

EXHIBIT H-7.

CBJ has attached materials and minutes from the 2-12-2018 Assembly Meeting

THE CITY AND BOROUGH OF JUNEAU, ALASKA

Meeting Minutes - February 12, 2018

MEETING NO. 2018-05: The Regular Meeting of the City and Borough of Juneau Assembly, held in the Assembly Chambers of the Municipal Building, was called to order at 7:00 p.m. by Mayor Ken Koelsch.

I. FLAG SALUTE

II. ROLL CALL

Assembly Present: Mary Becker, Rob Edwardson, Maria Gladziszewski, Norton Gregory, Loren Jones, Jesse Kiehl, Ken Koelsch, Jerry Nankervis, and Beth Weldon.

Assembly Absent: None.

Staff Present: Rorie Watt, City Manager; Mila Cosgrove, Deputy City Manager; Amy Mead, Municipal Attorney; Laurie Sica, Municipal Clerk; Carl Uchytel, Port Director; Bob Bartholomew, Finance Director; Tim Felsted, Planner; Roger Healy, Engineering and Public Works Director.

III. SPECIAL ORDER OF BUSINESS

A. Proclamation - National Engineers Week

Mayor Koelsch proclaimed February 18 - 24, 2018 as National Engineers Week in Juneau. Michael Story, Carl Uchytel and Rorie Watt were present to accept the proclamation. Mr. Story spoke about the activities of the Engineers Association in Juneau and said there is a "Discover Tech" exhibit currently in the valley library. He encouraged children of all ages to take a look.

IV. APPROVAL OF MINUTES

A. January 19, 2018 Special Meeting 2018-02

Hearing no objection, the minutes of the January 19, 2018 special Assembly meeting were approved as corrected.

B. January 30, 2018 Special Meeting 2018-04

Hearing no objection, the minutes of the January 30, 2018 special Assembly meeting were approved.

V. MANAGER'S REQUEST FOR AGENDA CHANGES

None from Mr. Watt. Mr. Jones asked to address the appeal under unfinished business to Presiding Officer Reports.

VI. PUBLIC PARTICIPATION ON NON-AGENDA ITEMS

Don Bremner said he did not believe the annexation petition proposed contained sufficient justification in order for CBJ to submit a successful petition to the Local Boundary Commission. The petition raises more questions than solutions to CBJ's economic issues. There is no mutual ground that justifies the petition and I don't believe that you can even get 10% of the community to support the petition. The opposition outweighs further action. This is blatant exploitation that just benefits CBJ and the people of Kootznoowoo are justified in their opposition.

Pauline Jim said she was recently appointed to be the Mayor of Angoon and had served on the council in the past. She said Public Law 101-378 adopted by the Congress approved Admiralty Island National Monument in 1990. Angoon also passed a resolution opposing any movement to deface our island, Kootznoowoo and IRA passed it as well, based upon the subsistence lifestyle we have on Admiralty. Angoon has also supported Juneau in many ways, including during the Capital moves. There are no real projects coming in to all of the small communities and it is tough in the outlying areas.

Frank Jim said he is from Angoon, he is a fisherman, and his parents made Admiralty Island a national monument. He spoke for the old timers that created the monument. The Navajo had a national monument that prohibited hunting in their land, and the president has now signed an agreement to allow hunting. Our native people have lived on the land for a long time without rules and we have been told to watch for things that will happen to you. There are many villages stepping in to back up Angoon. We stand behind you, we shop here. Much of the money in Juneau comes from the villages. He spoke about concerns regarding the loss of good ferry service. We are concerned about our elderly people.

Matthew Carlson said he lives in Juneau and was raised in Angoon, and he urged the Assembly to support a motion to be made by Mr. Edwardson to revise the resolution on annexation. He said that the city received significant revenues from the villages during special events including Gold Medal Basketball, Celebration, and year round. He spoke about the importance of hearing voices during this discussion. There are no incentives to allowing these lands to become part of the Juneau Borough and he spoke about concerns about subsistence hunting. We oppose this annexation.

VII. CONSENT AGENDA

A. Public Requests for Consent Agenda Changes, Other Than Ordinances for Introduction

None.

B. Assembly Requests for Consent Agenda Changes

None.

C. Assembly Action

MOTION, by Nankervis, to adopt the consent agenda. Hearing no objections, the consent agenda was adopted.

1. Ordinances for Introduction

- a. Ordinance 2017-06(AC) An Ordinance Appropriating to the Manager the Sum of \$200,000 as Funding for Auke Bay Marine Station Maintenance and Improvements CIP; Funding Provided by the Harbor Fund's Fund Balance.

This ordinance would transfer \$200,000 from the Harbor Fund to a new CIP for Auke Bay Marine Station Maintenance and Improvements. Establishment of this CIP would fund a variety of preventative maintenance and repair projects. In addition a small addition of 100 lineal feet of floats would be installed to improve mooring opportunities in Statter Harbor.

The Harbor Fund has a current balance of \$1,485,517. Subsequent to the transfer there would remain \$1,285,517 in the Harbor Fund.

The Docks and Harbors Board, at its regular meeting on January 25, 2018, adopted a recommendation that the Assembly approve this appropriation ordinance.

The City Manager recommends this ordinance be introduced and set for public hearing at the next regular Assembly meeting.

- b. Ordinance 2017-06(AD) An Ordinance Appropriating to the Manager the Sum of \$480,000 as Funding for the Accessory Apartment Grant Incentive Program, Funding Provided by the Juneau Affordable Housing Fund's Fund Balance.

This ordinance would appropriate \$480,000 from the Juneau Affordable Housing Fund to the CBJ Accessory Apartment Grant Incentive Program to be used over a five-year period.

The CBJ Accessory Apartment Grant Incentive Program provides \$6,000 incentive grants to homeowners for new accessory apartment units that pass a final inspection and receive a Certificate of Occupancy.

The Juneau Affordable Housing Fund has a current balance of \$749,261. Beginning in FY18, the Juneau Affordable Housing Fund will receive \$400,000 per year for five years from the 1% sales tax fund to pursue housing activities noted in the CBJ Housing Action Plan and the Juneau Economic Development Plan. Subsequent to the transfer the Juneau

Affordable Housing Fund fund balance would be \$269,261 until the 1% sales tax funds are made available.

At its January 2, 2018, meeting the Juneau Affordable Housing Commission made a motion to recommend the appropriation for the Accessory Apartment Grant Incentive Program.

At its January 10, 2018, meeting the Finance Committee recommended that an ordinance be drafted and forwarded to the Assembly for consideration.

The City Manager recommends this ordinance be introduced and set for public hearing at the next regular Assembly meeting.

- c. Ordinance 2017-06(AE) An Ordinance Appropriating to the Manager the Sum of \$200,000 as Funding for Archipelago Property Development CIP; Funding Provided by the FY18 Dock's Licenses/Fees Revenue.

This ordinance would transfer funds from the FY18 operating budget to a new CIP for Archipelago Property Development. The funds would be used to develop a preliminary design from plan concepts; generate cost estimates for implementation of the designs; prepare a draft purchase agreement; and include other associated tasks to answer questions regarding the acquisition and development of the Archipelago property.

As this funds transfer would exceed the budgetary authority for the Docks enterprise in FY2018, the Assembly is asked to approve a supplemental budget in the amount of \$200,000.

The Docks and Harbors Board is scheduled to consider this supplemental budget request at a special meeting on February 8, 2018.

The City Manager recommends this ordinance be introduced and set for public hearing at the next regular Assembly meeting.

- d. Ordinance 2017-06(AF) An Ordinance Appropriating to the Manager the Sum of \$75,000 as Funding for Intervention in Docket U-17-097 with the Regulatory Commission of Alaska, Funding Provided by the General Fund's Fund Balance.

This Ordinance would appropriate \$75,000 to fund the costs associated with CBJ's participation as an Intervenor, in the matter before the Regulatory Commission of Alaska, where Hydro One Limited is seeking authority to acquire control of Alaska Electric Light & Power Company. AEL&P is the power utility for Juneau. On July 1, 2014, Avista Corp, based in Washington bought out AEL&P's parent Alaska Energy and Resources Company. On July 20, 2017, Avista Corp. announced they

would join forces with Hydro One.

The Assembly Finance Committee took up this matter at its meeting on January 10, 2018.

The Assembly Committee of the Whole unanimously recommended this at their meeting of February 5, 2018.

The City Manager recommends this ordinance be introduced on February 12, 2018, and set for public hearing at a Special Assembly meeting on February 26, 2018.

- e. Ordinance 2017-23(c) An Ordinance Amending the Land Use Code Relating to Essential Public Facilities.

This ordinance would provide a process for permitting a facility that will provide an essential public service in a location not otherwise authorized under the Table of Permissible Uses and that would otherwise be extremely difficult to site.

The proposed permitting process closely follows the conditional use permit process. The key distinguishing differences are the proposed facility does not have to be a permissible use as specified in the Land Use Code, and the process is reserved for only those developments that will be providing an essential public service.

The Planning Commission reviewed the ordinance at its August 8, 2017, and September 12, 2017, meetings and recommended the Assembly adopt it. The Assembly Committee of the Whole considered the ordinance at its March 20, 2017, October 23, 2017, and January 29, 2018, meetings.

At its meeting on January 29, 2018, the committee recommended amendments, which are identified by the bold italicized and strike-through language in version (c) of the ordinance.

The City Manager recommends this ordinance be introduced and set for public hearing at the next regular Assembly meeting.

- f. Ordinance 2018-06 An Ordinance Amending the Land Use Code Relating to Setbacks for Energy Efficiency Improvements.

A significant number of buildings in the community are built to the maximum setback line, and many older homes encroach into setbacks. Many of those property owners have requested to add exterior insulation to their homes and offices in order to increase their energy efficiency, but under current code, setback encroachments are generally prohibited.

The code does, however, provide for certain exceptions to that general rule for things like roof eaves, sheds, and decks. This ordinance would amend that provision, CBJ 49.25.430, to add a setback exception for exterior insulation to encroach up to eight inches into a setback. (Eight inches was determined to be a reasonable number given our climate, insulation materials, and types of existing buildings.) On balance, this ordinance would increase the energy efficiency of buildings and help the community achieve its sustainability goals without significantly impacting adjacent property owners.

The Title 49 Committee discussed this ordinance in the fall of 2017. The Planning Commission recommended the Assembly adopt this ordinance at its meeting on January 23, 2018.

The City Manager recommends this ordinance be introduced and set for public hearing at the next regular Assembly meeting.

- g. Ordinance 2018-07 An Ordinance Amending Title 72 of the City and Borough of Juneau Code Relating to Driving Without a License.

Alaska Statute 28.01.010 prohibits municipalities from enacting traffic ordinances that are inconsistent with state law.

AS 28.01.010, the state law requiring drivers to be licensed, was amended from a misdemeanor offense to an infraction.

This ordinance would amend the corresponding CBJ offense (CBJ 72.10.065), from a B misdemeanor to an infraction, as required by state law.

The City Manager recommends this ordinance be introduced and set for public hearing at the next regular Assembly meeting.

- h. Ordinance 2018-08 An Ordinance Amending the Land Use Code Related to Roadway Construction Standards.

This ordinance would amend Title 49 to establish a process by which the Community Development Director and the Planning Commission can waive street standards for street reconstruction projects when warranted by the circumstances.

The Planning Commission is scheduled to review this ordinance on February 13, and the Public Works and Facilities Committee is scheduled to review it on February 26.

The City Manager recommends this ordinance be introduced and set for public hearing at the next regular Assembly meeting.

2. Resolutions

- a. Resolution 2808 A Resolution Adopting the Juneau Renewable Energy Strategy.

This resolution would adopt the Juneau Renewable Energy Strategy as an aspirational document to be used to inform future decision-making and policy. Adoption of this strategy is not intended to commit the City and Borough to a particular action, schedule, or methodology.

On July 25, 2015, a draft version of the Renewable Energy Strategy was presented to the Assembly. This draft was the basis for public consultation, and a series of well-attended public information and education sessions on a variety of energy-related topics that are relevant to the strategy document. The Juneau Commission on Sustainability and staff have further refined the strategy document taking into account public feedback. At its June 13, 2017, meeting, the Juneau Commission on Sustainability voted to move the amended Juneau Renewable Energy Strategy to the Assembly for support. The Assembly Committee of the Whole considered the plan at its meeting on January 29, 2018, and approved forwarding the plan to the Assembly for adoption by resolution.

The City Manager recommends this resolution be adopted.

3. Bid Award

- a. Bid Award - Waterfront Facilities Corrosion Control

This project provides corrosion protection for the steel sheet pile wall and associated metal elements of the Marine Park bulkhead. The work includes installation of an impressed current cathodic protection system; electrical improvements; and other associated work.

A public bid opening occurred on February 2, 2018. The Docks and Harbors Board was scheduled to review the bids at a special Board Meeting on February 8, 2018.

The City Manager recommends the bid be awarded to Island Contractors, Inc. in the amount of \$228,440.

4. Liquor License

- a. Liquor License Renewals 2018/2019

The following 2018/2019 liquor license renewal applications received from the Alcohol Beverage Control Board are before the Assembly for one of the following actions: to protest, waive its right to protest, or refer

this matter to the Assembly Human Resources Committee for additional review and recommendation.

The local governing body's 60-day comment period expires as of March 10 and March 12 respectively for the below licenses. If the Assembly should choose to take action other than waive its right to protest, special meetings would need to be scheduled to take action prior to the expiration of the 60-day comment period.

License #3695 South of the Bridge, LLC d/b/a Louie's Douglas Inn (Beverage Dispensary License); Location: 915 3rd Street, Douglas

License #4943 Specialty Imports Inc. d/b/a Specialty Imports (General Wholesale License); Location: 540 W. 8th Street, Juneau

Staff from the Finance, Fire, Public Works/Utilities, Police, and Community Development departments have reviewed the above renewals and recommend the Assembly waive its right to protest these renewals. CBJ Code 20.25.025 sets out the basis by which the Assembly may protest a license renewal.

The City Manager recommends the Assembly waive its right to protest the above-listed liquor license renewals for the 2018/2019 renewal period.

5. Transfers

- a. Transfer T-996 Transfer of \$1,160,282 from 14 CIPs to 6 Existing CIPs and 3 New CIPs.

This transfer is the result of closing 10 CIPs. These funds will be transferred to similar projects in need of funding. The highlights are as follows:

- 10 CIPs will be closed following the transfer of funds.
- Three new CIPs are being created – Transit Electronic Fare Boxes, Glacier Fire Station HVAC Improvements and Sitka Street Reconstruction.
- Funds are being transferred to six existing CIPs to provide additional funds necessary to complete the projects.

These transfer requests were forwarded by the Assembly Public Works and Facilities Committee on January 8, 2018, and January 29, 2018.

The City Manager recommends these transfers and closeouts be

approved.

VII PUBLIC HEARING

- A. Ordinance 2017-06(AB) An Ordinance Appropriating to the Manager the Sum of \$74,918 as Funding for the 2015 State Homeland Security Program/SHSP; Grant Funding Provided by the State of Alaska Department of Military and Veterans Affairs.

These funds are being provided to reimburse the CBJ for additional expenses incurred in direct support of the goals and activities of the State Homeland Security Program. The grant performance period is from September 1, 2015 to March 31, 2018.

There is no match requirement for this grant.

The City Manager recommends this ordinance be adopted.

Public Comment:

None.

Assembly Action:

MOTION, by Edwardson, to adopt Ordinance 2017-06(AB). Hearing no objection, it was so ordered.

- B. Ordinance 2018-02 An Ordinance Authorizing the Manager to Convey Property Located on Egan Drive between West 10th Street and Main Street to the Alaska Department of Transportation and Public Facilities.

The Alaska Department of Transportation & Public Facilities applied for a direct negotiated sale of 507 square feet (a fraction of Lot 3, USS 3566) across Egan Drive from Centennial Hall in order to facilitate the state's reconstruction of Egan Drive between Tenth Street and Main Street. Along with the negotiated sale, ADOT&PF requested the CBJ grant the State eight permanent easements and ten temporary easements along Egan Drive for the same purpose.

The Assembly passed a motion authorizing the manager to negotiate the sale at its July 31, 2017, meeting. The Harbor Board heard the issue at its August 7, 2017, meeting and adopted the Lands Division's recommendation for approval. The City/State Project proposal in its entirety (encompassing both the sale and the easements) was brought to the Planning Commission at its August 8, 2017, meeting. The Commission voted to recommend to the Assembly approval of the project with two conditions to the disposals of land (both the negotiated sale and the easements.)

After the Commission considered the project and while negotiating the direct sale, it

was determined that in lieu of the eight permanent easements, it was in the best interest of both parties for the CBJ to instead sell the property that had been contemplated for the permanent easements. (ADOT&PF's federal grant requires it to have exclusive control over the property. If that condition were granted the State as part of an easement, the CBJ would carry liability exposure for property over which it would have no control.)

This ordinance would authorize the sale of all property previously identified for disposal by permanent easement, as well as the fraction of Lot 3, USS 3566 originally sought by ADOT&PF, for the appraised, fair market value.

The City Manager recommends this ordinance be adopted.

Public Comment:

None.

Assembly Action:

MOTION, by Gregory, to adopt Ordinance 2018-02.

Mr. Jones asked where the funds from the sale would be deposited. Mr. Watt said that the funds for lands under the Lands Division purview would go into the lands fund. Some of the lands are managed by the Docks and Harbors Board and those funds would be deposited to their accounts.

Hearing no objection, it was so ordered.

- C. Resolution 2810 A Resolution Authorizing the Manager to Convey Easements to the Alaska Department of Transportation and Public Facilities along Egan Drive from 10th Street to Main Street.

The Alaska Department of Transportation & Public Facilities requested ten temporary construction easements across CBJ property to facilitate the reconstruction of Egan Drive between Tenth Street and Main Street. The project will include the widening of sidewalks to ADA standards, adding bike lanes where appropriate and updating intersections and pedestrian facilities. These easements are part of a larger disposal, identified in Ordinance 2018-02.

The Lands Committee reviewed this request and approved a motion of support in favor of granting the easements at its August 7, 2017, meeting. The Planning Commission provided a recommendation to the Assembly for granting these easements at its August 8, 2017, meeting.

The fair market value of the easements was determined by appraisal to be \$13,785.

The City Manager recommends this resolution be adopted.

Public Comment:

None.

Assembly Action:

MOTION, by Weldon, to adopt Resolution 2810. Hearing no objection, it was so ordered.

- D. Ordinance 2018-05 An Ordinance Authorizing the Manager to Execute Approach Road Approval to Construct Permit Agreement (#27037) with the Alaska Department of Transportation and Public Facilities.

In order to complete construction of a road leading from the Pederson Hill Subdivision to Glacier Highway as required by Title 49, the CBJ must obtain approval (an approach road permit) from the Department of Transportation and Public Facilities (ADOT&PF).

State regulations (17 AAC 10.020(c)) require ADOT&PF to include an indemnity provision from the permittee to the State in all approach road permits.

Normally the CBJ is prohibited by Charter section 9.13(a)(which is substantially similar to Article IX, section 13 of the Alaska Constitution) from contractually agreeing to indemnify another party. (Charter sec. 9.13 prohibits the CBJ from incurring an obligation absent an appropriation for that purpose. An indemnity provision is an agreement to compensate the other party for any harm or loss arising out of the agreement, such as paying any judgment or damages, and oftentimes defending the other party in any legal action.) The Charter carves out a limited exception, however, allowing the Assembly, by ordinance, to require the payment of funds from appropriations of a later year (or for more than one year) for any federal or state grant, contract, lease, program, etc., without which the municipality would not be able to participate.

This ordinance would allow the City Manager to execute the approach road permit, which includes an indemnity provision, in accordance with Charter section 9.13(c), as required by 17 AAC 10.020(c).

Version (b) of the ordinance attaches the State's January 25, 2018, letter on the indemnification letter as an exhibit to the ordinance. The Committee of the Whole considered this ordinance at its January 29, 2018, meeting and approved forwarding it to the full assembly for public hearing.

The City Manager recommends this ordinance be adopted.

Public Comment:

None.

Assembly Action:

MOTION, by Gladziszewski, to adopt Ordinance 2018-05 (b).

Mr. Gregory clarified that the ordinance under discussion was Ordinance 2018-05 (b).

Hearing no objection, it was so ordered.

IX. UNFINISHED BUSINESS

A. Juneau Seventh-Day Adventist Christian School v. CBJ Assessor Office

Additional motions were received after this agenda packet was closed and printed. The Presiding Officer will provide updated information at the meeting.

Mr. Jones deferred the discussion on this matter to "Presiding Officer Reports."

X. NEW BUSINESS

A. Regulation Vessel Anchoring Requirements - Docks and Harbors

The Docks & Harbors Board held a public hearing at its January 25, 2018, regular board meeting to establish new regulations pertaining to anchoring on CBJ-owned tidelands. 05 CBJAC 40.065 (Anchoring Out Requirements) would assert authority to regulate vessels anchored on submerged lands owned by the City & Borough of Juneau. The drafted regulations would allow vessels to anchor for a 24-hour period without restriction. Anchoring for longer periods would require either a short-term or long-term permit issued by Docks & Harbors.

The proposed regulations were vetted through the Docks & Harbors Operations-Planning Committee and publicly advertised for a minimum of 21 days prior to the board hearing and action. The board received no written comments on the new regulation; one member of the public provided testimony at the public hearing.

In reviewing proposed regulations, CBJ 01.60.260 provides that the Assembly may:

1. Take affirmative action to approve the regulation.
2. Take affirmative action to disapprove the regulation. (If the Assembly disapproves the regulation, the Assembly may state its reasons for doing so, but it may not specify explicit conditions for subsequent approval or direct the requesting department to adopt any particular amendments to the regulation.)
3. Allow the regulation to take effect and be deemed approved by not actively considering the regulation. (The Assembly's historical practice is to move 'orders of the day,' requiring the body to consider the next item on its agenda without active consideration of the regulation in order to allow the regulation to take effect without

explicit Assembly action.)

4. Direct that an ordinance or resolution in lieu of the regulation be prepared for its consideration.

Public Comment:

Zach Worrell spoke about the applicability of the regulations to submerged tidelands in the borough, and if annexation is to take place, he has a float cabin in the area of proposed annexation and asked if CBJ be telling him that he needed to move his float house.

Mr. Watt said that regulations would be applied to tidelands owned or managed by CBJ and CBJ does not own or manage tidelands in the Hawk Inlet area. If the LBC completes the review of annexation and the legislature approves it, this does not convey any lands or tidelands to the CBJ. CBJ only passes regulations regarding lands it owns and manages.

Dennis Watson spoke about a short term permit, item 9.1, to be allowed for up to 14 days, for no fee, no proof of sanitation, and he was concerned about potential loopholes on this. He gave an example of the need for him to provide proof of insurance, and the harbor can sublet his slip if he leaves for an extended period of time, and the sub-lessee does not have to provide the proof of insurance. If the person decides not to move, and eviction is required, there is a problem. He felt all harbor users should be required to provide proof of insurance.

Mr. Edwardson asked if the regulation should be amended to add a requirement for insurance. Mr. Watson said yes, he spoke to the Harbor Board about this and no amendment was made.

Assembly Action:

Ms. Gladziszewski asked for an explanation of the areas where these regulations would be effective. Mr. Uchtyl said the submerged lands suitable for anchorage are limited to the area 200 yards seaward of Aurora and Harris Harbor breakwaters, 300 yards off the Statter Harbor breakwater, the submerged lands along Douglas from Douglas Bridge to Douglas Harbor, so the authority is limited. Ms. Gladziszewski said that the parcel viewer map on the CBJ website www.juneau.org has a feature called "managed lands by department" and can illustrate the areas that Docks and Harbors controls.

Ms. Weldon asked about the lack of a requirement for insurance. Mr. Uchtyl said Docks and Harbors does not require insurance for transient boaters, and insurance is not required for anyone using the harbor, however, there was a fine of \$.25 per linear foot per month for the lack of insurance. SB92 is before the legislature and addresses abandoned and derelict vessels. Insurance is very important but very controversial, and the current

version before the legislature had the insurance requirement removed in hopes to aid the legislation to be passed. He would like to work towards requiring all vessels in the harbor to require insurance coverage for salvage and pollution response.

MOTION, by Jones, for orders of the day.

Mr. Nankervis objected and said he had some concerns regarding insurance, the time allowed to be anchored, questions about moving the vessel two miles and in the long term permit a \$.25 per foot daily fee. If there is a \$100 non-refundable application fee the per foot fee did not seem necessary.

MOTION, by Jones, to approve the regulations as written.

Mr. Nankervis maintained his objection.

Mr. Edwardson said the regulations mirrored the use of state-owned land in certain areas for 14 days. Two miles was a standard so that people don't move just short distances and stay permanently in an area. He supported the regulations.

Mr. Gregory was concerned about the cost to remove contaminants from the tug that was abandoned in the harbor. He asked if the insurance to be required is available locally. Mr. Uchtyl said he would bring back information to the board, and there is salvage and oil spill insurance available locally.

Mr. Uchtyl said the regulations were modeled after those at the Department of Natural Resources.

Roll call:

Aye: Becker, Edwardson, Gladziszewski, Gregory, Jones, Kiehl, Weldon, Koelsch

Nay: Nankervis

Motion passed 8 ayes, 1 nay.

XI. STAFF REPORTS

Mr. Watt said the Regulatory Commission of Alaska (RCA) issued order #2 and the Assembly asked the manager to meet with AEL&P. We communicated the policy goals the Assembly identified, the meeting was collegial and productive, and I am hoping for a draft back from AEL&P as early as tomorrow.

Ms. Mead said the timing of the RCA second order is proving difficult for the schedule of the public hearing and the adoption of the appropriating ordinance to pay for counsel for intervention. She asked to confirm the direction from the Assembly - to file for intervention now and placeholder, and she was not sure what that meant for the negotiation with AEL&P. Ms. Gladziszewski asked for an explanation of what had changed since the last meeting.

Ms. Mead said with the petition to intervene, we would also file a petition for an investigatory hearing. The RCA has set February 26 as a date for additional public comment. She was informed that the timing would be difficult if the intervention petition were filed close to that date or after that date. If you approve the funds for intervention on the 26th, the public hearing is the 27th, and that leaves a very small window to move forward unless we file it now. Mr. Jones asked if there was 30 days from the 2nd order. Ms. Mead said RCA has not set a different time frame or mentioned intervention in the second order. The regulations provide for 30 days from the hearing. In this case they have not set a hearing, they have set another public comment period. They have narrowed the scope of the process in response to the public comment and directed that they will not be considering Snettisham or the open access issues within the context of this proceeding. Ms. Mead said RCA set a new hearing here in Juneau to receive additional public comment. Ms. Mead was told by outside counsel that if CBJ waits until after the public comment hearing, the likelihood that the petition to be entertained is lessened.

Mr. Kiehl said the Assembly had a desire to move down both paths simultaneously - to proceed to the intervention to leave us in a strong point of negotiations, and to reach an amicable solution. It seems worth doing this. If we step up our schedule a bit - don't stop talking, but maintain the route to intervention, this puts us in a good position.

Mr. Edwardson asked if CBJ is properly funded for this action. Ms. Mead said CBJ is not properly funded for the entire process. Most of the cost would come after RCA accepts CBJ as an intervenor and she has not gotten the costs clearly from outside counsel based on guidance to Ms. Mead to do the work or for outside counsel to do the work.

Ms. Gladziszewski said that now Snettisham is off the table and the open access tariffs, what is left? Mr. Watt said integrated resources planning, a hearing in Juneau and the 55 conditions. Mr. Watt said there were other comments from the Assembly looking for information on land holdings and the relevance of a performance bond.

Mr. Jones said there was discussion of the unitization agreement. He supported having the application in to RCA for intervention.

MOTION, by Weldon, to support a petition for intervention into the RCA process.
Hearing no objection, it was so ordered.

XII. ASSEMBLY REPORTS

A. Mayor's Report

Mayor Koelsch reported that he met with Mayor Clay Koplin of Cordova, met with the Admiral of the Coast Guard regarding the fast response cutters, met with Best Starts

representatives, welcomed the Alaska Fire Chiefs Association, will welcome Southeast Conference for their meetings in Juneau, and there will be an observation for Elizabeth Peratrovich on February 16 in the Egan Library.

B. Committee Reports, Liaison Reports, Assembly Comments and Questions

Docks and Harbors Board: Liaison Edwardson said the Docks and Harbors Board has good plans for the NOAA lands in Auke Bay and he hopes to hear more soon. The next regular board meeting is set for February 22.

Local Emergency Planning Committee: Liaison Edwardson - the next meeting is set for February 14.

MOTION, by Edwardson, to amend the resolution previously adopted, Resolution 2817, A Resolution Authorizing the Filing of an Annexation Petition with the Local Boundary Commission, to remove areas B, C and D from the annexing petition.

Mayor Koelsch confirmed that the motion is debatable and it requires a 2/3 affirmative vote to pass. If it is passed, the motion stands on its own merits and if it fails, the original motion stands.

Mr. Edwardson said he believed the Assembly may have been in error in adopting the resolution. He outlined all of the laws and authorities regarding annexation, and in reading them, it is clear that if we are to annex areas, there has to be something in it for that area. We can annex them and tax them, but that is not the spirit of the law. The model boroughs were started in 1989. One of the catalysts for this were four pending annexations, including the CBJ Greens Creek annexation. Those four petitions were not popular and the idea came up for model boroughs to be a framework for the DCRA, to have a structured way to discuss boroughs and to build a body of public comment. They were never meant to be the ideal boroughs. It is OK if a lot of undeveloped areas stay in the unorganized borough. There is clear criteria when you read through the constitution, statutes, regulations and LBC instructions, reading the entire body of law, we are supposed to have a handshake with the annexed areas. We have not articulated a reason for a petition. There is supposed to be a cost calculation, which I've asked for but have not seen.

Ms. Gladziszewski asked if this vote is for the specific motion. Ms. Mead said the result of passing the motion would be to remove the areas B, C and D from the petition.

Mr. Kiehl asked if this motion was divisible and amendable and Ms. Mead said yes.

Mr. Kiehl asked if that motion to amend required a super-majority. Ms. Mead said a normal majority to amend, a super majority to divide, and the final motion required a super majority.

Ms. Weldon asked for a description of the areas. Mr. Watt said area B was Glass Peninsula/Seymour Canal, area C is south of the borough boundary to the west and south of Green's Creek mine and area D is the Mansfield Peninsula. Ms. Weldon asked for a map of the monument and Ms. Gladziszewski shared it.

Mr. Edwardson said that public involvement and public buy in is a big issue. Before the last meeting there was opposition and during the last meeting opposition grew, and has grown since the last meeting. There are times when governing bodies can and should deviate from the public will, but this is not one of those situations. The law expects there to be public buy-in and public participation in the planning process from the areas being annexed.

Ms. Weldon said during her research, LBC looked at the model boundaries in 1986 and formed them in 1989, and the lines were not drawn arbitrarily, and the lands have been used by people from Juneau. Mr. Edwardson said the model boroughs were not to meant to be hard and fast, they are a framework for discussion.

Mr. Kiehl objected to the entire motion, but not to all of the parts, and preferred to vote on the separate areas for removal. Mr. Kiehl said there are a lot of points to consider, comparable resources, comparable economic activities, adjustment of an existing line or not. We have heard that you cannot cross a body of water and the vast majority of boroughs have a body of water crossed. There are some important reasons for CBJ to pursue annexing area C - the extension of the area from the model borough boundary south - to avoid multiple taxing jurisdictions for any further mine development. He could support removing the other two areas. He supported annexing area C for Juneau's long term future.

MOTION, by Kiehl, to divide the question and vote on each area, B, C and D, separately. Hearing no objection, the question is divided. Ms. Mead said each question would require a super majority.

Mr. Gregory asked to project a map of the areas. No image was available for projection. Ms. Gladziszewski provided Mr. Gregory with a map.

Mr. Edwardson asked if there is CBJ owned land or taxable land in Area C. Mr. Watt said there was no CBJ owned land in area C and he believed there was some privately owned land and the USFS and perhaps Shee Atika lands in that area. Area C is near the southern boundary of CBJ's borough and near the Greens Creek Mine.

Mr. Edwardson said that people want to hear the Assemblymembers reasons for voting for annexation.

Mayor Koelsch said the motion is to remove Area B from the Annexation petition.

Ms. Gladziszewski said area B can be argued to be the least connected to Juneau. There was a case with the packers in the area, but that is part of the National Monument. To speak to all of the questions, it is not a clear slam dunk in any direction.

Mr. Nankervis opposed the motion and disagreed with removing any area. I don't believe the LBC arrived at the model borough boundaries willy-nilly. We have discussed this for two years based on the discussion with Petersburg. We learned a lesson that being second to put in a request does not put you in first place. We are not annexing Angoon. This doesn't change subsistence or monument status with annexation. I could not find that any concerns cited by the Angoon resolution would be affected by annexation. Annexation will not affect ferry service in any way. Hoonah is currently working on annexation of areas and there is a good chance that Hoonah would try to annex areas D - I don't know that for sure. If we are out to lunch on this request, LBC will tell us. He would not support removing B, C or D from the petition.

Mr. Edwardson said that the LBC made the boundaries as a framework and a tool for comparison when considering annexation petitions, and we are assigning the model a status that they are not made to bear. They are only a model. Most people understand we are not annexing Angoon, but what most people feel we are doing is that we are not being good neighbors.

Ms. Weldon said CBJ is not proposing to take ownership or manage the land in annexation. I too have heard that there are other communities coming together to form a borough. I am still thinking about B.

Mr. Edwardson showed the area of the Glacier Bay model borough boundaries. Ms. Gladziszewski said the LBC is the arbiter of this question - the Assembly can only argue the best interest of Juneau.

Mr. Nankervis said his intent is not to irritate his neighbors in Angoon. We tried for six months to have a meeting with annexation. I know this vote will irritate some people, but we are advocating for the best interest of the people of Juneau.

Roll call on removing area B:

Aye: Edwardson, Gladziszewski, Gregory, Jones, Kiehl

Nay: Becker, Nankervis, Weldon, Koelsch

Motion failed to achieve a super majority, 5 ayes, 4 nays.

Roll call on removing area C:

Aye: Edwardson, Gregory, Jones

Nay: Becker, Gladziszewski, Kiehl, Nankervis, Weldon, Koelsch

Motion failed to achieve a super majority, 3 ayes, 6 nays.

Roll call on removing area D:

MOTION, by Weldon, to amend area D to to remove the Funter Bay watershed from inclusion in area D.

Ms. Gladziszewski spoke against carving out the exception and said all of D should remain in the application.

Mr. Edwardson said no one is speaking in support and saying what we are doing this for.

Ms. Gladziszewski said this is equity to other property owners that are inside the borough and the because of the connection that those lands have to Juneau.

Mayor Koelsch asked about the amendment to the amendment. Ms. Mead said the result of this amendment would be to remove that area from the petition, and a super majority vote would be required.

Mr. Kiehl recalled Albert Shaw's testimony on the closeness of economic ties of Funter Bay cabins to CBJ. With one or two exceptions, all cabin owners have residences in Juneau. The ties are closer than in B and C. I appreciate the fees that the residents pay but CBJ does not fund government on a user fee basis. I believe this area will eventually be in a borough. I will take it on faith that the people in Funter Bay prefer to be in a borough with Angoon.

Mr. Edwardson said he would vote for it, but wanted to remove it all.

Mr. Gregory said he will vote yes on the amendment and on the main motion - we have not made our case for annexation.

Mr. Nankervis objected.

Roll call to amend area D to remove the Funter Bay watershed from area D:

Aye: Edwardson, Gregory, Jones, Kiehl, Weldon, Koelsch

Nay: Becker, Nankervis

Motion passed with a super majority, 6 ayes, 3 nays.

Roll call to remove the remaining portion of area D from the Annexation petition:

Aye: Edwardson, Gregory, Jones, Kiehl

Nay: Becker, Gladziszewski, Nankervis, Weldon, Koelsch

Motion failed to achieve a super majority, 4 ayes, 5 nays.

The final result was to amend Resolution 2817 to remove the Funter Bay watershed portion of area D from the annexation petition to be submitted to the Local Boundary Commission.

Eaglecrest Board: Liaison Gregory reported on activities at the Eaglecrest Ski Area including the change of ownership of the zipline business, evening skiing, snowmaking and motorized uses.

Parks and Recreation Advisory Committee: Liaison Gregory said the PRAC worked to draft its annual report to the HRC and discussed the creation of a dog free trail in Juneau.

Mining Committee: Chair Gregory said the committee met and received a draft revised mining ordinance from the City Attorney. The committee is seeking feedback from the community on the ordinance and set a date of February 26 for comments. The next meeting is set for March 1. Southeast Alaska Conservation Council (SEACC) will be granted a 20 minute presentation time as Mr. Jim Clark was provided time to present his arguments to the committee.

Mr. Norton spoke about outdoor activities in the Glacier this weekend due to the good weather.

Planning Commission: Liaison Weldon said the PC has discussed the Auke Bay plan, setbacks for energy improvements, revising its rules of order and the next meeting would be a joint worksession with the Assembly on February 13 at 6:30 p.m., followed by a regular meeting at 8 p.m.

Aquatics Board: Liaison Weldon said the Board is holding public comment meeting around town are various community groups including the Chamber of Commerce and the next meeting is set for February 20.

Ms. Weldon attended the Alaska Fire Chiefs Association meeting, a Girl Scout fundraiser, a presentation about the new JACC at the city museum and she reported on the JDHS hockey team which won a game in the state tournament for the first time.

Human Resources Committee: Chair Gladziszewski said the HRC met, heard annual reports from the Affordable Housing Commission, and made recommendations for appointments. Hearing no objection, the following appointments were made:

Banner Project Art Selection Panel:

Dana Gunderson, Downtown Business Association
John Fox, Historic Resources Advisory Committee
Donald Gregory, Sealaska Heritage Institute
Rachael Juzeler and Nimmy Phillips, Juneau Arts and Humanities Council
Chip Verrelli, Public Member
Christianne Carrillo, Filipino Community

Affordable Housing Commission:

Reappointment of Wayne Coogan, Russ McDougal and Tamara Rowcroft to terms expiring January 31, 2021

Juneau Commission on Sustainability

Appointment of Gretchen Keiser to a vacated term and an additional term expiring June 30, 2021.

Ms. Gladziszewski said the HRC also recommended forwarding Resolution 2028 to the full Assembly at its next regular meeting, to change the membership to change the Juneau Sports Association seat a public seat.

Bartlett Board: Liaison Gladziszewski said the BRH Board met in retreat on February 10.

Affordable Housing Commission: Liaison Gladziszewski said the next meeting was set for March 6.

Public Works and Facilities: Chair Jones said the PWFC discussed the "Volkswagon settlement," ideas for federal expenditure projects, Recycleworks, an analysis of electric buses in cold weather and associated charging stations, and the FY19 Capital Improvement program. The next meeting is set for February 26.

School Board: Liaison Jones said the next meeting is set for February 13, with a meeting to evaluate the superintendent at 4:30 p.m. followed by a regular board meeting at 6 p.m

Downtown Business Association: Liaison Jones said the DBA is discussing available housing downtown and how to incentivize property owners to create more housing. The DBA is working in cooperation with Rotary on parks.

Mr. Jones said there will be a public meeting for affected property owners within the area of Phase 2 of Downtown Street Improvements at the Senate Building on February 13 at 9 am.

Mr. Jones would like to see the information on the parking plan for the Willoughby area and asked to schedule a discussion on this matter due to pending disruption from the summer project work on Egan.

Finance Committee: Chair Kiehl said the committee met on February 7 and redirected school district funds to the Pre-K program, received an update on the Juneau Parks Foundation, fully funded Gavel to Gavel in FY18 and in future years, reviewed the Marine Passenger Fee recommendations, and directed staff to proceed in a statewide effort to seek fairness with network transportation companies regarding sales tax.

Alaska Municipal League: Liaison Kiehl said the AML Winter Conference will be held in Juneau February 21 - 22.

UAS Campus Council: Liaison Kiehl said the council discussed career tech programs, increased enrollments, increased credit hours per student, a new fixed plant maintenance mechanic position, budget issues and ongoing efforts at hiring staff.

Mr. Kiehl complimented the League of Women Voters for their efforts to ensure every 8th grade student in Juneau visits the capitol, meets with legislators, and participates in a mock hearing. This is an all volunteer program.

Mr. Kiehl reported on a successful Girl Scout fundraiser in which he and former Mayor Sally Smith were auctioneers.

Lands Committee: Chair Becker said the committee met and heard presentations from proposers regarding the use of the Cornerstone property. The committee will meet on February 26 at 4:30 to continue deliberations on the matter.

Chamber of Commerce: Liaison Becker said the Chamber retreat is set for February 26.

Travel Juneau: Liaison Becker said the Travel Juneau retreat is set for February 15.

Alaska Committee: Liaison Becker said the next meeting is February 13.

Committee of the Whole: Chair Nankervis said the COW met on February 5 to discuss the proposed purchase of AEL&P by Hydro One, on Feb 1 to meet with the School Board and the Docks and Harbors Board, on January 29 to discuss RecycleWorks, the renewable energy strategy, Meander Way, indemnification and essential public facilities. He thanked the Assembly for their attendance at all meetings. The next meeting is set for February 13 at 6:30 pm to meet with the Planning Commission.

Mr. Nankervis also congratulated the JDHS hockey team. He said he attended a seafood festival for a KTOO fundraiser, the Canvas fundraising dinner and would be in attendance at the Southeast Conference for the next two days at the ANB Hall. He gave a heads up to the Assembly that he would like to propose a lower mill rate for non-roaded areas and will bring this forward during budget worksessions.

C. Presiding Officer Reports

Juneau Seventh-Day Adventist Christian School v CBJ Assessor: Presiding Officer Jones noted that the Assessor filed a motion to dismiss the appeal, however the 7th-Day filed a motion to object to the dismissal, stating that it would like the Assembly to rule on the underlying law. Mr. Jones has given the Assessor until Friday to reply to the motion and then he will meet with the CBJ attorney's office to determine the next course

of action. At this time he is maintaining the March 5 hearing date.

XIIICONTINUATION OF PUBLIC PARTICIPATION ON NON-AGENDA ITEMS

Matthew Carlson spoke about reestablishing communication with Angoon and said there are some new people on the council. He asked the Assembly to consider meeting the people in Angoon half-way with a reduced or eliminated sales tax rate.

XIV.EXECUTIVE SESSION

A. Update on CBJ's Open Litigation

MOTION, by Nankervis, to enter into executive session to discuss a matter, the immediate knowledge of which could have an adverse affect on the finances of the borough, namely open litigation cases.

Hearing no objection, the Assembly entered executive session at 10 p.m. and returned to regular session at 10:13 p.m. Mr. Nankervis said the Assembly received an update on open litigation before the CBJ.

XV. ADJOURNMENT

There being no further business to come before the Assembly, the meeting adjourned at 10:15 p.m.

Signed: _____
Laurie Sica, Municipal Clerk

Signed: _____
Kendell D. Koelsch, Mayor

**ASSEMBLY AGENDA/MANAGER'S REPORT
THE CITY AND BOROUGH OF JUNEAU, ALASKA**

February 12, 2018 7:00 PM

City Hall, Assembly Chambers
Regular Meeting 2018-05 - Updated 2/9/18 - 9 am

Submitted By:

Duncan Rorie Watt
City and Borough Manager

I. FLAG SALUTE

II. ROLL CALL

III. SPECIAL ORDER OF BUSINESS

A. **Proclamation - National Engineers Week**

IV. APPROVAL OF MINUTES

A. **January 19, 2018 Special Meeting 2018-02**

B. **January 30, 2018 Special Meeting 2018-04**

V. MANAGER'S REQUEST FOR AGENDA CHANGES

VI. PUBLIC PARTICIPATION ON NON-AGENDA ITEMS

VII. CONSENT AGENDA

A. Public Requests for Consent Agenda Changes, Other Than Ordinances for Introduction

B. Assembly Requests for Consent Agenda Changes

C. Assembly Action

1. Ordinances for Introduction

a. **Ordinance 2017-06(AC) An Ordinance Appropriating to the Manager the Sum of \$200,000 as Funding for Auke Bay Marine Station Maintenance and Improvements CIP; Funding Provided by the Harbor Fund's Fund Balance.**

This ordinance would transfer \$200,000 from the Harbor Fund to a new

CIP for Auke Bay Marine Station Maintenance and Improvements. Establishment of this CIP would fund a variety of preventative maintenance and repair projects. In addition a small addition of 100 lineal feet of floats would be installed to improve mooring opportunities in Statter Harbor.

The Harbor Fund has a current balance of \$1,485,517. Subsequent to the transfer there would remain \$1,285,517 in the Harbor Fund.

The Docks and Harbors Board, at its regular meeting on January 25, 2018, adopted a recommendation that the Assembly approve this appropriation ordinance.

The City Manager recommends this ordinance be introduced and set for public hearing at the next regular Assembly meeting.

- b. **Ordinance 2017-06(AD) An Ordinance Appropriating to the Manager the Sum of \$480,000 as Funding for the Accessory Apartment Grant Incentive Program, Funding Provided by the Juneau Affordable Housing Fund's Fund Balance.**

This ordinance would appropriate \$480,000 from the Juneau Affordable Housing Fund to the CBJ Accessory Apartment Grant Incentive Program to be used over a five-year period.

The CBJ Accessory Apartment Grant Incentive Program provides \$6,000 incentive grants to homeowners for new accessory apartment units that pass a final inspection and receive a Certificate of Occupancy.

The Juneau Affordable Housing Fund has a current balance of \$749,261. Beginning in FY18, the Juneau Affordable Housing Fund will receive \$400,000 per year for five years from the 1% sales tax fund to pursue housing activities noted in the CBJ Housing Action Plan and the Juneau Economic Development Plan. Subsequent to the transfer the Juneau Affordable Housing Fund fund balance would be \$269,261 until the 1% sales tax funds are made available.

At its January 2, 2018, meeting the Juneau Affordable Housing Commission made a motion to recommend the appropriation for the Accessory Apartment Grant Incentive Program.

At its January 10, 2018, meeting the Finance Committee recommended that an ordinance be drafted and forwarded to the Assembly for consideration.

The City Manager recommends this ordinance be introduced and set for public hearing at the next regular Assembly meeting.

- c. **Ordinance 2017-06(AE) An Ordinance Appropriating to the Manager the Sum of \$200,000 as Funding for Archipelago Property Development CIP; Funding Provided by the FY18 Dock's Licenses/Fees Revenue.**

This ordinance would transfer funds from the FY18 operating budget to a new CIP for Archipelago Property Development. The funds would be used to develop a preliminary design from plan concepts; generate cost estimates for implementation of the designs; prepare a draft purchase agreement; and include other associated tasks to answer questions regarding the acquisition and development of the Archipelago property.

As this funds transfer would exceed the budgetary authority for the Docks enterprise in FY2018, the Assembly is asked to approve a supplemental budget in the amount of \$200,000.

The Docks and Harbors Board is scheduled to consider this supplemental budget request at a special meeting on February 8, 2018.

The City Manager recommends this ordinance be introduced and set for public hearing at the next regular Assembly meeting.

- d. **Ordinance 2017-06(AF) An Ordinance Appropriating to the Manager the Sum of \$75,000 as Funding for Intervention in Docket U-17-097 with the Regulatory Commission of Alaska, Funding Provided by the General Fund's Fund Balance.**

This Ordinance would appropriate \$75,000 to fund the costs associated with CBJ's participation as an Intervenor, in the matter before the Regulatory Commission of Alaska, where Hydro One Limited is seeking authority to acquire control of Alaska Electric Light & Power Company. AEL&P is the power utility for Juneau. On July 1, 2014, Avista Corp, based in Washington bought out AEL&P's parent Alaska Energy and Resources Company. On July 20, 2017, Avista Corp. announced they would join forces with Hydro One.

The Assembly Finance Committee took up this matter at its meeting on January 10, 2018.

The Assembly Committee of the Whole unanimously recommended this at their meeting of February 5, 2018.

The City Manager recommends this ordinance be introduced on February 12, 2018, and set for public hearing at a Special Assembly meeting on February 26, 2018.

- e. **Ordinance 2017-23(c) An Ordinance Amending the Land Use Code**

Relating to Essential Public Facilities.

This ordinance would provide a process for permitting a facility that will provide an essential public service in a location not otherwise authorized under the Table of Permissible Uses and that would otherwise be extremely difficult to site.

The proposed permitting process closely follows the conditional use permit process. The key distinguishing differences are the proposed facility does not have to be a permissible use as specified in the Land Use Code, and the process is reserved for only those developments that will be providing an essential public service.

The Planning Commission reviewed the ordinance at its August 8, 2017, and September 12, 2017, meetings and recommended the Assembly adopt it. The Assembly Committee of the Whole considered the ordinance at its March 20, 2017, October 23, 2017, and January 29, 2018, meetings.

At its meeting on January 29, 2018, the committee recommended amendments, which are identified by the bold italicized and strike-through language in version (c) of the ordinance.

The City Manager recommends this ordinance be introduced and set for public hearing at the next regular Assembly meeting.

f. **Ordinance 2018-06 An Ordinance Amending the Land Use Code Relating to Setbacks for Energy Efficiency Improvements.**

A significant number of buildings in the community are built to the maximum setback line, and many older homes encroach into setbacks. Many of those property owners have requested to add exterior insulation to their homes and offices in order to increase their energy efficiency, but under current code, setback encroachments are generally prohibited.

The code does, however, provide for certain exceptions to that general rule for things like roof eaves, sheds, and decks. This ordinance would amend that provision, CBJ 49.25.430, to add a setback exception for exterior insulation to encroach up to eight inches into a setback. (Eight inches was determined to be a reasonable number given our climate, insulation materials, and types of existing buildings.) On balance, this ordinance would increase the energy efficiency of buildings and help the community achieve its sustainability goals without significantly impacting adjacent property owners.

The Title 49 Committee discussed this ordinance in the fall of 2017. The Planning Commission recommended the Assembly adopt this ordinance at

its meeting on January 23, 2018.

The City Manager recommends this ordinance be introduced and set for public hearing at the next regular Assembly meeting.

- g. **Ordinance 2018-07 An Ordinance Amending Title 72 of the City and Borough of Juneau Code Relating to Driving Without a License.**

Alaska Statute 28.01.010 prohibits municipalities from enacting traffic ordinances that are inconsistent with state law.

AS 28.01.010, the state law requiring drivers to be licensed, was amended from a misdemeanor offense to an infraction.

This ordinance would amend the corresponding CBJ offense (CBJ 72.10.065), from a B misdemeanor to an infraction, as required by state law.

The City Manager recommends this ordinance be introduced and set for public hearing at the next regular Assembly meeting.

- h. **Ordinance 2018-08 An Ordinance Amending the Land Use Code Related to Roadway Construction Standards.**

This ordinance would amend Title 49 to establish a process by which the Community Development Director and the Planning Commission can waive street standards for street reconstruction projects when warranted by the circumstances.

The Planning Commission is scheduled to review this ordinance on February 13, and the Public Works and Facilities Committee is scheduled to review it on February 26.

The City Manager recommends this ordinance be introduced and set for public hearing at the next regular Assembly meeting.

2. Resolutions

- a. **Resolution 2808 A Resolution Adopting the Juneau Renewable Energy Strategy.**

This resolution would adopt the Juneau Renewable Energy Strategy as an aspirational document to be used to inform future decision-making and policy. Adoption of this strategy is not intended to commit the City and Borough to a particular action, schedule, or methodology.

On July 25, 2015, a draft version of the Renewable Energy Strategy was presented to the Assembly. This draft was the basis for public consultation, and a series of well-attended public information and education sessions on a variety of energy-related topics that are relevant

to the strategy document. The Juneau Commission on Sustainability and staff have further refined the strategy document taking into account public feedback. At its June 13, 2017, meeting, the Juneau Commission on Sustainability voted to move the amended Juneau Renewable Energy Strategy to the Assembly for support. The Assembly Committee of the Whole considered the plan at its meeting on January 29, 2018, and approved forwarding the plan to the Assembly for adoption by resolution.

The City Manager recommends this resolution be adopted.

3. Bid Award

a. **Bid Award - Waterfront Facilities Corrosion Control**

This project provides corrosion protection for the steel sheet pile wall and associated metal elements of the Marine Park bulkhead. The work includes installation of an impressed current cathodic protection system; electrical improvements; and other associated work.

A public bid opening occurred on February 2, 2018. The Docks and Harbors Board was scheduled to review the bids at a special Board Meeting on February 8, 2018.

The City Manager recommends the bid be awarded to Island Contractors, Inc. in the amount of \$228,440.

4. Liquor License

a. **Liquor License Renewals 2018/2019**

The following 2018/2019 liquor license renewal applications received from the Alcohol Beverage Control Board are before the Assembly for one of the following actions: to protest, waive its right to protest, or refer this matter to the Assembly Human Resources Committee for additional review and recommendation.

The local governing body's 60-day comment period expires as of March 10 and March 12 respectively for the below licenses. If the Assembly should choose to take action other than waive its right to protest, special meetings would need to be scheduled to take action prior to the expiration of the 60-day comment period.

License #3695 South of the Bridge, LLC d/b/a Louie's Douglas Inn (Beverage Dispensary License); Location: 915 3rd Street, Douglas

License #4943 Specialty Imports Inc. d/b/a Specialty Imports (General Wholesale License); Location: 540 W. 8th Street,

Juneau

Staff from the Finance, Fire, Public Works/Utilities, Police, and Community Development departments have reviewed the above renewals and recommend the Assembly waive its right to protest these renewals. CBJ Code 20.25.025 sets out the basis by which the Assembly may protest a license renewal.

The City Manager recommends the Assembly waive its right to protest the above-listed liquor license renewals for the 2018/2019 renewal period.

5. Transfers

a. **Transfer T-996 Transfer of \$1,160,282 from 14 CIPs to 6 Existing CIPs and 3 New CIPs.**

This transfer is the result of closing 10 CIPs. These funds will be transferred to similar projects in need of funding. The highlights are as follows:

- 10 CIPs will be closed following the transfer of funds.
- Three new CIPs are being created – Transit Electronic Fare Boxes, Glacier Fire Station HVAC Improvements and Sitka Street Reconstruction.
- Funds are being transferred to six existing CIPs to provide additional funds necessary to complete the projects.

These transfer requests were forwarded by the Assembly Public Works and Facilities Committee on January 8, 2018, and January 29, 2018.

The City Manager recommends these transfers and closeouts be approved.

VIIIPUBLIC HEARING

A. **Ordinance 2017-06(AB) An Ordinance Appropriating to the Manager the Sum of \$74,918 as Funding for the 2015 State Homeland Security Program/SHSP; Grant Funding Provided by the State of Alaska Department of Military and Veterans Affairs.**

These funds are being provided to reimburse the CBJ for additional expenses incurred in direct support of the goals and activities of the State Homeland Security Program. The grant performance period is from September 1, 2015 to March 31, 2018.

There is no match requirement for this grant.

The City Manager recommends this ordinance be adopted.

B. Ordinance 2018-02 An Ordinance Authorizing the Manager to Convey Property Located on Egan Drive between West 10th Street and Main Street to the Alaska Department of Transportation and Public Facilities.

The Alaska Department of Transportation & Public Facilities applied for a direct negotiated sale of 507 square feet (a fraction of Lot 3, USS 3566) across Egan Drive from Centennial Hall in order to facilitate the state's reconstruction of Egan Drive between Tenth Street and Main Street. Along with the negotiated sale, ADOT&PF requested the CBJ grant the State eight permanent easements and ten temporary easements along Egan Drive for the same purpose.

The Assembly passed a motion authorizing the manager to negotiate the sale at its July 31, 2017, meeting. The Harbor Board heard the issue at its August 7, 2017, meeting and adopted the Lands Division's recommendation for approval. The City/State Project proposal in its entirety (encompassing both the sale and the easements) was brought to the Planning Commission at its August 8, 2017, meeting. The Commission voted to recommend to the Assembly approval of the project with two conditions to the disposals of land (both the negotiated sale and the easements.)

After the Commission considered the project and while negotiating the direct sale, it was determined that in lieu of the eight permanent easements, it was in the best interest of both parties for the CBJ to instead sell the property that had been contemplated for the permanent easements. (ADOT&PF's federal grant requires it to have exclusive control over the property. If that condition were granted the State as part of an easement, the CBJ would carry liability exposure for property over which it would have no control.)

This ordinance would authorize the sale of all property previously identified for disposal by permanent easement, as well as the fraction of Lot 3, USS 3566 originally sought by ADOT&PF, for the appraised, fair market value.

The City Manager recommends this ordinance be adopted.

C. Resolution 2810 A Resolution Authorizing the Manager to Convey Easements to the Alaska Department of Transportation and Public Facilities along Egan Drive from 10th Street to Main Street.

The Alaska Department of Transportation & Public Facilities requested ten temporary construction easements across CBJ property to facilitate the reconstruction of Egan Drive between Tenth Street and Main Street. The project will include the widening of sidewalks to ADA standards, adding bike lanes where appropriate and updating intersections and pedestrian facilities. These easements are part of a larger disposal, identified in Ordinance 2018-02.

The Lands Committee reviewed this request and approved a motion of support in favor of granting the easements at its August 7, 2017, meeting. The Planning

Commission provided a recommendation to the Assembly for granting these easements at its August 8, 2017, meeting.

The fair market value of the easements was determined by appraisal to be \$13,785.

The City Manager recommends this resolution be adopted.

D. Ordinance 2018-05 An Ordinance Authorizing the Manager to Execute Approach Road Approval to Construct Permit Agreement (#27037) with the Alaska Department of Transportation and Public Facilities.

In order to complete construction of a road leading from the Pederson Hill Subdivision to Glacier Highway as required by Title 49, the CBJ must obtain approval (an approach road permit) from the Department of Transportation and Public Facilities (ADOT&PF).

State regulations (17 AAC 10.020(c)) require ADOT&PF to include an indemnity provision from the permittee to the State in all approach road permits.

Normally the CBJ is prohibited by Charter section 9.13(a)(which is substantially similar to Article IX, section 13 of the Alaska Constitution) from contractually agreeing to indemnify another party. (Charter sec. 9.13 prohibits the CBJ from incurring an obligation absent an appropriation for that purpose. An indemnity provision is an agreement to compensate the other party for any harm or loss arising out of the agreement, such as paying any judgment or damages, and oftentimes defending the other party in any legal action.) The Charter carves out a limited exception, however, allowing the Assembly, by ordinance, to require the payment of funds from appropriations of a later year (or for more than one year) for any federal or state grant, contract, lease, program, etc., without which the municipality would not be able to participate.

This ordinance would allow the City Manager to execute the approach road permit, which includes an indemnity provision, in accordance with Charter section 9.13(c), as required by 17 AAC 10.020(c).

Version (b) of the ordinance attaches the State's January 25, 2018, letter on the indemnification letter as an exhibit to the ordinance. The Committee of the Whole considered this ordinance at its January 29, 2018, meeting and approved forwarding it to the full assembly for public hearing.

The City Manager recommends this ordinance be adopted.

IX. UNFINISHED BUSINESS

A. Juneau Seventh-Day Adventist Christian School v. CBJ Assessor Office

Additional motions were received after this agenda packet was closed and printed. The Presiding Officer will provide updated information at the meeting.

X. NEW BUSINESS

A. Regulation Vessel Anchoring Requirements - Docks and Harbors

The Docks & Harbors Board held a public hearing at its January 25, 2018, regular board meeting to establish new regulations pertaining to anchoring on CBJ-owned tidelands. 05 CBJAC 40.065 (Anchoring Out Requirements) would assert authority to regulate vessels anchored on submerged lands owned by the City & Borough of Juneau. The drafted regulations would allow vessels to anchor for a 24-hour period without restriction. Anchoring for longer periods would require either a short-term or long-term permit issued by Docks & Harbors.

The proposed regulations were vetted through the Docks & Harbors Operations-Planning Committee and publicly advertised for a minimum of 21 days prior to the board hearing and action. The board received no written comments on the new regulation; one member of the public provided testimony at the public hearing.

In reviewing proposed regulations, CBJ 01.60.260 provides that the Assembly may:

1. Take affirmative action to approve the regulation.
2. Take affirmative action to disapprove the regulation. (If the Assembly disapproves the regulation, the Assembly may state its reasons for doing so, but it may not specify explicit conditions for subsequent approval or direct the requesting department to adopt any particular amendments to the regulation.)
3. Allow the regulation to take effect and be deemed approved by not actively considering the regulation. (The Assembly's historical practice is to move 'orders of the day,' requiring the body to consider the next item on its agenda without active consideration of the regulation in order to allow the regulation to take effect without explicit Assembly action.)
4. Direct that an ordinance or resolution in lieu of the regulation be prepared for its consideration.

XI. STAFF REPORTS

XII. ASSEMBLY REPORTS

- A. Mayor's Report
- B. Committee Reports, Liaison Reports, Assembly Comments and Questions
- C. Presiding Officer Reports

XIII. CONTINUATION OF PUBLIC PARTICIPATION ON NON-AGENDA ITEMS

XIV. EXECUTIVE SESSION

- A. Update on CBJ's Open Litigation

XV. ADJOURNMENT**XVISUPPLEMENTAL MATERIALS**

ADA accommodations available upon request: Please contact the Clerk's office 72 hours prior to any meeting so arrangements can be made to have a sign language interpreter present or an audiotape containing the Assembly's agenda made available. The Clerk's office telephone number is 586-5278, TDD 586-5351, e-mail: city.clerk@juneau.org

EXHIBIT H-7
NOTICE OF ADOPTION OF ORDINANCES AND RESOLUTIONS

February 12, 2018

On the 12th day of January, 2018, the Assembly of the City and Borough of Juneau, Alaska, adopted the legislation listed below. Resolutions and appropriating ordinances are effective immediately; other ordinances become effective 30 days after adoption or at any later date specified in the ordinance. The titles listed in this notice may not reflect amendments made at adoption. Copies of the unsigned ordinances as they were during the Assembly meeting at which it was adopted are online at <http://www.juneau.org/assemblyftp/novus.php>.

ORDINANCES

Ordinance 2018-02

An Ordinance Authorizing the Manager to Convey Property Located on Egan Drive between West 10th Street and Main Street to the Alaska Department of Transportation and Public Facilities. ***Adopted.***

Ordinance 2018-05

An Ordinance Authorizing the Manager to Execute Approach Road Approval to Construct Permit Agreement (#27037) with the Alaska Department of Transportation and Public Facilities. ***Adopted.***

APPROPRIATING ORDINANCES

Ordinance 2017-06(AB)

An Ordinance Appropriating to the Manager the Sum of \$74,918 as Funding for the 2015 State Homeland Security Program/SHSP; Grant Funding Provided by the State of Alaska Department of Military and Veterans Affairs.

RESOLUTIONS

Resolution 2808

A Resolution Adopting the Juneau Renewable Energy Strategy. ***Adopted.***

Resolution 2810

A Resolution Authorizing the Manager to Convey Easements to the Alaska Department of Transportation and Public Facilities along Egan Drive from 10th Street to Main Street. ***Adopted.***

Resolution 2817 (previously adopted Jan. 22., 2018 and amended)

A Resolution Authorizing the Filing of an Annexation Petition by Legislative Review before the Local Boundary Commission. ***Adopted.***

Presented by: The Manager
Introduced: 01/22/2018
Drafted by: A. G. Mead

RESOLUTION OF THE CITY AND BOROUGH OF JUNEAU, ALASKA

Serial No. 2817(am)

A Resolution Authorizing the Filing of an Annexation Petition by Legislative Review before the Local Boundary Commission.

WHEREAS, Article X, sec. 3 of the Alaska Constitution requires the State to be divided into boroughs which encompass an area and population with common interests to the maximum degree possible; and

WHEREAS, Article X, sec. 12 of the Alaska Constitution directs the establishment of a local boundary commission to consider any proposed local government boundary change; and

WHEREAS, the Local Boundary Commission conducted an intensive study, which included public testimony from throughout Alaska, in order to adopt "model borough boundaries" throughout the unorganized borough to be used as a "frame of reference" by the Local Boundary Commission in evaluating future petitions; and

WHEREAS, by Resolution 2587, the Assembly authorized the filing of an annexation petition to annex that portion of land between the CBJ and the then City of Petersburg, an area also sought by Petersburg as part of its borough incorporation petition; and

WHEREAS, in deciding Petersburg's petition and granting Petersburg much of the land identified in the CBJ's annexation petition it became necessary for the CBJ to amend its petition; and

WHEREAS, the City and Borough of Juneau Assembly has carefully considered whether amending its annexation petition to include other areas of the unincorporated borough either previously identified as part of Juneau's model borough boundary, or which, in considering the standards for annexation set by state law, would appropriately and best be served by annexation to the City and Borough of Juneau; and

WHEREAS, at its Committee of the Whole meeting on January 3, 2018, the Assembly directed a resolution be prepared to authorize the amendment of the CBJ's currently pending annexation petition to include the following areas, as amended by the Assembly at its meeting on February 12, 2018, (identified on the map attached as Exhibit A):

- Lands abutting and in Seymour Canal beginning with the Pack Creek watershed and including all lands to the north that drain into Seymour Canal;
- The Glass Peninsula;

- All of the lands on Admiralty Island to the north of Hawk Inlet, including Horse and Colt Islands but excluding those lands that lie with the watersheds that drain into Funter Bay;
- An area south of the Greens Creek Mine and the existing City and Borough of Juneau boundary that encompasses all lands that drain into Wheeler Creek and lands to the west of the Wheeler Creek basin that drain directly into Chatham Strait.

WHEREAS, the Assembly further directed that the petition be filed as a petition for annexation by legislative review process; and

WHEREAS, state law (3 AAC 110.425) requires that prior to submitting a petition for legislative review, prospective petitioners prepare a draft of the prospective petition, provide public notice, and conduct a public hearing on the annexation proposal.

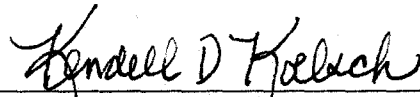
NOW, THEREFORE, BE IT RESOLVED BY THE ASSEMBLY OF THE CITY AND BOROUGH OF JUNEAU, ALASKA:

Section 1. The Assembly directs the Manager to amend the City and Borough of Juneau's petition, currently pending (in stayed status) before the Local Boundary Commission by including those lands identified herein and as shown on Exhibit A, and by filing the petition as a petition for annexation by legislative review.

Section 2. The Assembly directs the Manager to initiate the process in accordance with 3 AAC 110.425 by preparing a draft of the prospective annexation petition and providing for the public notice and hearing as required by law.

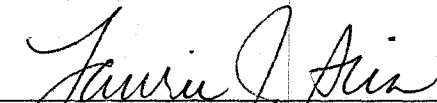
Section 3. Effective Date. This resolution shall be effective immediately after its adoption.

Adopted this 12th day of February, 2018.



Kendell D. Koelsch, Mayor

Attest:



Laurie J. Sica, Municipal Clerk

City & Borough of Juneau Proposed Annexation Areas

