

**MINUTES
FOR THE REGULAR MEETING
OF THE CITY COUNCIL
FOR THE CITY OF THORNE BAY
ALASKA, COUNCIL CHAMBERS, CITY HALL
TUESDAY, June 21, 2016
6:30 p.m.**

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

1. CALL TO ORDER:

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

2. PLEDGE TO FLAG:

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

3. ROLL CALL:

Gould, Slayton, McDonald, Burger, Edenfield and Hartwell were present. Carlson attended by phone.

4. APPROVAL OF AGENDA:

Gould moved to approve the agenda. Hartwell seconded the motion. There was no further discussion.

MOTION: Move to approve the agenda

F/S: Gould/Hartwell

YEAS: Burger, Gould, McDonald, Carlson, Slayton, Edenfield and Hartwell

NAYS: None

STATUS: Motion Passed.

5. MAYOR'S REPORT:

Mayor Gould reported on the ways the State Legislation is looking at balancing their budget, one of which is implementing a State Sales Tax. Gould reported that the next POW Landscape Assessment Meeting would be held in Thorne Bay City Hall Council Chambers on June 30th at 1:00 p.m.

6. CITY ADMINISTRATOR'S REPORT:

The City Administrator read his report. (Report attached)

Mayor Gould commented that he and the Administrator had met with Matt Anderson the USFS Ranger for POW, and discussed the possibility of a land transfer for the Sort Yard. Gould stated that the USFS would want to retain access to the Sort Yard and LTF, but is in favor of transferring the Sort Yard to the City. Gould stated the City had tried in the past to acquire the Sort Yard from the USFS through a resolution, but the City could not afford any of the options available for transferring the land at that time.

McDonald commented on the CDL requirement in the Administrator's report and stated he knew of the CDL requirement was for operating equipment exceeding 26,000 pounds, from his time with the USFS.

The City Clerk reported the changes in Health Insurance for City Employees. The Change would be from Premera Blue Cross to Medova Healthcare (upon approval of the City Council during this meeting). Change in Insurance Providers would create a large cost savings to the City and Employee in their monthly premium costs. The switch in providers would also create changes in the employee's annual deductible, coinsurance cost, and out of pocket maximum for the year. The City Clerk stated the City Administration requested that the savings to the City in premiums be placed into a savings account to help offset future health insurance changes or increases in cost.

Current Insurance Premera Blue Cross:

Individual Plan:

Deductible: \$1,500.00

Coinsurance: 20% of all medical and prescription cost to employee after deductible is met
Out-of-Pocket Maximum: \$5,000.00 annually – Employee would only pay the coinsurance after deductible is met and only until they have paid \$5,000 out of their pocket in that calendar year.

City contributes \$100.00 per pay period to employee Health Savings Account to help offset deductible cost to employee

Family Plan:

Deductible: \$3,000.00

Coinsurance: 20% of all medical and prescription cost to employee after deductible is met
Out-of-Pocket Maximum: \$10,000.00 annually – Employee would only pay the coinsurance after deductible is met and only until they have paid \$10,000 out of their pocket in that calendar year.

City contributes \$100.00 per pay period to employee Health Savings Account to help offset deductible cost to employee, totaling \$2,600 annual contribution.

New Insurance Medova Healthcare:

Individual Plan:

Deductible: \$3,000.00

Coinsurance: None

Out-of-Pocket Maximum: \$3,000.00 (which is only the deductible)

After deductible has been met the individual will pay a co-pay of \$30 per physician visit and \$50 per specialist visit.

City contributes \$115.39 Bi-Weekly to Employee Health Savings Account to help offset deductible cost to employee, totaling \$3,000 annual contribution

Family Plan:

Deductible: \$6,000.00

Coinsurance: None

Out-of-Pocket Maximum: \$6,000.00 (which is only the deductible)

After deductible has been met the individual will pay a co-pay of \$30 per physician visit and \$50 per specialist visit.

City contributes \$230.77 Bi-Weekly to Employee Health Savings Account to help offset deductible cost to employee, totaling \$6,000 annual contribution

7. PUBLIC COMMENTS:

Mary Youderian commented on the following:

- Requested clarification on Employee Insurance

8. COUNCIL COMMENTS:

Gould commented in favor of the change of insurance companies for City Health Insurance.

McDonald made the following comments regarding the IFA:

- Anthony Christianson, who is also the Mayor of Hydaburg, was recently appointed to IFA Board, taking the place of Jolene Edenshaw who recently passed away
- The IFA is looking into the possibility of the ferry stopping in Kasaan on their way to Ketchikan, to pick up foot traffic. McDonald stated Dennis Watson would be visiting Kasaan to look further into the possibility as well as looking into the landing spot and depth soundings. A traffic study would also need to be done to see who comes from where to ferry from Hollis to Ketchikan. Dennis Watson will also talk with Kasaan for their thoughts on the idea. One disadvantage would be one less hour to spend in Ketchikan for that daily route. Other alternatives have also been discussed such as having a smaller boat pick up foot traffic in Kasaan and boat them to Hollis. McDonald stated this was only something the board was researching at this time and was not a guarantee to happen.
- The IFA also donated funds to help Alaska Marine Highway System Reform Project move forward. McDonald stated the Alaska Marine Highway System has been good to the IFA and they want to show their support in return. McDonald stated the Alaska Marine Highway was important to Southeast Alaska.

Hartwell inquired how much the IFA donated to the Alaska Marine Highway Reform Project. McDonald replied that they had donated \$1,000.00.

9. CONSENT AGENDA:

1. Minutes for the June 7, 2016, Regular City Council Meeting, discussion and action item:
2. Minutes for the June 13, 2016, Special City Council Meeting, discussion and action item:

Gould moved to approve the consent agenda which includes the minutes from the June 7, 2016 Regular City Council Meeting and June 13, 2016, Special City Council Meeting. Hartwell seconded the motion. There was no further discussion.

MOTION: Move to approve the consent agenda which includes the minutes from the June 7, 2016, Regular City Council Meeting and June 13, 2016, Special City Council Meeting

F/S: Gould/Hartwell

YEAS: Edenfield, Carlson, Slayton, Gould, Hartwell, McDonald and Burger

NAYS: None

STATUS: Motion Passed.

10. NEW BUSINESS:

- A. Approval of Agreement between the City of Craig and the City of Thorne Bay, for South Thorne Bay/Kasaan Road Maintenance and Upgrades, discussion and action item:

Gould moved to approve the agreement between the City of Craig and City of Thorne Bay, for South Thorne Bay/Kasaan Road Maintenance and Upgrades. Hartwell seconded the motion. Gould explained this agreement was the first part to the expenditure of \$15,000.00, to the City of Craig for Kasaan Road Maintenance and Upgrades. There was no further discussion.

MOTION: Move to approve the agreement between the City of Craig and City of Thorne Bay, for South Thorne Bay/Kasaan Road Maintenance and Upgrades
F/S: Gould/Hartwell
YEAS: Slayton, Hartwell, Gould, Burger, Edenfield, McDonald and Carlson
NAYS: None
STATUS: Motion Passed.

- B. Resolution 16-06-21-01, establishing security and cleaning deposit rate schedule for the City owned RV Park, discussion and action item:

McDonald moved to approve Resolution 16-06-21-01. Hartwell seconded the motion. Gould explained this would establish a deposit rate to new customers consistent with how the City established other deposits for city services. There was no further discussion.

MOTION: Move to approve Resolution 16-06-21-01
F/S: McDonald/Hartwell
YEAS: McDonald, Burger, Carlson, Gould, Edenfield, Hartwell and Slayton
NAYS: None
STATUS: Motion Passed.

- C. Resolution 16-06-21-02, establishing a deposit rate for Live-aboard Agreements issued by the City, discussion and action item:

Gould moved to approve Resolution 16-06-21-02. Burger seconded the motion. Gould stated this established a deposit for live-aboard's in the same manner as other deposits the city charges. There was no further discussion.

MOTION: Move to approve Resolution 16-06-21-02
F/S: Gould/Burger
YEAS: Edenfield, Burger, Hartwell, Carlson, Gould, Slayton and McDonald
NAYS: None
STATUS: Motion Passed.

D. Resolution 16-06-21-03, adopting to participate in the AML/JIA Loss Control Incentive Program, discussion and action item:

Gould moved to approve Resolution 16-06-21-03. Edenfield seconded the motion. Gould explained the City participates in the Loss Control Incentive Program every year and in return receives a discount through Alaska Municipal League Joint Insurance. There was no further discussion.

MOTION: Move to approve Resolution 16-06-21-03
F/S: Gould/Edenfield
YEAS: McDonald, Burger, Edenfield, Carlson, Gould, Slayton and Hartwell
NAYS: None
STATUS: Motion Passed.

E. City of Thorne Bay Contribution and Support to help move the Alaska Marine Highway System Reform Project forward, discussion and possible action item:

Gould moved to contribute \$1,000.00 to support and help move the Alaska Marine Highway System Reform Project forward. McDonald seconded the motion. Hartwell inquired how the contribution would affect the city's budget. Gould replied that the expenditure would be from the FY17 Budget, and money was available. There was no further discussion.

MOTION: Move to contribute \$1,000.00 to support and help move the Alaska Marine Highway System Reform Project forward
F/S: Gould/McDonald
YEAS: Burger, McDonald, Edenfield, Gould, Hartwell, Slayton and Carlson
NAYS: None
STATUS: Motion Passed.

F. Close of pathway/walkway from Rainy Lane to Shoreline Drive, discussion and action item:

Gould moved to agree to close the gravel pathway from Rainy Lane to Shoreline Drive, located adjacent to the steps. Hartwell seconded the motion. Gould explained the closure would be for the gravel pathway next to the stairs to keep 4-wheelers and bicycles from speeding down it and causing a safety concern due to oncoming traffic. Gould stated the bikes and other ATV's are not stopping at the bottom of the pathway and darting out into the road. Gould stated it was a liability to the City and the other property owner. Gould explained that part of the path was easement owned by the City and the other part was owned by Mr. Hartwell. Slayton stated before the council voted on closing the pathway, they needed to decide how it would be done. Gould stated he would like to see boulders, rocks or logs blocking the path to wheeled traffic. McDonald suggested zigzagging big boulders, or planting trees to keep it less desirable for people to want to bike or drive down. McDonald also suggested a sign that says "pedestrian traffic only". Hartwell stated he was concerned because if someone was to get hurt on the pathway, 2 feet of it was on his property, and he along with the City would be sued. Clarification to the motion was made. There was no further discussion.

MOTION: Move to agree to close the gravel pathway from Rainy Lane to Shoreline Drive, located adjacent to the steps
F/S: Gould/Hartwell
YEAS: Hartwell, Carlson, Burger, Edenfield, McDonald, Slayton and Gould
NAYS: None
STATUS: Motion Passed.

G. Authorizing the Mayor or Mayor's Designee to enter into an agreement with Medova National Insurance Providers for Health Insurance Coverage for eligible City Employees, and cancelling current Health Insurance from Premera Blue Cross of Alaska, discussion and action item:

Gould moved to enter into an agreement with Medova National Insurance Providers for Health Insurance Coverage and cancel current Premera Health Insurance. Edenfield seconded the motion. The City Clerk explained the savings to the City of approximately \$60,000 annually. City Clerk requested the City put that savings into a savings account to be used in the future to help offset insurance premium increases or other insurance needs. There was further discussion.

MOTION: Move to enter into an agreement with Medova National Insurance Providers for Health Insurance and cancel current Premera Health Insurance
F/S: Gould/Edenfield
YEAS: McDonald, Burger, Carlson, Gould, Hartwell, Slayton and Edenfield
NAYS: None
STATUS: Motion Passed.

11. ORDINANCES FOR PUBLIC HEARING:

A. Ordinance 16-06-21-01, amending Title 18-Harbor, Chapter 18.10-General Provisions, Section 18.10.020-Definitions (I) "Residence", and Chapter 18.30-Rules for Use of Harbor Facility, Section 18.30.010-Live-Aboard Policy, discussion and action item:

Gould moved to approve Ordinance 16-06-21-01. Hartwell seconded the motion. Gould explained that by clarifying the definition of "Residence" it eliminated the confusion of being charged for living aboard your vessel if you or family need to camp overnight on the boat. There was no further discussion.

MOTION: Move to approve Ordinance 16-06-21-01
F/S: Gould/Hartwell
YEAS: Edenfield, Burger, Hartwell, Carlson, Gould, Slayton and McDonald
NAYS: None
STATUS: Motion Passed.

- B. Ordinance 16-06-21-02, providing for the establishment of the Budget for the City of Thorne Bay, for Fiscal Year 2017, anticipated revenues and expenditures, discussion and action item:

Gould moved to approve Ordinance 16-06-21-01, establishing the FY17 budget for the City of Thorne Bay. Burger seconded the motion. Gould thanked the staff for keeping costs to the City down. There was no further discussion.

MOTION: Move to approve Ordinance 16-06-21-01, establishing the FY17 budget for the City of Thorne Bay
F/S: Gould/Burger
YEAS: McDonald, Burger, Edenfield, Carlson, Gould, Slayton and Hartwell
NAYS: None
STATUS: Motion Passed.

13. EXPENDITURES EXCEEDING \$2,000.00:

- A. Expenditure of approximately \$50,000.00, in grant funding for Landscape Assessment Collaborative Team, discussion and action item:

Gould moved to approve the expenditure of \$50,000.00, for Landscape Assessment Collaborative Team. Burger seconded the motion. Gould explained the funds would be expended from Grant Funding that the City would manage for the Landscape Assessment Group, because the grant required that a public entity distribute the funding. There was further discussion.

MOTION: Move to approve the expenditure of \$50,000.00, for Landscape Assessment Collaborative Team
F/S: Gould/Burger
YEAS: Burger, McDonald, Edenfield, Gould, Hartwell, Slayton and Carlson
NAYS: None
STATUS: Motion Passed.

- B. Expenditure of approximately \$15,000.00 to the City of Craig for RAC Grant Projects, discussion and action item:

Gould moved to approve the expenditure of approximately \$15,000.00 to the City of Craig for RAC Grant Project. Edenfield seconded the motion. Gould explained the funds would be used for work on the Kasaan Road in conjunction with the agreement approved between the City of Thorne Bay and the City of Craig for South Thorne Bay/Kasaan Maintenance and Road Upgrades. There was no further discussion.

MOTION: Move to approve the expenditure of approximately \$15,000.00 to the City of Craig for RAC Grant Project
F/S: Gould/Edenfield
YEAS: Hartwell, Carlson, Burger, Edenfield, McDonald, Slayton and Gould
NAYS: None
STATUS: Motion Passed.

C. Expenditure of approximately \$10,000.00, to the USFS for Sandy Beach Road Project, funds will be spent from Sandy Beach Road Improvement Grant, discussion and action item:

Gould moved to approve the expenditure of \$10,000.00 to the USFS for Sandy Beach Road Project. McDonald seconded the motion. Wayne explained the City received a bill from the USFS a year ago with no explanation to what the bill was for, the City requested itemized billing and finally received the new bill with explanation. There was no further discussion.

MOTION: Move to approve the expenditure of \$10,000.00 to USFS for Sandy Beach Road Project

F/S: Gould/McDonald

YEAS: McDonald, Burger, Carlson, Gould, Hartwell, Slayton and Edenfield

NAYS: None

STATUS: Motion Passed.

14. EXECUTIVE SESSION:

No executive session was called.

15. CONTINUATION OF PUBLIC COMMENT:

Mary Youderian commented on the following:

- Request council consider making improvements in the City that do not cost a lot, but give great satisfaction to the community members. Suggested improvements to the City Park and Library computers, and printers, as the printers are not working correctly at this time
- Suggested the City designate funding in their budget for improvements to the park and get people together to apply it
- Understands that the Council cannot do it all and needs help from the community members.

16. CONTINUATION OF COUNCIL COMMENT:

Gould expressed appreciation for the people who attend council meetings and speak up about their concerns. Gould commented on Ron Youderian's comments during Workshop regarding the South Thorne Bay Subdivision Roads, and stated that he wished there was a way to do away with the "North Side/South Side" name because they are both part of the City of Thorne Bay. Gould stated he understands that each side of the bay require different services from the City. Gould stated it had once been suggested that the South Thorne Bay create a Homeowners Association to help address concerns in that area, in conjunction with the City. Gould stated the City had many different commissions and committees that are not operating because there is a lack of volunteers or interest in serving on the commission and committees. Gould stated one of the commissions was the Roads Commission and another was the Planning and Zoning Commission.


Gould stated many of the issues that come to the council could first be ironed out by the commissions, it would then be up to the commission to bring a plan to the City Council for final review and approval. Gould encouraged community members to volunteer for some of the committees and commissions to enable more projects and concerns of the town to be fully addressed.

Wayne Benner stated that Mary Youderian had not been present at the prior City Council meeting where she was publicly thanked for her volunteer work in the flower beds at the City Park, so he wanted to thank her again.

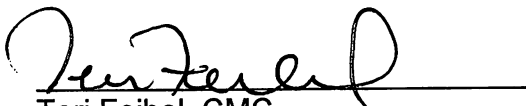
Slayton informed the council and public that Kids Fishing Day would be on Saturday, June 25th from 9:00 a.m. to 2:00 p.m. Slayton stated that he appreciated the concern for things that needed to be done in town, and concurred that more things would get accomplished faster if more people would volunteer to help.

17. ADJOURNMENT:

Gould adjourned the meeting at 7:35 p.m.


for Harvey McDonald - Vice Mayor
James Gould, Mayor

ATTEST:


Teri Feibel, CMC

ADMINISTRATOR'S REPORT 6-21-16 Wayne Benner

Meetings Attended and Updates:

1. The RAC meeting Monday was very rewarding to Thorne Bay as we received additional money for work on the Kasaan road (\$67,500) and money for a path alongside the road from the Port to the Grapple (\$27,000). Both will require a 50 percent match of materials, in kind services and cash. Another project close by is the refurbishing of the Sandy Beach facilities. Matching funds will be coming out of Streets and Roads and development funds.
2. Also of interest is the Governor calling back the legislature to address funding options for the State. One of which is a State sales and use tax. The past attempt at a sales tax called for capping the amount allowed to be taxed with the State taking their share. If the State capped the tax at 6% and wanted 3% then the City would be limited to only 3%. They will also be talking about personal income tax, fuel tax, excise tax on alcohol and tobacco, mining, fisheries, and refunds to local governments. The worst part about the approach being taken is that taxes are a purchase of services and investment in community, not for balancing short falls in overall government.

Cities are not Commercial Corporation, nor are they businesses, no matter how much people think we should operate as such. We are here to foster the economic, social and environmental well-being of the community. Our goal should always be to identify community priorities and turn them into services, balancing efficiency with the values of the citizens. For Thorne Bay that is somewhat of a challenge give there are three very distinct and unique neighborhoods, different priorities and different values. All, who, in one form or another, use and appreciate the services provided by the City directly or in-directly. You all can count at least half dozen direct services but what about some in-direct services. Renting or leasing property to help business, chasing outside funding to help with capital projects, providing jobs for those requiring public service, providing donations to many organizations, helping the Market, Barge Lines, Port, FS, School, being the local Chamber for Marketing.

Tasks and Projects:

1. RAC and TAC grants with DOWL
2. Health Insurance
3. ATV Codes
4. Sent a letter off to our congressional delegations requesting the FS transfer all of the Sort Yard over to the City of Thorne Bay as part of the land exchange legislation that is being proposed.

Old Business:

New Business:

- A. Agreement between the City of Craig and the City of Thorne Bay for work on the Kasaan Road. These were RAC funds left from a previous project that Craig administered hence the agreement with Craig.
- B. Resolution 16-06-21-01 establishes deposits for the RV Park.
- C. Resolution 16-06-21-02 establishes deposits for Harbor live aboard. Both of these are follow up on the Code Amendments just approved.
- D. Resolution 16-06-21-03 adopting participation in the AML/JIA insurance program. This is a yearly process at budget time.

- E. Contribution to AMH system reform project that SE Conference is putting in place to address financial sustainability of the system. They are also looking for members to participate on the committee.
- F. Closing or limiting the use of the walkway next to the stairs that go from Rainy Lane to Shoreline Drive by the Market. Over half of this pathway is on private property and is getting heavy use by ATV, motor bikes and cyclist that race up and down onto the public streets creating a real liability issue for both the city and private property owner.
- G. Authorizing the Mayor to sign the agreement changing health insurance from Premera to Medova Nation Insurance. As previously discussed this will be creating a substantial savings this year which I recommend be put into a special account for future health insurance needs.

Ordinances for Introduction:

Ordinance for Public Hearing

- A. Ordinance 16-06-21-01 is to amend the Harbor code clarifying the definition of Residence for use as live aboard. This amendment changes the definition of Residence to mean the dwelling where one actually resides; one's home. This is the same definition that is found in the Zoning Code. The live aboard section is amended stating that a live aboard is one using their boat as a "residence" as defined in the code.
- B. Ordinance 16-06-21-02 is to provide for the establishment of the Budget for FY 17. Any questions I will defer to Teri as you have seen my budget narrative.

Expenditures Exceeding \$2000

- A. \$50,000 in grant funding for the Landscape Assessment Collaborative Team. These are grant funds need to be distributed through a public entity and are just pass through funds to the Team for a facilitator.
- B. \$15,000 to the City of Craig is the City cash contribution for the \$30,000 in RAC funds for work on the Kasaan Road.
- C. \$10,000 to the FS was actually the initial billing of the Sandy Beach Road Improvement project. The City had not paid this bill waiting for an itemization of work which we finally received showing this was for mobilization. These also are grant funds.

Harbors: Now that graduation and wedding are complete Shane is back at the Harbor full time.

Streets and Roads: Max is on vacation for a couple weeks.

Water and Sewer: Sam has been doing a good job keeping water and sewer operation function while Jason is gone on vacation.

Solid Waste: The yearly inspection of the solid waste site is scheduled for July. The annual scale certification has been completed. As soon as we can find a ramp to load containers (or build one) we will be set up to start loading waste to ship south.

Law Enforcement: The controversy over CDL requirement has been settled by the Troopers. City employees do not need a CDL to drive any vehicle 26,000 pounds or under. Hence the garbage truck and small dump truck are ok.

FIRE/EMS: Buck is at Fire and EMS training. Sitka and Ketchikan are both getting rid of Fire Engines and Buck has put the City in the drawings. The pump has a seal out on the town truck and Tracy is trying to track down new seals.

Library: Another volunteer in on board to older children reading program for the summer.

Attachment to Minutes – City Council Meeting June 21, 2016 - Administrator Report