

MINUTES

FOR THE REGULAR MEETING OF THE CITY COUNCIL

FOR THE CITY OF THORNE BAY, ALASKA
COUNCIL CHAMBERS OF CITY HALL
120 FREEMAN DRIVE

Tuesday July 16, 2019

6:30 p.m.

*The meeting was preceded by a workshop at 5:30 p.m.
DNR Forest Division provided the public with their plans for timber harvest and
settlement projects to the east of Thorne Bay*

1. CALL TO ORDER:

McDonald called the meeting to order at 6:30 p.m.

2. PLEDGE TO FLAG:

Audience and council stood for pledge

3. ROLL CALL:

Those present were McDonald, Carlson, Minnillo, Burger, Slayton

Those attending by phone: Edenfield and Williams

4. APPROVAL OF AGENDA:

McDonald moved to approve the agenda. Slayton seconded the motion. There was no further discussion.

MOTION: Move to approve the agenda

F/S: McDonald/Slayton

YEAS: McDonald, Edenfield, Slayton, Minnillo, Carlson, Burger

NAYS: None

STATUS: Motion Passed.

5. MAYOR'S REPORT:

Mayor McDonald reported on the following:

- a. IFA hired a General Manager. Dennis Watson the IFA's General Manager, Retired, will stay on to train the new manager for a short time.

- b. The concerns brought to the council regarding the Fisheries Association have been forwarded to the attorney for a guidance on who the oversight of the Committee would be.
- c. Solid Waste Baler repair is in the works. Getting internet put in so the new brain for the baler will be able to communicate with the factory and get the updates when needed.
- d. Planning Commission held their first meeting on July 15th with the next meeting on August 5th @ 6:00 p.m., in the City Council Chambers. The Planning Commission appointed their Chair Robert Hartwell, and Vice Chair Jim Baichtal at their July 15th meeting.

6. ADMINISTRATIVE REPORTS:

a. City Administrator's Report:

Meetings Attended and Updates:

- A. Teri and I met with OVK to discuss specifics of the Community Transportation grant in relation to project limits for the application. Phase 1 is from the Thorne Road to mile post 1.5 where the current project starts. The cost estimate is, based off the FLAP project, and prior engineers estimates, to be approximately \$5 million. Matching funds are 9.5 % and can be inhouse match. This submittal will be for the year 2020-2023 review period.
- B. Weekly construction meeting for Water upgrade project. Due to no State budget and lack of funds for VSW they cannot send their inspector to Thorne Bay and have asked me to do the construction inspections for the next couple months.

Tasks and Projects:

- A. Daily Construction inspection and pictures for VSW and DOWL to review progress. Exterior framing is complete and roofing complete with ice and water shield covering the plywood. The project is on and ahead of schedule on the construction work. Electrical should begin once the generator room is finished enough to hang electrical panels. The mechanical work is still working on shop drawings.

New Business:

- A. Resolution 19-07-16-01 supporting the continued road improvements and upgrades of the South Thorne Bay / Kasaan Road.
- B. Resolution 19-07-16-02 updating the Organizational Chart for the City of Thorne Bay Personnel.
- C. Appointing Thomas Drumme to the Planning and Zoning Commission.

Ordinances for Introduction:

- A. Ordinance 19-08-06-01 an ordinance that would place the question of increasing sales tax by one half of a percent to be used for Emergency Services and Law Enforcement Officer.

Ordinances for Public Hearing:

- A. Ordinances 19-07-16-01 & 02 are to amend the Planning and Zoning Commission duties and the Streets and Roads Commission duties to allow the combining of Streets and Roads Commission duties with the Planning and Zoning Commission duties if there is no Streets and Roads Commission.

Expenditures over \$2000

- A. Authorizing an expenditure not to exceed \$110,000, for repairs of the Solid Waste Baler.

Harbors and Parks: Tyrell did a great job monitoring activities and doing checks on the harbor while Ron was on Vacation.

Streets and Roads: Max is back to work so we can continue road projects.

Water and Sewer: Sam and Dave are doing great keeping water operations going despite the construction. CDC is going to give the city a price for painting the outside of the reservoir next year. An item that is always mentioned during the DEC inspections.

Solid Waste: Teri has an update on the baler. Josh has upgraded his CDL to include lowboy trailers. Josh has taken the slow time to change oils and filters on the equipment. Josh has recommended that the City start charging \$1 per gallon for oil and diesel brought to the solid waste site as a lot of the liquid is coming with water and antifreeze that needs to be separated before going into the waste oil burner. And we may have to start limiting the amount coming in.

Law Enforcement: Sounds like there is a person interested in filling the Thorne Bay VPSO position. Now the holdup is state budget funding to send him to the academy and since the academy is only held a couple times a year this may add to the delays.

FIRE/EMS: Follow up from last meeting the City has 3 operating fire trucks. On at Davidson Landing that can carry and pump water. Two on the northside, one that can pump from a hydrant and one that can carry and pump water. The truck that only pumps can carry water but leaks out if left for a couple days. The department is looking into having quick response trailers with pump and hose set around town at specific locations.

Library: The new layout is working well. Outside work has not started.

b. City Clerk Report:

City Clerk, Teri Feibel reported the following:

- Ordinance 19-08-06-01- will place the question of increasing City Sales Tax ½ % on the October 1st Municipal Election Ballot. Estimated revenues from the additional sales tax is \$33,340.06. The funds would be dedicated to funding an Emergency Services/Public Safety Departments.
- Solid Waste Baler Repairs – Estimated cost of \$90k for the repairs, we are budgeting \$110k in case of any surprises they may find when begin the install.

Finance Reports of Income and Expenses and the balances from the City's First Bank, Tongass Federal Credit Union and Wells Fargo Investment Accounts.

<u>HEALTH PREMIUM</u>	\$35,009.76
<u>OCCUPANCY GEN.</u>	\$5,014.95
<u>OCC TAX HARBOR</u>	\$16,327.13
<u>OCC TAX EMS/FIR</u>	\$9,652.93
<u>OCC TAX TOURISM</u>	\$5,960.54
<u>OCC TAX PARKS</u>	\$8,265.69
TOTAL OCCUPANCY....	45,221.24
<u>CHECKING</u>	\$88,715.79
SALES TAX SAVINGS:	
<u>SALES TAX 40%</u>	\$100,042.05
<u>SALES TAX 60%</u>	\$203,650.37
TOTAL SALES TAX SAVINGS:	\$30,3692.42
<u>HARBOR</u>	\$69,416.52
<u>FISHERIES</u> (Not city funds. This amount will be transferred out of the City's account and deposited into the Fisheries Association Account.)	\$22,066.16
ACCOUNT TOTALS	\$564,121.89
WITHOUT FISHERIES	\$ 542,055.73

WELLS FARGO INVESTMENT UP SINCE LAST YEAR THIS TIME: WAS \$ 1,093,485.29 NOW \$ 1,110,484.85	\$16,999.56
BONDS	503,173.45
MONEY MARKET	607,311.40
TOTAL INVESTMENT BALANCE	\$1,110,484.85
TOTAL ACCOUNT BALANCES:	\$1,652,540.58
QUICKBOOKS OPERATING INCOME & EXPENSE	
OPERATING INCOME	\$ 196,569.61
OPERATING EXPENSE	\$ 51,737.12
(QuickBooks) NET OPERATING INCOME JULY 1-16, 2019	\$144,832.49

7. PUBLIC COMMENTS:

a) Tongass Federal Credit Union – Presentation, discussion item:

Helen Mickel | President/CEO

Tongass Federal Credit Union | P: 907.228.6756 | F: 907.225.9002 |

Thorne Bay History

Tongass Federal Credit Union opened an all-volunteer community microsite in Thorne Bay in March of 2006. TFCU is part of your community because the Thorne Bay Business Association asked us to come and provide financial services. At first it seemed impossible, a tiny community of about 500 people supporting a branch. But with the support of community members who understood the importance of having local financial services to help with the sustainability of a community, we were able to make it happen. It took a lot of creativity and adjustment, like figuring out the number of hours and days to be open and how and where to provide services. The first site was shared with a local sporting goods store that was in the basement of a member's home. The cash was kept in the gun safe and transactions were done on paper. In 2007 or 2008 we moved into the Island News building on Willow Drive where we stayed until June of 2019 when we were able to partner with the city for an improved and affordable location.

Metlakatla was our first branch; we opened there in 2005, Thorne Bay in 2006 and in 2008 we opened a site inside the local AC Store in Klawock. All these communities invited us to come. Metlakatla where Wells Fargo left citing economic concerns and Klawock

where they had been asking other banks to come in for years, but not one ever responded to their request. TFCU seeks to provide services to the unserved and underserved communities of coastal Alaska.

Not-for-Profit Financial Cooperatives

TFCU is a not-for-profit financial cooperative. We are governed by an all-volunteer board of directors. They set the strategic direction and approve policy for the credit union. We have board members located in Ketchikan, Klawock and Metlakatla. As a credit union, our shareholders are our members. Unlike banks we serve only one master, our members. Banks must serve their shareholders' interests by making enough money to give them a return on their investment, as well as keep their customers satisfied. As a credit union we can be nimble, and price our products and services for the benefit of our members.

Although we are not-for-profit, we still need to make enough money to build healthy reserves so we can remain sustainable into the future. We also must work to remain relevant by offering up-to-date services and products. TFCU is financially healthy and moving forward with plans to provide services in other microsite communities.

Tongass Federal Credit Union appreciates our partnership with the community of Thorne Bay. We enjoy being a part of the fabric of Thorne Bay and we are happy to be here providing services and two part-time jobs in the community. Thank you too for all you do to help us remain sustainable in your community through the money you borrow and the money you save with TFCU.

We currently are just shy of 400 members here in Thorne Bay and we are ecstatic about that. Today my husband Guy and I, brought over some teller stations for our employees that we had hand built by a local builder in Ketchikan.

We would like to invite individuals to be part of our Community Corps too! We send quarterly updates on current happenings at the credit union, we ask for feedback and may also ask for a little volunteer help with financial reality fairs or other community events. We rely on volunteers to help us move forward. The Community Corp is our sound board that gives us ideas for improving. Community Corp is a great way to do that. We would love to have more members.

Members get a quarterly email report from us letting them know what is going on. The reason we are able to do business in tiny business's is because of the relationship and support from the local residents. Everything you do makes a difference for us. We are also very thankful for our Thorne Bay staff Victoria and Adora, and we are very glad they are here tonight.

Roger Longbothom:

- Introduced Jeff and Karen Clark as Thorne Bay's New Preacher for the Baptist Church

Bob Hartwell:

- Requested the Council appoint Thom Drumme to the Planning Commission as Drumme had chaired the PZ Commission in the past and very knowledgeable in the department.
- On compliance officer, we are still generating the Do's and Don'ts of what the officer can do.
- Part of what I can do, people need to write their complaints down.
- Read what can enforce. Explained the noise more generator and not party or civil.
- What cannot enforce domestic violence, curfew, alcohol, theft, traffic (except parked), employee's and city departments.

Tara Blair:

- Here about a month ago, and a couple of things had asked, and I wanted to touch base on a couple of things....
 - Where are we at with Bay Chalet?
 - Thank city and council for the sand at the Baseball field. Sand is there, work not completed yet, but coming along. Thank you

Brad Clark:

- Endorse Mr. Drumme on the Planning Commission. Expertise and knowledge unmatched from anyone in the community
- Hartwell was elected as the Chairman of Planning Commission... Congratulations
- Number of us met with Sara Yockey regarding Kasaan Road – request the council support the efforts for the upgrades to Kasaan Road...
- Requested the City Council add language in the resolution that would include paving of the Kasaan Road.

Dave Egelston:

- Support Thom Drumme, hope you will endorse selection for the committee
- Discussion about half percent increase in sales tax- to go before voters this fall, don't like increases in sales tax, but do support emergency services. We do not have enough volunteer time to manage services the way we need to. Need someone who has time to put in and keep up.

Dan Romey:

- Reinforce Brad's statement about the pavement. When road was gravel all the way to Klawock, it was once brought to pavement standards. Then let go for about 10 years and had to do all over again. Pay for it twice in a sense.

8. COUNCIL COMMENTS:

Mark Minnillo:

- Would like reports from the commissions now they have started.
- Also, years ago we had reports from all departments...Fire, EMS, etc. That way status of engines and such brought up then...
- As far as Fire Trucks do we have something in the works on that?

Risa Carlson:

- Are we going to discuss the State's plan to log our backyard?

McDonald:

- Reason for the presentation was for the public as much as it was for the council. Not sure what we can do if the State plans to log their land.

Ray Slayton:

- Didn't sound like they were asking, only telling.

Risa Carlson:

- They did ask for public input

Mark Minnillo:

- Will the City provide input once their plan is put out? There will have to be a public comment period, so the opportunity will be there.
- I think the City should provide comments.

McDonald:

- Every time they log state land and then sale the lands, the public are left to put in the roads. Part of the land sometime in the future will be developed. I want to be able to use as many of the roads as we can for residential use.

Risa Carlson:

- Risa, they never finish the cul-de-sac. It is in the plan, but they never finished.

Ray Slayton:

- Jim Neiland asked this very question and they kept saying over and over they would only do minimum of what they had to get the wood out of there. State was very articulate in how they said that.

McDonald;

- Not defending the State, but they have to do what they need to get the wood out. We will definitely make comments.

Ray Slayton:

- The time it will take to grow all of that back is well out in the future.... Like our grandchildren's grandchildren

9. CONSENT AGENDA: NONE

10. NEW BUSINESS:

- a) **Resolution 19-07-16-01**, a resolution supporting the continued road improvements and upgrades of the South Thorne Bay / Kasaan Road discussion and action item:

McDonald moved to amend the resolution to add language that the portion that is improved also be paved. Slayton seconded the motion.

MOTION: Moved to approve Resolution adding language to
F/S: McDonald/Slayton
YEAS: McDonald, Edenfield, Slayton, Minnillo, Carlson, Burger, Williams
NAYS: None
STATUS: Motion Passed.

- b) **Resolution 19-07-16-02**, updating the Organizational Chart for the City of Thorne Bay Personnel, discussion and action item:

McDonald moved to approve Resolution 19-07-16-02. Carlson seconded the motion.

MOTION: Move to approve Resolution 19-07-16-02
F/S: McDonald/Carlson
YEAS: McDonald, Edenfield, Slayton, Minnillo, Carlson, Burger, Williams
NAYS: None
STATUS: Motion Passed.

c) Appointing Thomas Drumme to the Planning and Zoning Commission, discussion and action item:

McDonald moved to appoint Thom Drumme to the Planning and Zoning Commission.

Burger seconded the motion. Minnillo do commission members have to be residents of Thorne Bay? And is Thom Drumme a resident of Thorne Bay? Thom Drumme replied that he was a resident of Thorne Bay.

MOTION: Move to appoint Thom Drumme to the Planning and Zoning Commission
F/S: McDonald/Burger
YEAS: McDonald, Edenfield, Slayton, Minnillo, Carlson, Burger, Williams
NAYS: None
STATUS: Motion Passed

11. ORDINANCE FOR INTRODUCTION:

- a) **Ordinance 19-08-06-01**, an ordinance that would place the question of increasing sales tax by one-half (1/2) of a percent to be used for Emergency Services (EMS/FIRE) Responders and Law Enforcement Officer, discussion and action item:

McDonald move d to approve Ordinance 19-08-06-01. Slayton seconded the motion.

City Clerk reported that the Ordinance for ballot question to increase sales tax would generate approximately \$33,340.06 in sales tax. In the last 5 years we have averaged \$400,080.00 in tax revenue, equaling out to \$66,680.12 per year.

Slayton stated that the City had approved a Bed Tax a while back that had been used to fund some of the EMS operations, and he wanted to make sure the money is being accounted for. City Clerk explained it was, and that there is a register accounting for everything those funds are used for. The bank account balances for the Bed Tax were provided in the Clerk's report and the beginning of the meeting.

Williams stated that he was very passionate about the City's Emergency Services and it has been his goal for some time to enhance the services here so people would be sure to have these emergency services when they need them. This idea is that we would at least have the seed money to hire someone to get this operating.

Williams requested a public workshop to discuss the options and make sure to get this right and support the Emergency Services. Williams stated he was not satisfied with the contract held with Klawock and he did not feel they were providing the level of service the citizens here deserve.

Carlson stated she too felt this needed to get out to the public and a workshop is necessary to allow the public the opportunity to see what our idea is for utilizing the tax revenues from the additional ½ % tax. Carlson added that she was concerned the ½% tax increase may be too low to make an impact in the community.

McDonald discussion of the next city council meeting having the workshop be dedicated to the sales tax. Have workshop begin at 5:30 p.m.

MOTION: Move to approve Ordinance 19-08-06-01
F/S: McDonald/Slayton
YEAS: McDonald, Williams, Edenfield, Slayton, Minnillo, Carlson, Burger
NAYS: None
STATUS: Motion Passed.

12. ORDINANCE FOR PUBLIC HEARING:

a) **Ordinance 19-07-16-01**, Amending Title 2.48-Planning Commission, amending Section 2.48.100, Planning Commission Duties, discussion and action item:
McDonald moved to approve Ordinance 19-07-16-01. Carlson seconded the motion. Minnillo last meeting I voted against this because we need to have two commissions

MOTION: Move to approve Ordinance 19-07-16-01
F/S: McDonald/Carlson
YEAS: McDonald, Edenfield, Slayton, Williams, Carlson, Burger
NAYS: Minnillo
STATUS: Motion Passed

b) **Ordinance 19-07-16-02**, Amending Title 12-Streets, Sidewalks and Public Places, Chapter and Section 12.09.010-Streets and Roads Commission, discussion and action item:
McDonald moved to approve Ordinance 19-07-16-02. Slayton seconded the motion. There was no further discussion.

MOTION: Move to approve Ordinance 19-07-16-02
F/S: McDonald/Slayton
YEAS: McDonald, Edenfield, Slayton, Williams, Carlson, Burger
NAYS: Minnillo
STATUS: Motion Passed

13. EXPENDITURES EXCEEDING \$2,000.00:

- a) Authorizing an expenditure not to exceed \$110,000.00, for repairs the Solid Waste Baler, discussion and possible action item:

McDonald moved to approve the expenditure of \$110,000.00, for the repairs to the Solid Waste Baler System. Minnillo seconded the motion. Burger stated that getting the baler back online Thorne Bay had opportunity to house a regional solid waste with other communities bringing their garbage to Thorne Bay for disposal since barges will stop shipping loose garbage as they had in the past.

Carlson inquired if the council felt it would be a sound investment into the baler. Teri explained that the City currently pays Klawock almost \$70,000.00 a year. By repairing our baler, and not taking it to Klawock, the costs would cancel themselves out.

MOTION: Move to approve the expenditure of \$110,000.00, for the repairs to the Solid Waste Baler System
F/S: McDonald/Minnillo
YEAS: Williams, McDonald, Edenfield, Slayton, Minnillo, Carlson, Burger
NAYS: None
STATUS: Motion Passed.

14. EXECUTIVE SESSION:

The council will adjourn to executive session for the purpose of discussing Subjects that tend to prejudice the reputation and character of any person, provided the person may request a public discussion;

1. Matter to be discussed is the City Administrator's Contract, discussion and action item:

McDonald moved to adjourn to executive session for the purpose of discussing the City Administrator's contract. Minnillo seconded the motion. There was no further discussion

Meeting was recessed 7:33 p.m.

Mayor McDonald reconvened the meeting at 8:13 p.m.

MOTION: Moved to adjourn to executive session to discuss the City Administrator's Contract
F/S: McDonald/Minnillo
YEAS: McDonald, Williams, Edenfield, Slayton, Minnillo, Carlson, Burger
NAYS: None
STATUS: Motion Passed.

15. CONTINUATION OF PUBLIC COMMENT:

Brad Clark

- Thank Ben Williams for bringing EMS up. Not sure if Tax is the way. That position has the potential to bring South and North together or tear apart. I say because you have two units. One here and one on south. The truck on southside did not run last time tried to use. There are options for mobile water units. Look at that. There people have water units. You have a lot of people here, and a lot of energy to use ad-hock committees. The EMS Fire needs to be addressed.
- On page 5 of the chart, you refer to a Planning Official, and last meeting was a mention of Planning official. Who is that??

Thom Cunningham:

- I would like to bring up conditional use permits. Especially on South Thorne Bay. I would like to recommend that City when someone applies for a business license, then find out what that business is so can let them know if they need to have a conditional use permit. Determine then.

16. CONTINUATION OF COUNCIL COMMENT:

NONE

17. ADJOURNMENT:

McDonald adjourned the meeting at 8:18 p.m.

ATTEST:



Harvey McDonald, Mayor


Teri Feibel, CMC