Greif	- City Council	(Present)
Lee Greif	- City Council	(Present)

2.1 — Public Participants:

Sue Crew Joe Wargi Sharon Wargi Russ Bartels Mike Williams

3 — Consent Agenda:

A: Approval of Meeting Agenda:

The current agenda was read by Councilor (Mr.) Poelstra.

Consensus of the public attendants was taken in favor, and no objections were noted.

B: Approval of Prior Meeting Minutes:

The following minutes were presented for review:

1: Special (Postponed Regular) Minutes of April 18th, 2018 - No questions or comments.

Consensus of the public attendants was taken in favor, and no objections were noted.

Motion:

Mayor Richter moved to pass the consent agenda as presented.

- Seconded by Councilor Williams

- **Approved** by unanimous vote of the council

3.1 — Business:

Old Business:

- a: Road Maintenance Project Contract, Discussion and Decision.

New Business:

- a: Bridge Insurance Coverage Discussion and Decision.
- b: USFS Proposal to Transfer Ownership of New Bridges to City, Discussion and Decision.
- c: FY '19 PILT Application and Resolution, Discussion and Decision.
- d: Opening Bank Accounts for Bulk Fuel R&R and BFF Transactions, Discussion and Decision.
- e: First Reading of Budget Amendment Ordinance 18-13NCO, Discussion and Decision.
- f: First Reading of FY '19 Municipal Budget Ordinance 18-14NCO, Discussion and Decision.
- g: First Reading of 18-11CO for Acquisition, Management and Disposal of Municipal Lands.
- h: Alternative Municipal Entitlement Parcel Selections, Discussion and Decision.
- i: Obtain Professional Services for Acquisition of Municipal Property, Discussion and Decision.

4 — Mayor's Report:

No report.

5 — Clerk's Report:

No report.

6 — Treasurer's Report:

Myla Poelstra read back the treasurer's report. There were no questions or comments.

7 —

Committee Reports

7.1 — Dock Committee:

Tyler Poelstra (Dock Chairman) stated that the replacement breakwater lights had arrived and all that was needed was the assistance of someone with a skiff to help get the lights swapped out.

7.2 — Road Committee:

No report.

7.3 — EMS Committee:

No report.

7.4 — Search & Rescue Committee:

No report.

7.5 — Fire Committee:

No report.

7.6 — Fish & Game Advisory:

No report.

7.7 — Bulk Fuel:

No report.

8 —

Old Business

Item A — Road Maintenance Project Contract...:

Mayor Richter suggested that the item be tabled at this time.

9 —

New Business

Item A — Bridge Insurance Coverage...:

Mayor Richter explained the need to discuss insurance coverage before the decision on whether or not to accept municipal ownership of the bridges since the insurance rates might affect that discussion. Her original hope was that the insurance for the bridges would be similar in cost to the bulk fuel facility, but that is not the case.

She detailed the insurance cost breakdown for full replacement and liability coverage on the bridges. It will cost \$2300/yr for full insurance coverage for damage, repairs and full replacement of all 4 bridges. The deductible is \$25K, but could be set at \$50K to lower the premiums. There are also options for \$5K-10K deductibles, but the premiums are higher than \$2300/yr. She also noted that the replacement insurance does not cover against mud slides, earthquakes or other design flaws that lead to failure.

Councilor (Mr.) Poelstra felt we should wait a year or more and see what the first USFS inspections reveal and then revisit the full insurance coverage question since the rates are so high. Rates will increase over time regardless of whether a policy is initiated now or later. Mayor Richter noted that since the bridges are brand new the insurance agency will not allow the City to go with lower coverage than "Full Replacement".

Liability insurance can be added to the City policy for a "nominal" fee according to the insurance agent.

Consensus of the public attendants was taken in favor only adding liability insurance at this time, if the City takes ownership of the bridges. No objections were noted.

Motion:

Mayor Richter moved that pending acquisition of the four (4) USFS (United States Forest Service) bridges within the City of Edna Bay, that the City add liability insurance coverage for the bridges.

- Seconded by Councilor Henson
- **Approved by unanimous vote of the council**

Item B – USFS Proposal to Transfer Ownership of New Bridges to City...:

Mayor Richter recapped prior discussion and explained that the USFS has no "Right-of-way" through the City, which is one of the main reasons why the agency is seeking to transfer ownership of the bridges.

If the City assumes ownership, the USFS is willing to provide bi-yearly bridge inspections and pay fees associated with those activities. The City would then be responsible for repairs if/when inspectors identify issues. The USFS is willing to provide inspection services since it can take years for someone to become a certified inspector which makes the requirement not feasible to be done locally.

Consensus of the public attendants was taken in favor of the City accepting ownership of the four USFS bridges around the City of Edna Bay. No objections were noted.

Motion:

Councilor Williams moved that we accept the USFS (United States Forest Service) proposal to transfer the four (4) bridges within the City of Edna Bay to the City.

- Seconded by Councilor (Mr.) Greif
- **Approved by unanimous vote of the council**

Item C – FY '19 PILT Application and Resolution...:

Councilor (Mrs.) Poelstra explained that this year the State of Alaska has remove the requirement to submit a City resolution along with the PILT (Payment In-Lieu of Taxes) application. Only an application needs to be filled out and submitted. This is an annual activity.

Councilor (Mr.) Poelstra suggested that since it no longer requires a Resolution, it is not necessary to require a vote of the council to obtain the PILT funds every year. He felt that to save time each year, if everyone was in agreement, the Council could vote to accept annual submission of the PILT application going forward until which time the State of Alaska changes the terms of the application and the item needs to be revisited.

Consensus of the public attendants was taken in favor of the submitting the PILT application. No objections were noted.

Motion:

Councilor (Mr.) Poelstra moved that the City accept the yearly PILT (Payment In-Lieu of Taxes) Application as an administrative action in perpetuity until which time it needs to be revised.

- Seconded by Councilor (Mrs.) Greif
- **Approved by unanimous vote of the council**

Item D – Opening Bank Accounts for Bulk Fuel R&R and BFF Transactions...:

Mayor Richter explained that we are all aware of the need for an R&R (Repair and Replacement) account and have discussed setting it up for making a deposit of funds into the account once per year. She felt that there was also a need to open an additional account for Bulk Fuel Facility transactions to keep things clearer for tracking sales.

Councilor (Mrs.) Poelstra explained that she does not see a need for a separate sales account, since she felt it would end up complicating how many times moneys need to be transferred among City accounts each month. She also responded to a question about if the facility is managed separately, or by the City. The Edna Bay Bulk Fuel Facility is managed by the City of Edna Bay and since the Edna Bay governing structure no longer operates as a non-profit corporation, the facility can be and is being managed by the municipality. She also noted that once categories are created for fuel sales they will be noted on the summary treasurers report.

Consensus of the public attendants was taken in favor of creating an R&R account for the Edna Bay Bulk Fuel Facility. No objections were noted.

Motion:

Mayor Richter moved that we establish an R&R (Repair and Replacement) account for the Edna Bay Bulk Fuel Facility.

- *Seconded by Councilor (Mr.) Greif*
- **Approved by unanimous vote of the council**

Item E – First Reading of Budget Amendment Ordinance 18-13NCO....:

Draft ordinance 18-13NCO was presented on the overhead, read back, and copies provided to those in attendance.

Mayor Richter explained that now that Superior has settled their dispute, additional funding has become available. The existing grant has \$14,663.50 remaining and the City plans to install fencing for the facility, barrier protection for the dispensers, a heat source for the conex and other final items, so the additional funding will be needed. The funding will be utilized as necessary by the City, and any unused funds will stay with the AEA afterwards.

The grant expires on December 31st, and the amount being added to the FY '18 budget will carry over to the FY '19 budget.

Consensus of the public attendants was taken in favor of draft ordinance 18-13NCO. No objections were noted.

Motion:

Councilor (Mrs.) Poelstra moved that we adopt [draft] ordinance No. 18-13NCO, to amend the FY '18 budget to include \$120,000.00 for Bulk Fuel construction and completion.

- *Seconded by Councilor Williams*
- **Approved by unanimous vote of the council**

Item F – First Reading of FY '19 Municipal Budget Ordinance 18-14NCO....:

Draft ordinance 18-14NCO and related figures were presented on the overhead, read back, and copies provided to those in attendance.

Consensus of the public attendants was taken in favor of draft ordinance 18-14NCO. No objections were noted.

Motion:

Mayor Richter moved that we accept the first reading of the FY '19 operating budget 18-14NCO as presented.

- *Seconded by Councilor (Mr.) Greif*
- **Approved by unanimous vote of the council**

Item G – First Reading of 18-11CO for (...) Municipal Lands....:

Draft ordinance 18-11CO was presented on the overhead, read back, and copies presented to those in attendance. Discussion was held with those in attendance to generate and summarize necessary or suggested changes to the draft, and were as follows:

- 1: Section 6.30.010 - Set the first blank to "20 days".
- 2: Section 6.30.080 - Set the first and second blanks to "10" and "5" years respectively.
- 3: Section 6.30.110 - Set the first blank to "30 days".

It was agreed to revisit section 6.30.080 for further consideration at the public hearing.

Consensus of the public attendants was taken in favor of draft ordinance 18-11CO and the amendments as discussed. No objections were noted.

Motion:

Mayor Richter moved that we accept the first reading of draft ordinance 18-11CO, including the discussed amendments.

- *Seconded by Councilor Williams*
- **Approved by unanimous vote of the council**

Item H – Alternative Entitlement Parcel Selections...:

Mayor Richter explained that due to a shortfall in the original land entitlement process, the State of Alaska has provided a list of lands that may act to fill the acreage gap for the City. Maps showing the original land entitlement selections and the ones that have been listed by the State as available alternatives were projected on the overhead and discussed for their pros and cons.

Mayor Richter shared that in addition to these areas an opportunity has come up for the City to potentially obtain the new LTF near the head of the bay, and that land help to make up the acreage shortfall.

It was agreed that everyone have time to think about the lands that are available and bring their considerations to the next meeting for further discussion.

Item I – Obtain Professional Services for Acquisition of Municipal Property...:

Mayor Richter explained that as shared under the last agenda item, the new LTF may be available to the City to help make up the entitlement land shortfall, but it will take a lot of energy and a burden on the local administration to go through the necessary processes it will take to potentially obtain the land. There are no assurances that it will be available, but if obtained could provide the City with a revenue source.

She shared that Clarence Clark (previously with DNR) is now operating independently and feels the the LTF and lands in the ILMA should be part of the City entitlement lands. He is willing to do the work necessary to arrange for the City to obtain this land if it can be done. His hourly rate is \$100/hr. Concerns were noted about the cost of his services without more information on what they would entail. Councilor (Mr.) Greif felt that the City may be able to generate significantly more revenue if the LTF is obtained than any costs it may take to obtain it.

Questions were raised about how much the fees could add up to at the hourly rate and what spending cap should be set for Clarence if hired. Councilor (Mrs.) Poelstra suggested that there is \$5000 in the budget for Professional services. Councilor (Mr.) Poelstra felt that it was important to have more information than word of mouth before making a decision. He asked Mayor Richter in her experience with Clarence, if she felt he would do a good job for the City and act efficiently. She shared her strong confidence in his ability to do the best he can to obtain the ILMA lands for the City.

Consensus of the public attendants was taken in favor of retaining Clarence Clark's services. No objections were noted.

Motion:

Councilor (Mr.) Poelstra moved to retain the professional services of Clarence Clark for the purpose of procuring the Edna Bay ILMA (Inter-agency Land Management Agreement) lands for municipal entitlement from ADL 108253.

- *Seconded by Councilor Williams*
- **Approved by unanimous vote of the council**

10 —

None.

Persons to Be Heard

Adjournment

Mayor Richter moved that the meeting be adjourned.

Motion seconded by Councilor (Mr.) Greif.

Meeting adjourned at 8:50 PM.