

City of Edna Bay - Special Meeting

1 — Meeting Date, Place and Call to order:

This Special Meeting was held on Friday, June 14th, 2019 at Edna Bay School.
Mayor Richter called the meeting to order at 6:18 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:

Brian Poelstra	Mike Williams	Russ Bartels	Pat Richter	Joe Wargi
Katie Buss	Sharon Wargi	Bob Fish	Richard Stockdale	Maureen Viera
Sue Crew	Louise DiPaolo	Roger DiPaolo	Steve Schallberger	Preston Armstrong
Ken Widmyer	Jim Widmyer	Christian Ritola	Logan Richter	

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.

Motion:

Mayor Richter moved to accept the consent agenda.

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

3.1 — Business:

Special Business:

- a: *Emergency Repair / Replace Breakwater, Discussion and Decision.*

4 — Special Business

Item A – Emergency Repair / Replace Breakwater...:

Mayor Richter opened the item and explained that the existing breakwater is nearing 10 years old. She noted that the City hired a diver to inspect the breakwater in October of last year and ACD's assessment indicated that the breakwater may have 1-2 years of use in its current condition before needing maintenance. During a recent inspection the lashings in the middle of the breakwater that were intact back in October have been found to now be almost entirely rotted away and something needs to be done soon.

Mayor Richter recapped that we have recently talked about replacing the breakwater with assistance from the DOT, with the City making up any funding shortfall. The DOT has recently indicated that the current project budget does not include any funds for the breakwater. The DOT program budget that started out at ~\$2 million has recently been reduced to ~\$1.8 million. It is unknown why the reduction occurred.

Mayor Richter has obtained quotes from Pool Engineering for a replacement pipe breakwater and quotes from Diversified Diving and Alaska Commercial Divers to repair the existing breakwater. Both repair quotes are for 25 steel lashings to re-wrap the existing breakwater in areas that are weak. Councilor (Mr.) Poelstra recently inspected the breakwater and took photos of its condition. Photos of the current breakwater were projected on the overhead and reviewed.

The quotes are as follows:

1: Pool Engineering; ~\$180,000 for a replacement pipe breakwater

2: Alaska Commercial Divers;
3: Diversified Diving;

\$39,505 for 25 lashings and repairs to the existing breakwater
\$32,070 for 25 lashings and repairs to the existing breakwater

Photos of the new pipe breakwater design were displayed on the overhead projector and reviewed. The current breakwater is 280' long. The current dock is 150' long at the front of the T, and the new dock will be 175' long. Pat Richter feels a new 300' long breakwater would be long enough and could be put right where the existing breakwater is since the structure is so similar to what is currently installed in that location.

Questions were raised on the estimated lifespan of the pipe breakwater and what the possible weak link is in its design. The consensus was that shackle chains and zincs are the likely failure points. The zincs are said to be 100LB on each pipe structure, since the breakwater is built in sections. Sue Crew suggested that zincs should be designed as bolt-on in order to make repairs easier and more cost effective. Mayor Richter said she would look into the zincs and get clarified what kind they are.

Questions were raised if bolt on zincs would allow local maintenance to be possible, and how overall maintenance cost on the new breakwater compared to the current one. Mayor Richter felt that the costs of maintenance should be lower on the new breakwater design. Concerns were noted about whether the tires on the new breakwater could rub the coating off of the pipe and lead to early rust damage or failure. Pat felt the tires should fit tight enough that they won't be able to move or wear the main structure.

Brian Poelstra asked about comparing the estimated cost difference of building a new larger boom stick breakwater vs. the cost of the pipe breakwater. He felt that with the old breakwater being built for ~\$30K, and lasting 10+ years at 1/4th the cost or less he feels that in comparison the Pool breakwater should then last 4 times as long per dollar in order for the value basis to be established. Preston Armstrong felt it should be comparable to the lifespan of a typical piling as a basis. Councilor (Mr.) Greif noted a pipe breakwater of similar design is in Hobart Bay and has been there for 30 years and is still in use.

Russ Bartels asked if there could be any money left over from the new dock project for the breakwater. Mayor Richter said she has asked in the last week and been told by DOT that they are struggling to make the figures work with just the dock. Russ asked if that meant the community money would then be funding the replacement breakwater. Mayor Richter said yes, and though we had agreed to wait for DOT bids to come in on the dock and then make up funding shortfalls for the new breakwater, she felt if the City builds the breakwater itself it could free up the DOT to focus on dock specifics.

Sue Crew asked that in regards to the breakwater repair bids, is the City not considering local labor? Pat said he spoke with Jere Crew and the he was not interested. Councilor (Mr.) Poelstra asked if the City has inquired with anyone closer than Ketchikan to get a lower price. Pat suggested it was always planned to save City money for use on large capitol projects. Councilor (Mrs.) Poelstra stated that one problem she sees with accelerating the timeline on the project is that we may not have the funds right now. She reviewed the funds on the overhead and pointed out how the City is working with ~\$203K of available funds after heavy budgetary cuts.

Budget discussion continued with fuel loans, grants and municipal loans discussed. Richard suggested that waiting to purchase the breakwater until we can obtain more funds from other sources could save us from the 4% interest residents would pay if the City takes out a fuel loan to free up more funds for the new breakwater. Roger DiPaolo suggested there is risk on both sides and that spending the City funds so low that it could impact the ability of core City business and its ability to function when facing unforeseen problems is not the best decision. He felt the least risky decision is to repair what we have and plan to replace the breakwater next summer.

Councilor (Mr.) Poelstra agreed with Roger's assessment of risk and felt now that the City is operating the bulk fuel facility and residents rely on it, maintaining a safety buffer of funds to cover costly repairs is critical. He suggested that Repair & Replacement (R&R) funds cannot be accessed until 10 years have passed, which means we need to keep local funds available for such repairs. Mayor Richter felt that R&R funds can be accessed at any time.

Councilor (Mrs.) Poelstra stated that last week she was comfortable voting to commit to the breakwater on the original schedule, allowing time for alternative funding sources to be applied for and also allowing time to ensure the DOT funding for the dock carries through. She is concerned the dock funding could be pulled leaving the us with a new breakwater, an old dock and no funds left over to maintain other parts of the City. Sue Crew asked given the State's current issues balancing the budget how much longer can we bank on revenue sharing funds being available and if we spend ourselves broke and we don't have revenue sharing

next year what do we do? Mayor Richter said no one can tell how that is going to turn out.

Richard Stockade suggested that rather than throw away money on the existing breakwater since we have so many other new things in the City, he isn't sure what else we can spend our money on and doesn't see a reason to wait.

Councilor (Mr.) Poelstra explained his feeling that the entire process around the new breakwater is not the normal process that has historically been followed. He noted that leading up to other projects we would have many committee meetings, multiple options to compare and contrast, and always be considerate to all questions to try and fit things into what we can afford. He noted that he already voiced his support for spending up to \$200K of local funds, but was not anticipating a change to the City taking over the project and slashing so much of other established budgets to complete the project inside of the current year. He felt that waiting on the normal schedule gives us time to consider other options, explore other funding, and make sure we wait to ensure the dock project is on solid footing. He felt that for the most expensive local project presenting the most financial risk in the entire history of Edna Bay that this has been the shortest process with the least amount of public input.

Councilor (Mr.) Poelstra felt that though we do have all new things in the City, they are all things we are now responsible to maintain at a higher cost, including the bridges. He emphasized that he previously voted for the new breakwater with the understanding we would have time for the process to carry out more carefully. He felt that waiting on the original schedule until next year is a risk, but also an insurance policy by allowing time to obtain other funds and potentially lower the cost to the City. He felt the current breakwater is still performing similarly at this time to what it did when it was new, and feels that since its not broken or undone, it does need maintenance before winter but does not represent a crisis situation. He felt if the City acts too fast it could put the City into a financial crisis. He said that more time will allow us to carry out a deeper process and ease some of the hesitation and concerns voiced by residents.

Mayor Richter clarified that the City is not responsible for the bridges at this time. The USFS is still responsible for them and have not taken any steps to transfer them yet. Currently we are not responsible. Brian Poelstra asked if we spend all of our money now, do we risk losing the opportunity to obtain matching funds for this or other dock projects in the near future? Mayor Richter said it is a hard question to answer. It was noted that if revenue sharing comes in it will be next August before we have extra funds for matching money. Mayor Richter said if DOT funds fall through and the dock cannot be replaced, the only way the City could get matching money is if we took ownership of the old dock first. She said the City is working on doing a local census and seeing if the median income of residents is low enough to qualify for a type of community block grant. The Community did not qualify in 2010 for that grant, but may qualify after doing an anonymous survey which the City is currently working on conducting. The block grant funds could be spent on the Dock.

Councilor (Mrs.) Poelstra felt that last week she was comfortable since we aimed to put more of the State funds into the project and pull them from other sources, but this week we're now looking at putting all of our local money into the project. She noted that we cannot apply for a grant after the fact to lower the cost. Discussion continued on the benefits of waiting to see what funding pans out. Mayor Richter felt that any funding sources may or may not work out and that there are no assurances.

Councilor (Mr.) Poelstra felt that one other thought we had in mind for combining the breakwater with DOT is that whoever bids will do both the dock and the breakwater and only incur one mobilization fee. Mayor Richter said it comes out about the same in the end because work with DOT costs more, and the City will pay less in fees if it does the project itself. Pat Richter said the breakwater has been on everyones mind since October when it was first presented, and that if we have to cut our budget in various ways to make the project go it would be better than spending money on repairs. Pat suggested the logs are rotted on the bottom and that they may have been eaten all the way through. Councilor (Mr.) Poelstra noted that the diver's report did not indicate that level of damage to the logs. Pat felt we should not guess on anything related to the dock and should avoid taking any chances.

Councilor (Mr.) Poelstra stated he is not sure how after saving for 10-years when we have faced several years with no revenue sharing, how we got into the idea of planning to spend all of our savings on one large project. He said that it has not been on his mind to spend it that way in all of the years he has been in public service, and that saving the funding and being careful with how it is spent was to prepare for continuing to function in future years when funding is short or cut entirely. He emphasized he, and no one else in the room is saying not to do the new breakwater, the only main question is around timing. He said he has been approached about having dock meetings, and they have been requested multiple times. He has avoided

calling them to prevent any tension in the community since the breakwater has been primarily researched by Pat after he obtained permission from the council and local voters to do so. He noted the way this was done has not been the typical process and that every other project including the last breakwater involved dozens of committee meetings and lots of public input, and that due to that process not being done a little better this time it has led to some of the hesitation he sees in the room. He noted that despite that he is still in favor of the new breakwater.

Councilor (Mr.) Poelstra explained his feeling that he would like to see us band-aid what we have, make it though the winter while seeking alternative funds to save more of our local money and avoid pushing the City to the breaking point by doing the project sooner than we necessarily have to. He noted that if the new dock was built it would be no question, but after all of our careful efforts he would like to see us slow down enough to value the timing of each step. He feels that since we knew the breakwater would need more maintenance, we discovered a need for repairs early in the summer and have time to fix it, that this is not an emergency situation and we have time to consider options without slashing the budget right now.

Sue Crew asked if we have considered beaching the current breakwater on 4th of July beach to do repairs. Mayor Richter said the current breakwater was built on the LTF and isn't sure it would fit on the 4th of July beach. Sue shared that Jere feels ~\$10K should re-lash the breakwater on the beach. She feels it would require the Council to make a request to Jere to do the repairs, and that he has no interest in putting out effort without it being requested. Councilor (Mr.) Poelstra said he would be happy to speak with Jere Crew regarding the repairs to the existing breakwater and felt the City may be able to sole-source since Jere appears to be the only local contractor interested in performing repairs.

Roger DiPaolo said he feels we need to take more time to perform due diligence. Russ Bartels explained his view of the pros / cons and that it appears the risk factor is big with this project. He has saved money all his life and is very concerned about the financial risk to the City, and would never put his family in the same kind of risk. He does not want to see discussion about a breakwater divide the community. Mayor Richter explained her feeling that some funds we have may present no problems if they are spent, we just have to look at the budget logically.

Councilor (Mrs.) Poelstra suggested that with some in the community feeling uneasy we should schedule another meeting for next Thursday and give everyone time to step back for a week and then come back together again once they've considered their neighbors and the scope of this project expense. She felt waiting would also give Councilor (Mr.) Poelstra time to speak with Jere.

The budget was discussed. Bob Fish asked what the worst case scenario is; can the City function without any money? It was stated that we have been there before and could manage again. Roger DiPaolo felt that he does not want to see the fuel moneys used for this project which would require a fuel loan to be taken out and a percentage tacked on to the cost of fuel. He felt that paying that added fee is tantamount to a tax being passed onto locals directly in order to pay for the breakwater.

Sue Crew stated her feeling that it is really important to be fiscally responsible as a community, and also feels with the breakwater there is a personal risk to all of those who's boats and livelihoods are connected to the dock. She shared her discomfort with spending so much money all at once. Councilor (Mr.) Poelstra felt we need to take a little more time to think about this, come back and make a decision on repairs or replacement. Richard explained we have had plenty of meetings to discuss the breakwater and wants to vote. Councilor (Mr.) Poelstra noted that this money is everyone's and feels that we need to have more meetings before spending nearly all of it, not less.

Mayor Richter asked for a show of hands for who wanted the new breakwater. Councilor (Mrs.) Poelstra noted that certain steps had to take place before we could vote for the breakwater including:

- 1: A resolution of the Council
- 2: A non-code ordinance

Mayor Richter felt we could do those things later. Councilor (Mr.) Poelstra noted that that third item that needs to be decided is how to interpret Section 4.01.010(A). He noted he has talked to multiple LGS's and they don't want to interpret it for the City. The provision notes that if the City moved to spend funds from more than one fiscal year or a later fiscal year it has to be approved by non-code ordinance and the voters. He felt that since our code is derived from the City of Gustavus where voters is plural for every registered voter it means that a Special Election would need to be called. Mayor Richter disagreed and felt that since we have a straw poll it allows voters present to decide. Councilor (Mr.) Poelstra disagreed and felt that if the

straw poll was substitute for all voting processes we would also elect our council by straw poll as well instead of a General Election. The section was put up on the projector and reviewed. He felt that an election would be valid since the risk involved with this type of financial impact, allowing registered voters who are investing in Edna Bay that are not present a chance to vote on the City's future financial viability.

Mayor Richter read back a letter from our local LGS regarding section 4.01.010(A) which noted the City will need to vote on how to interpret the language and we would need to document in the minutes how it was resolved. She read back further correspondence on section 4.01.010(A) and noted the LGS was not clear on the intent of the section of code. Mayor Richter said there is some interpretation that needs to be done. Pat Richter felt we need to vote on what we need to do first and that voting tonight would be to get the process started or to wait and do it later. Councilor (Mr.) Poelstra stated that this goes back to the decision that was made in December regarding the Postal funding, which we hired an attorney to investigate. The attorney concluded we cannot vote to do a project until we have money available in the budget first, which meant we need to decide on the budget first and then commit to starting the project. Mayor Richter felt we could vote to do the project now or vote to wait and start in the spring.

Councilor Williams stated that we now have an option tonight to patch the breakwater for less than we have anticipated and would like to see us patch what we have and then work to get other funds. Sue Crew felt that we need a chance to see the numbers presented in different ways so everyone can understand them better before making a decision, and would like to see the fuel numbers completely separated so that the budget is easier to read. Preston agreed and requested simplified figures. Myla Poelstra (Treasurer) stated she would like to have a chance to do what Sue and Preston asked for and come back to look at barebones figures. Councilor Williams again noted that if we get an affordable patch it could provide us with the time we need to obtain grant money for the project.

Louise DiPaolo said she understands there is momentum on this topic and felt that it can carry us to spend lots of money sometimes. She wants to see line items for the new breakwater budget and have all other unrelated items zeroed out in order to see where the money will actually come from and where it will go to. Maureen Viera asked if the patch was contingent on other individuals doing the work, could we vote now? Preston noted that he has done repairs to log structures using poly line before and felt that pulling the lines on the beach would be much better than working over the water.

Mayor Richter asked for a show of hands on waiting to discuss at a later date, and then for a show of hands on voting to proceed with the new breakwater now:

16 - Voted in favor of waiting

9 - Voted in favor of proceeding

It was agreed to postpone the discussion until next Thursday. Mayor Richter thanked everyone for coming and said she hoped to see them come again next Thursday.

5 – Persons to be Heard:

Councilor Williams asked if we were going to have Dock Committee Meetings to discuss this project going forward. She wants to see research and investigation meetings.

Councilor (Mrs.) Greif stated Donna Paul will be here July 10th and needs people to call in if they want appointments.

Councilor (Mr.) Greif stated at the last meeting we went over the budget 4 times and decided we had the money, why don't we have it tonight.

Russ Bartels said the word that scares him on the budget is projected money. Its not guaranteed, its just a question mark.. It looks good on paper but if the government changes its mind we don't get it.

Adjournment

Mayor Richter moved that the meeting be adjourned.

Motion seconded by Councilor (Mrs.) Poelstra.

Meeting adjourned at 8:21 PM.