

ASSEMBLY MEETING MINUTES
MARCH 6, 2006

I. Call to Order: The regular Assembly Meeting of March 6, 2006 was called to order at 7:30 p.m. The meeting was held in the Assembly Chambers of the Borough Building, Naknek, Alaska.

II. Roll Call: Present: Assemblyman Shelby Boothe, Eddie Clark and Russell Phelps.
Absent: Carvel Zimin, Jr. and Mel Coghill, Jr.

Also present: Mayor Michael S. Swain, Sr., Borough Manager Fred Pike and Borough Clerk Betty Bonin.

III. Consent Agenda:

A. Non-Action Agenda: SHELBY BOOTHE MADE A MOTION TO APPROVE THE CONSENT AGENDA AS PRESENTED. RUSSELL PHELPS SECONDED THE MOTION.

1. Mayor
2. Manager – Shelby Boothe inquired about payment to BBAHC in the Amount of \$65,000 and asked where those funds came from? Fred Pike stated it was taken out of Camai Contracts 6044.
3. Police Department – Eddie Clark asked why there were so many Warrants of Distrain? Fred Pike stated they were all for boats with tax due amounts.
4. Fire/EMS Coordinator
5. Lobbyist
6. Pool
7. Library
8. Public Works Department
9. Port Department
10. Planning & Zoning
11. Treasurer
12. Health Commission
13. Other Reports

MOTION PASSED UNANIMOUSLY ON NON-ACTION AGENDA ITEMS.

B. Action Items:

1. Assembly Meeting Minutes – February 6, 2006 – Shelby Boothe had

one correction on Page Seven, Item X on the last line of his comments, it should state: all DOT and Non-DOT employees.

2. Finance Report – Check Register for February 2006. Shelby Boothe asked if the Port revenue still stood at 1.2 million dollars. Lotta Hines stated it remains the same.

3. Resolutions – under New Business

MOTION PASSED UNANIMOUSLY ON ACTION ITEMS OF THE
CONSENT AGENDA.

IV. Approval of Agenda: Mayor Swain would like to add to Communications, Item E: Letters of support of the Center of Attention; to New Business, Item E - Court Lease. SHELBY BOOTHE MADE A MOTION TO APPROVE THE AGENDA AS AMENDED. EDDIE CLARK SECONDED THE MOTION AND IT PASSED UNANIMOUSLY.

V. Persons to be Heard:

Sandy Bryant – stated she sent a letter saying she will be closing the Center of Attention but she wants to keep the fitness portion going. Was the high cost of electricity an issue? Are the Troopers still getting cut off? Was there a feasibility study for city water? Ms. Bryant read letters of support from BJ Hill, Nancy Lyon, Cheryl Madden, Justin Peevler, Steve Atwater and Mark Hansen. Betty Bonin also had a phone message received from Marilyn Tolbert in support of the Center.

Pastor Jerry Cooper – they live in the parsonage and is concerned about the water at the Church & housing. He is hoping for some solution since the Church is important to King Salmon.

Steve Atwater – encourages funding the well. Members of the Center of Attention are willing to pay a fee to help keep it going.

Michelle Franulovich – is in support of keeping the Center of Attention open. She is a cancer survivor and the Center has been very important to her. Her position is with the Fish & Wildlife Service and she is also a professional grant writer.

She also wanted everyone to know that she is the coordinator for aluminum recycling.

Carol Hester – She uses the Center of Attention and urges the Borough to keep it going. She heard the Borough bought it for a \$1.00. Perhaps the Borough wants to get out of it, they can sell it to someone else for the same price.

Eddie Clark – in support of the center. When he hurt his hand Sandy helped him

with physical therapy. He knows the Center is an essential part of King Salmon and it saves on expensive trips to Anchorage.

Sherry Cooper – hoping the Borough can find a solution because they can't live without water.

Linda Carroll – King Salmon needs the church and they need the water.

Richard Sherman – urges the Borough to keep it going and to keep the water for the Church and the Center of Attention.

John Durand – He has ties to the church and would like to keep it going.

John Durand – regarding the King Salmon Boat Ramp – He is not saying the charge is excessive but it's another way to tax the commercial fisherman. They already pay personal property taxes and raw fish taxes. His boat ramp is adjacent to the bulkhead. His facility has always been open to the public His cliental usually tie to the bulkhead for 4 days before the season and 3-4 days after the season. His position is it needs to be posted where the dock is to let people know there is a charge. What constitutes a day? Joe Harris stated that 2 hours were free, after that it's \$10.00 per day or \$150.00 per season.

John Durand stated there was an outhouse there that is filthy. He can understand it if the Borough provided some facilities and services. With the airport expansion coming, it's going to be more congested.

Eseta Sherman – when they first came here in 1983 the church was an essential part of their lives. It's still very essential to King Salmon and would hate to see their water cut off.

Michele Franulovich - She works at the Visitor's Center in King Salmon. Regarding the Clean up week, she has contacted "Take Pride in America". She doesn't want to duplicate a service in any way and wants the Borough to let her know if she is. She welcomes everyone to work together to get the goals completed.

VI. Communications and Appearance Requests:

A. Letter from Planning & Zoning Chairman – Tom Ferrazzi – Re-establish Borough Clean-up Week – Letter in the packet.

B. Letter from Governor Frank Murkowski – Revenue Sharing – Letter in the packet.

C. Letter from SAVEC – Appropriation Request – Eldon Davidson was present for SAVEC. He stated he's been involved with SAVEC since the beginning. They have done a good job to fund the Center. The problem is if you work with grants is that it comes in spurts and you don't get funds up front. The Board has asked him to solicit for funds. They have had a good response in donations from BBNA, BBNC,

BBEDC and Bristol Bay Housing. There will be lots happening in next 7-10 years and these funds prepare training for our young people.

Mr. Davidson stated they are trying to get self-sustainable and trying to attract more businesses. The Center is totally wireless for everyone to conduct business while they are at the center. They are trying to bring more science basis classes to the Center along with more fishery classes. They are also pushing very hard to bring more activities to the Center. SAVEC will be doing more with middle school and high school students.

Mr. Davidson is asking the Borough for a donation immediately and next year. He would prefer a donation yearly from the Borough. He also pointed out they try to keep the money within the Borough. He just came on board in August and he's finally getting everything figured out. Lake & Peninsula has approached him and will also be supporting SAVEC efforts.

Mayor Swain thanked Mr. Davidson. The Assembly will be having their budget work shops starting March 18th.

D. Northland Services – Larry Stauffer and Bill Emory: Larry Stauffer & Bill Emory were present and representing Northland Services.

Larry Stauffer stated he heard the Borough brought in 1.1 million dollars this last year and probably \$800,000 of that was Northland with wharfage & handling charges. They are here tonight to discussion the dockage charges. Their barges are getting larger and they would like to get a break on dockage fees. The tariff doesn't allow for a reduced rate for larger barges; one barge is costing them \$2400 for 1 day of dockage. After 3000 tons the rate should be dropped to 20 cents. Suggested the Borough Assembly look at it since the cost is about 4 times higher than other docks.

Shelby Boothe asked Mr. Stauffer how much will it save you if we drop the charge from 36 cents to 25 cents over 3000 tons? Larry Stauffer estimated 1-1 ½ percent reduction or about \$12,000-\$15,000 per year.

Shelby Boothe asked Mr. Stauffer how LCL is handled in other ports? Larry Stauffer stated it was different in each port. Shelby Boothe stated that Northland was getting a real deal with the Borough taking care of the LCL. The Borough pays for the employees, electricity and storage.

Shelby Boothe stated we have not raised the tariff in many years. The port used to make 1.2 – 1.3 million per year. It has decreased with the lower price of fish, every audit will show you that. The Dock is subsidized through other revenues and taxes. The Borough is losing money. Larry Stauffer stated he would not like to move LCL since it's a community service.

There was a lengthy discussion about the gross tonnage of barges, how many barges per year, different size of barges, lighterage and the cost of dockage fees.

In closing, Larry Stauffer stated they would be appreciative of any reduction from the Borough as it relates to the overall dollars.

Larry Stauffer & Bill Emory thank the Assembly for their consideration.

VII. Hearings, Ordinances and Resolutions:

A. Ordinance No. 2006-02 – Tariff – 3rd Reading and Final Public Hearing: Mayor Swain stated this was the third reading and final public hearing and opened it up for public comments.

Joe Harris, Port Administrator – he suggested we leave the tariff with recommended Changes. The barges are getting bigger and hauling more freight. He does not see a reduction in getting freight here with Northland.

Northland does support the community in many ways. They sponsor Sockeye Basketball Tournament and do not charge for taking aluminum south.

Joe Harris stated he would like to leave the charges as recommended for at least one year to see the difference.

John Durand – Are you guys going to keep the costs in King Salmon the same as Naknek? Is there a ramp fee? There are no ramp fees and 32' boats and under have 2nd priority.

John Durand – the Borough may have to police the dock to collect the fees. Again, there are no facilities and no water at the King Salmon Dock. He would like to see no fees at the King Salmon Dock since lighterage is already addressed in the tariff. The interference with bigger barges coming is has been minimal.

There was a light discussion about DOT leases, access for sports fishermen, fees and facilities in King Salmon.

Joe Harris recommends striking “Vessels that berth are subject to charges: named in the rate sections of the schedule”, on page 20 where the priorities are listed towards the bottom of the page.

Mayor Swain closed the public hearing and asked what the wishes of the Assembly were.

SHELBY BOOTHE MADE A MOTION TO APPROVE ORDINANCE NO. 2006-02 AND IT WAS SECONDED BY EDDIE CLARK.

SHELBY BOOTHE MADE A MOTION TO STIKE THE SENTENCE ON PAGE 20 THAT JOE HARRIS RECOMMENDED AND TO TRY IT FOR A YEAR. EDDIE CLARK SECONDED THE MOTION AND IT PASSED UNANIMOUSLY.

Voting on the main Ordinance 2006-02 as amended, MOTION PASSED UNANIMOUSLY.

B. Ordinance No. 2006-03 Amending Pet Ordinance – 2nd reading and Final Public Hearing: Mayor Swain stated this was the second reading and final public hearing and opened it up for public comments.

Lori King – thought it was funny that cats are part of this ordinance. She’s never seen cats running around.

Eddie Clark – we need it.

Bill Emory – What does it do to the leash law? No change.

John Durand – A lot of dogs are running in packs of 3-4 large dogs. It’s a liability to the Borough for not enforcing this ordinance.

Bill Emory – If a dog is licenses somewhere else, does it have to be licensed here?
Fred Pike stated if the dog is here for more than 30 days, yes.

Eseta Sherman – what are the fees? Fred Pike stated it would be \$20 for 2 years.

Mayor Swain closed the public hearing.

SHELBY BOOTHE MADE A MOTION TO ADOPT ORDINANCE NO. 2006-03 AND IT WAS SECONDED BY EDDIE CLARK. MOTION PASSED UNANIMOUSLY.

C. Resolution No 2006-02 – Continued Land Lease Agreement with BBTC: SHELBY BOOTHE MADE A MOTION TO APPROVE THE LEASE AGREEMENT WITH BBTC. AND IT WAS SECONDED BY EDDIE CLARK. Fred Pike stated he Recommended 10 year agreements. MOTION PASSED UNANIMOUSLY.

VIII. Old Business:

A. School Project Phase II: Supertindent of Schools, Richard Hehardt was present. Mr. Hehardt stated this was Phase II of the CIP Grant. The State has to capture 1.8 million dollars. The Borough will have to commit to \$513,039 which is 35% to move forward. He has spoken to the facilities manager and he has revisited these numbers. The Borough will save over \$8000 in property insurance costs if we had the sprinkler system.

Mr. Hehardt stated the fire control panel is in need of replacement. Parts for the control panel are no longer available. He has asked that the costs associated with the panel be included with the sprinkler project. He had a quote of \$12,000 for a new fire control panel which also included 33 smoke detectors.

Shelby Boothe suggested the manager figure out what revenues we have left and to

bring it to the upcoming budget workshops.

Eddie Clark stated he has talked to several long time teachers and school board members about what is needed at the school. They all said there were more important items needed than a sprinkler system. Mayor Swain informed Eddie Clark that once we give the school money, the Borough can no longer tell them how to spend those funds.

Richard Hebhardt – when he discussed the insurance cost savings with AML/JIA they are aware that we have the pool next door.

Richard Hebhardt – stated the School Board would like to enter into the budget discussions. He needs to let the Borough know that the bus needs replacing. They are trying to get prices now on new or used buses. They currently have \$38,000 towards a newer bus.

Mayor Swain thanked Richard Hebhardt for coming tonight.

B. RFP for Well at Center of Attention: Manager Fred Pike stated no replies were received.

Mayor Mike Swain stated he talked to Matt Niedermeyer and he avoids drilling a well in that area of King Salmon. The Mayor obtained a RFP from other well driller and stated there was no detail on the well proposal. The worst case scenario, the well will have to go down at least 100 feet with development, all the permits, mobilization and demobilization with an estimated cost of \$26,000 and he threw the paper at Fred Pike.

Fred Pike stated we have a couple of options:

- 1) Take over the FAA Well
- 2) Drill a new well or
- 3) Walk away

He got a call from FAA and they want him to sign the close out which terminates the water on June 30th. He also got lease agreements from Bob Thomas with DOT wanting signed copies of the sub-lease by the end of the month. Mayor Swain stated we need to let Bob Thomas know that the lease was extended.

The Assembly asked Fred Pike what he recommended. Fred Pike stated that if we are going to continue, we need to do a heavy metals test and if everything is okay, take over the FAA well with the thought that as soon as we can to get a public water system in place the better.

Shelby Boothe recommends taking over the FAA well. There will be costs but this would be the cheapest way.

SHELBY BOOTHE MADE A MOTION TO DIRECT THE MANAGER TO DO A HEAVY METALS TEST AND TO TAKE OVER THE WELL. EDDIE CLARK SECONDED THE MOTION AND IT PASSED UNANIMOUSLY.

IX. New Business:

A. Gaming Permit - St. John's Orthodox Church: SHELBY BOOTHE MADE A MOTION TO APPROVE THE GAMING PERMIT APPLICATION FOR ST. JOHN'S ORTHODOX CHURCH. EDDIE CLARK SECONDED THE MOTION AND IT PASSED UNANIMOUSLY.

B. Positions Requiring Certification(s): Hiring Policy: Fred Pike stated this will give guidelines in hiring since Herbert Mitchell is retiring. There was a discussion about steps. Assembly directed Manager to put them in at the entry level.

C. Request/Motion to approve grant application for feasibility study on Controlled Environment Agriculture Project: Shelby Boothe wondered why this was before the Assembly since the Borough is not in the Coop Business. He suggested this go before the Planning & Zoning Commission.

D. Manager's Contract: Russell Phelps felt the Assembly should have a full Board. Shelby Boothe stated he had some concerns.

SHELBY BOOTHE MADE A MOTION TO GO INTO EXECUTIVE SESSION TO DISCUSS THE MANAGER'S CONTRACT. EDDIE CLARK SECONDED THE MOTION AND IT PASSED UNANIMOUSLY. The Assembly went into Executive Session at 10:40 p.m. and reconvened at 11:02 p.m. MAYOR SWAIN STATED NO ACTION WAS TAKEN.

The Assembly decided to take this issue at the next meeting.

SHELBY BOOTHE MADE A MOTION TO EXTEND THE MEETING UNTIL 11:30 P.M. AND IT WAS SECONDED BY RUSSELL PHELPS. MOTION PASSED UNANIMOUSLY.

E. Court Lease: Fred Pike stated the Court Lease expired at the end of February. he requested the maximum increase allowable since there has been no change since 1991. He was suppose to have that information by February 28, 2006 and he still doesn't have it. This is the 5th extension to the Court Lease and they currently pay \$1968 per month.

There was a light discussion about the lease and square footage. Shelby Boothe recommended we accept their best offer for one year and look at this issue again next year. The Assembly agreed.

X. Assembly Member Comments:

Mike Swain – when he received the well bid, he received a copy of what was wanted at the dump. He can see why the bid was so high.

Mike Swain – he received a phone call from George Jacko. The Borough has never taken a stand on the Pebble Mine. George Jacko wanted the Borough to support HCR29 which requires a full permitting system in place for the mine. AIFMA said they are 100% against the mine and he can't believe any group is 100% For or against anything.

Mike Swain – he received a letter from Steven Angasan requesting the Borough grant Naknek Village Board Members Community Service Leave. The Borough doesn't have such leave available.

Eddie Clark – At some point the Borough is going to have to take a stand on how they feel about Pebble Mine.

Shelby Boothe – Planning & Zoning requested a Clean Up Week. As a suggestion, Public Works did this in the past and have a procedure to follow.

Shelby Boothe – are we randomly testing non-DOT employees? Fred Pike replied no, he has not turned in a baseline list to Worksafe. We have not had a problem at the Borough. All employees have been tested in the past year.

Shelby Boothe – most of the Borough employees are non-DOT. We're only testing 25% of the work force. He is concerned since we are not following policy.

XI. Adjournment: By Borough Ordinance, the meeting adjourned at 11:30 p.m.

Michael S. Swain, Sr., Mayor

ATTEST:

Betty J. Bonin, Borough Clerk