

## 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 2, 2019  
6:30 p.m.

The meeting was preceded by a workshop beginning at 6:00 p.m.

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#### 1. CALL TO ORDER:

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

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#### 2. PLEDGE TO FLAG:

The city council and audience stood for the pledge to the flag.

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#### 3. ROLL CALL:

Those present were: Burger, Williams, McDonald, Carlson, Minnillo & Edenfield

Those excused: Slayton

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#### 4. APPROVAL OF AGENDA:

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

MOTION: Move to approve the agenda.

F/S: McDonald/Minnillo

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

NAYS: None

STATUS: Motion Passed

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## 5. MAYOR'S REPORT:

McDonald reported the following:

1. Baler repairs pending. Estimated cost provided to replace the computer was around \$150,000 to \$200,000.
2. July 8, 2019-IFA would be conducting their Interviews for new General Managers of the IFA.
3. Met with troopers and VPSO West regarding Alder Road issues. We are continuing to move forward however we can to get the issue resolved and people to get access to their properties.
  - Minnillo inquired if Alder Court was an existing road when the State subdivided and sold that property, or if the people there now had to actually build the road themselves.
  - McDonald responded that he would look into it.

There was discussion regarding who was required to maintain the roads in the subdivision

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## 6. ADMINISTRATIVE REPORTS:

### a. City Administrator's Report:

**The City Administrator provided a report.**

#### **Meetings:**

Met with Greg Stotton who confirmed that the State retains ownership of the ROW.

Met with State Troopers and trying to resolve the issues with the ROW

Met with OVK – discuss the applying for a Community Transportation Grant for the continued repairs and upgrades to the Kasaan Road. Next meeting with Sara Yockey, of OVK, will be July 15<sup>th</sup> to go over what could be done, how much the budget would be, and apply for the grant funds.

Water and Sewer Treatment Plat Upgrades – held the weekly meeting with the Contractor, State and VSW on the project.

Due to the dry weather, we are asking that people be cautious with their fireworks. Try to shoot them out over the water.

**Projects:**

Thorne Bay is assisting with documentation of the progress on the water/sewer treatment upgrades. Contractors will be putting the roof up after the fourth. Work has been progressing faster than anticipated.

No glitches so far.

**New Business:**

- a. Resolution for Williams Subdivision-Plat is consistent with requirements

**Ordinance for Public Hearing:**

- Ordinances 19-07-16-01 + 02 are amendments that allow the Planning Commission to act as Streets and Roads Commission in their absence.

**Expenditure:**

- a. CMI repairs to the Excavator.
- b. Expenditure on the agenda for the Generator is estimated at \$4,100.00, there is a need for the generator because if power goes out, that would shut the plant down. Hoping to have the expense of \$3,000.00.
- c. Expense to DOWL for \$3,900 to obtain DEC approval to put drainfield at Davidson Landing to have a caretaker facility for someone to take care of DL area.
- d. Expense for Library Capital Improvements. Will sheet around the outside of the library that is rotting through, as well as sheet (skirt) the bottom of the, will also assist with the completion of repairs on inside of the building.

**Department Reports:**

- a. **Parks and Rec** – Ballfield maintenance has begun. Sand has been delivered and Nick Gefre will assist with spreading some of that out.
- b. **Harbor** - Harbor activities are increasing. A lot of time and energy from Ron, the Harbormaster, dealing with the few people that do not like the rules and regulations of the harbor. Ron manages the harbor and situations very well.
- c. **Streets and Roads** – The streets department is currently working on sign repairs and right-of-way mowing. Kasaan road improvements are underway
- d. **Water and Sewer** –
  - Sam Sawyer passed his Level II Water Operator Certifications. The city is now in compliance with DEC for the water and sewer operations.
  - Dave Duffield will take his exam for the Water Operator Level I certification the first of next week.



- Want to acknowledge and give a pat on the back to our Water Operator Dave Duffield. As Sam Sawyer has been out spending time with his family and welcoming a new baby, Dave has really stepped up and has been running the operations by himself and doing a great job.
- e. **Solid Waste** – The baler is still down and not operating. One of the items on the agenda was expenditure for the repairs to the baler which were estimated at \$150,000 to \$200,000. One of the biggest issues with the baler is that it is not operated enough. On average a baler should run at approximately 8 hours per day, while the City's runs 4 hours every couple of weeks. That is one of our biggest issues and why we are trying to see if we can get an island wide operation to keep a baler running all of the time like Ketchikan or Wrangell.
- f. **Law Enforcement** – No update on VPSO or funding for the VPSO Program. They were just cut back by \$150,000.
- g. **FIRE/EMS** – Per Councilman Williams we are seeing what we can do about funding these positions.
- h. **Library** – Last veto of the Governor was eliminating the OWL funding. Will impact our operations here.

**b. City Clerk Report:**

Clerk Teri Feibel provided the financial reports to the City Council.

Banking Balances:

Tongass Federal Credit Union Share accounts

Name	Available Balance	Actual Balance
<a href="#">HEALTH PREMIUM</a>	<a href="#">\$35,009.76</a>	\$35,014.76
<a href="#">OCCUPANCY GEN.</a>	\$5,014.95	\$5,014.95
<a href="#">SALES TAX 40%</a>	\$100,042.05	\$100,042.05
<a href="#">OCC TAX EMS/FIRE</a>	\$9,652.93	\$9,652.93
<a href="#">OCC TAX TOURISM</a>	\$5,960.54	\$5,960.54
<a href="#">OCC TAX PARKS</a>	\$8,265.69	\$8,265.69
<a href="#">OCC TAX HARBOR</a>	\$16,327.13	\$16,327.13
<a href="#">CHECKING GENERAL ACCT</a>	\$113,626.17	\$113,626.17

Name	Available Balance	Actual Balance
<a href="#">SALES TAX 60%</a>	<a href="#">\$203,650.37</a>	\$203,675.37
<a href="#">HARBOR</a>	\$69,416.52	\$69,416.52
<a href="#">FISHERIES</a>	<a href="#">\$22,066.16</a>	\$22,091.16
ACCOUNT TOTALS	\$589,032.27	\$589,087.27

City Clerk reported that concerns of how the Fisheries Association had awarded their 4<sup>th</sup> Community Charter Halibut Permit had been brought to the Council and councilmembers Minnillo and Slayton had requested the item be placed on the City Council agenda for discussion.

Clerk Feibel informed the City Council that the Fisheries Association needed to hold a special meeting to accept the resignation and appoint a replacement Agent for the Association since she had resigned. In order for the Fisheries Association to be compliant with the State of Alaska Corporations requirements, they needed to officially vote and replace the agent and then file that notice of change in officials to the State of Alaska Corporations Section.

Feibel stated there were issues when one of the permit holders who tried to report their GAF using the Fisheries Agent's login and was denied access because the account had been deactivated. The President of the Association had reported to NOAA that the Agent had resigned and to be removed from the E-Fish Account, although the resignation had not been voted on or a new agent appointed.

One of the largest items of concern with the Association was whether or not they were a "Private Corporation" or Public Corporation under the City.

Clerk Feibel read the Fisheries Association's Purpose Statement as written on their Articles of Incorporation filed with the State of Alaska "the purpose of this association is to acquire and distribute Halibut and Sablefish IFQ on behalf of the City of Thorne Bay, Alaska, as a Community Quota Entity Participant".

Clerk explained that the Association was comprised of Teri Feibel as the Registered Agent, David Egelston as the President, Jim Silverthorn as the Vice President, and Gary Anderson as the Secretary/Treasurer.

Feibel stated that if the Fisheries Association had their Board of Directors separate from the Fisheries Association voting members to manage the activities of the association, then the Board of Directors would be the ones who would deal with any issues or



complaints regarding the Associations actions on distribution of the IFQ and Charter Halibut Permits.

After speaking with the City's Local Government Specialist (LGS), it was recommended the City Council send a letter requesting that the Association adopt an Open Meeting Policy and Conflict of Interest Policy. It was the opinion of our LGS that the Council could not override a decision of the Association, but that since the City Council is required to submit a Resolution supporting the Association formation, that the council could recommend the Association adopt the policies. Since the Charter Permits were provided on behalf of the community to enhance economic development of the community, then obviously the community would have an interest and want to participate in those meetings.

Clerk Feibel stated that if residents were unable to get direction from the council, then they could go to the State of Alaska's website, Corporation's Division and submit a request for a formal investigation into the corporation.

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## 7. PUBLIC COMMENTS:

### **Rodger Longbothom commented on the following:**

- Spoke with one of the landowners on Alder Court and they actually paid for the road to be built down into her property

### **Dan Romey commented on the following:**

- Inquired about the pump at Water Lake. Explained that when he worked for the City there was an issue with the pump. When he was there

### **DeAnn Minnillo commented on the following:**

- Stated she continued to have concerns and questions regarding how the Fisheries Association had handled their distribution of charter halibut permits. It appeared that information had been researched and the information indicated that the City was the hierarchy of the Association, so why does it keep getting passed around and nothing done. Minnillo stated that she had experience serving on public boards, which included serving as a Councilmember for the City of Ketchikan, and Liaison for Ketchikan's Relations Committee and Visitors Industry, so she was familiar with how things are supposed to be operated. Minnillo stated she was shocked when she attended the Fisheries meeting and saw how it was run and how they didn't even adhere to their own bylaws. The board consists of 6 members, of which 3 members had requested the board be dismantled. Minnillo concluded her comments stating the actions of the Fisheries Association were unethical and requested that something be done to address the issue.

**Jim McFarland commented on the following:**

- Introduced the Southeast Island School District Superintendent Sherri Becker. McFarland stated Mrs. Becker was residing in Thorne Bay and has already been very active within the Community. Hope everyone will welcome her to the Community.

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**8. COUNCIL COMMENTS:**

**Williams commented on the following**

- Requested an ordinance be brought forward to the City Council at the next meeting that would place the question on the ballot of increasing sales tax by one-half (1/2) of a percent to fund Emergency Services. The money would be dedicated for funding an Emergency Service and Fire Coordinator and Safety Compliance officer if needed. Williams stated the City was negligent in the area of public safety and emergency services. It is a very important need of the community and the city was not providing it to the level of standards needed. Williams stated that the departments are currently managed through the help of volunteers, and that was great, but they are few and far between, so they get burnt out quickly. If Thorne Bay wanted to have an Emergency Services Department, they would need to pay for it.

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**9. CONSENT AGENDA:**

**a. MINUTES:**

- Minutes of the June 18, 2019, Regular City Council Meeting, discussion and action item:**
- Minutes of the June 4, 2019, Regular City Council Meeting, discussion and action item:**

McDonald moved to approve the minutes of the June 4<sup>th</sup> and 16<sup>th</sup> Regular City Council Meetings. Carlson seconded the motion. There was no further discussion.

**MOTION:** Move to approve the minutes of the June 4<sup>th</sup> and 16<sup>th</sup> Regular City Council Meetings

**F/S:** McDonald/Carlson

**YEAS:** McDonald, Edenfield, Carlson, Burger, Minnillo, Williams,

**NAYS:** None

**STATUS:** Motion Passed.



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## 10. NEW BUSINESS:

### **a) Review of Thorne Bay Fisheries Association Activities, discussion and possible action item:**

McDonald moved to request that the Fisheries Association adopt a Conflict of Interest Policy and Open Meetings. Williams seconded the motion.

Edenfield inquired if the members would be invited to attend and vote? McDonald stated he did not have answers to that.

Carlson stated she felt the discussion needed to be cleared up, there were a lot of people that did not like how it was handled and the council should address the issue.

McDonald stated he would get with Wayne and craft a letter to the attorney to find out who is the oversight on the Fisheries Association Activities.

There was further discussion.

**MOTION:** Move to request that the Fisheries Association adopt a Conflict of Interest Policy and Open Meetings

**F/S:** McDonald/Williams

**YEAS:** McDonald, Edenfield, Carlson, Burger, Minnillo, Williams,

**NAYS:** None

**STATUS:** Motion Passed

### **b) Closing the Fisheries Savings Account held in the City of Thorne Bay's Tongass Account, discussion and action item:**

McDonald moved to close the Fisheries Savings Account held by the City and turn over to the Fisheries Association. Carlson inquired if this was the right time to be handing over their account when they have been accused of malpractice. Williams stated no one is questioning how the money is being handled at this point and time. I agree with mayor, if they require the request for open meeting etc. they will become in the State's watchful eye.

**MOTION:** Move to close the Fisheries Savings Account held by the City and turn it over to the Fisheries Association

**F/S:** McDonald/Carlson

**YEAS:** McDonald, Edenfield, Carlson, Burger, Minnillo & Williams,

**NAYS:** None

**STATUS:** Motion Passed.



- c) **Resolution 19-07-02-01**, approving subdivision plat no. 2004-27, subdivision of lot 3, Manier Subdivision, creating lots 3A & 3B. discussion and action item:

McDonald moved to approve Resolution 19-07-16-01. Burger seconded the motion. There was no further discussion.

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

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## 11. ORDINANCE FOR INTRODUCTION:

- 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 move to approve Ordinance 19-07-16-01. Burger seconded the motion. There was further discussion.

MOTION: Move to approve Ordinance  
F/S: Williams/Burger  
YEAS: McDonald, Edenfield, Carlson, Burger & Williams  
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. Edenfield seconded the motion. There was no further discussion.

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

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## 12. EXPENDITURES EXCEEDING \$2,000.00:

### a) Expenditure of \$3,500.00 to CMI for VOLVO Excavator Repairs, discussion and action item:

McDonald moved to approve the expenditure of \$3,500.00, to CMI for VOLVO Excavator Repairs. Carlson seconded the motion. There was no further discussion.

MOTION: Move to approve the expenditure of \$3,500 for VOLVO Excavator Repairs  
F/S: McDonald/Carlson  
YEAS: McDonald, Edenfield, Carlson, Burger, Minnillo, Williams,  
NAYS: None  
STATUS: Motion Passed.

### b) Expenditure to CBC Construction for Water Plant GENERATOR Installation discussion and action item:

McDonald moved to pay for the installation of a generator at the Water Plant, with total costs not to exceed \$4,100.00. Edenfield seconded the motion. There was further discussion.

MOTION: Move to pay for the installation of a generator at the Water Plant, with total costs not to exceed \$4,100.00  
F/S: McDonald/Edenfield  
YEAS: McDonald, Edenfield, Carlson, Burger, Minnillo, Williams  
NAYS: None  
STATUS: Motion Passed.

### c) Expenditure to DOWL for \$3,960.00, for obtaining DEC approval to construct drain field for caretaker facility, discussion and action:

McDonald moved to approve the expenditure of \$3,960.00, to DEC approval to construct drainfield for caretaker facility. Carlson seconded the motion. There was further discussion.

MOTION: Move to approve the expenditure of \$3,960.00, to DEC approval to construct drainfield for caretaker facility  
F/S: McDonald/Carlson  
YEAS: McDonald, Edenfield, Carlson, Burger, Minnillo, Williams,  
NAYS: None  
STATUS: Motion Passed.

**d) Discussion of upcoming expenditures for repair the Solid Waste Baler, discussion and possible action item:**

Williams moved to table the discussion for Baler costs until the Administrator could obtain more information. McDonald seconded the motion. There was no further discussion.

MOTION: Move to table the discussion of the Baler costs until the City Administrator could obtain more information  
F/S: Williams/McDonald  
YEAS: McDonald, Edenfield, Carlson, Burger, Minnillo, Williams,  
NAYS: None  
STATUS: Motion Passed

**e) Approving the expenditure of \$4,000.00 for library repairs and capital improvements, discussion and action item:**

McDonald moved to approve the expenditure of \$4,000.00 for library repairs and capital improvements. Carlson seconded the motion. Edenfield inquired if the library would be putting matching funds for the projects and repairs. Williams stated the Friends of the Library would be providing funds towards the repair but may not be exactly 50% of the amount the City puts forward.

MOTION: Move to approve the expenditure of \$4,000.00 for library repairs and capital improvements.  
F/S: McDonald/Carlson  
YEAS: McDonald, Edenfield, Carlson, Burger, Minnillo, Williams,  
NAYS: None  
STATUS: Motion Passed

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**12. EXECUTIVE SESSION:**

The council may adjourn to executive session for the purpose of discussing pending or threatened lawsuits in which the city has an interest, which are matters, the immediate knowledge of which would clearly have adverse effect upon the finances of the city.



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### 13. CONTINUATION OF PUBLIC COMMENT:

**Brad Clark commented on the following:**

1. Commented on the resolution for subdivision, it was approved by the Planning Official which was after creation of the Planning Commission.
2. Incorporation – with the Fisheries Association, if there was a resolution from the Council authorizing this committee it would help to determine who the oversight was.

**DeAnn Minnillo commented on the following:**

1. Thank you for your discussion of Fisheries. Appreciate what Risa Carlson said. Important done in proper manner. The recommendation does not undo what is done.
2. I asked for information regarding the fire department, and I was wandering if there is an answer for that.

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### 14. CONTINUATION OF COUNCIL COMMENT:

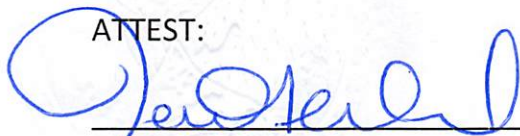

No further council comments.

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### 15. ADJOURNMENT:

Mayor McDonald adjourned at 7:59 p.m.

ATTEST:

  
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Teri Feibel, CMC  
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Harvey McDonald, Mayor