

PAGE 1  
CITY COUNCIL MINUTES  
JUNE 23, 1992

- CALL TO ORDER** Mayor Feaster called the regular Council meeting to order at 7:30 PM.
- ROLL CALL** Present: Dale, Feaster, Richardson, Vanasse, Wallace, Warner  
Absent: Wintersteen
- APPROVAL/MINUTES** M/M by Dale, 2nd by Richardson to approve the minutes of the June 9, 1992, regular Council meeting as presented. Voice vote. Motion carried unanimously.
- M/M by Dale, 2nd by Richardson to approve the minutes of the June 15, 1992, Special Council meeting as presented. Voice vote. Motion carried unanimously.
- APPROVAL/AGENDA** M/M by Warner, 2nd by Vanasse to approve the agenda as presented. Voice vote. Motion carried unanimously.
- M/M by Vanasse, 2nd by Richardson to amend the motion to approve the agenda to include under New Business, Item D, Executive Session to discuss legal matter of Polty and Black vs. the City of Bethel. Voice vote. Motion carried unanimously.
- MAYOR'S REPORT** Mayor Feaster referred Council to his written report. In addition, the Mayor announced the resignation of Mike Shantz from the Planning Commission effective June 22, 1992, and encouraged residents interested in serving on the Commission to contact him or the City Clerk. Mayor Feaster reported that the Solid Waste Management Committee (structured as an informal ad hoc committee) had met on June 19, and will continue to meet every other Friday at noon for an hour. The committee is open to anyone who would like to participate.
- MANAGER'S REPORT** City Manager Hohman reviewed his written Manager's report with Council on the following items:  
--Efforts by city administration, the police department, and the owners of the Kuskokwim Inn to resolve the after hours problem by "partying people" outside the Inn.  
--Senior Center Ramp bid was received from

**PAGE 2**  
**CITY COUNCIL MINUTES**  
**JUNE 23, 1992**

H2W Constructors at \$56,000 (total cost will be \$65,500 with addition of architectural fees); Office of Older Alaskans indicated the availability of monies to fund the project. Once confirmation is received from the Older Alaskan Office, the City can proceed to award the bid.

--Materials relating to the sale of fireworks by DECO at the old Cutting Edge site. The Public Safety Committee met and made a recommendation to the Police Chief who under the ordinances has the authority to make a decision under two areas 1) whether or not fireworks should be available for sale; and 2) if sale of fireworks is authorized, how they may be set off within the City limits.

--Disposal/lease of Bojangles Building and the Bus Barn building has begun in accordance with the city ordinance requirements.

--Information provided to Senator Hoffman's office regarding discretionary funding/matching funds for road construction projects.

--Polty & Black versus City of Bethel.

--FY 93 city insurance information provided by Dennis O'Neill.

In addition City Manager referred Council to the following items not in his written report:

--Schedule of events and report on the 4th of July activities from Joyce Martin, Event Coordinator.

--Amendment #1 to the Project Summary and Memorandum of Agreement between the Indian Health Service and the City of Bethel and the AVCP Housing Authority that expands the scope of the original project and effectively contributes an additional \$100,000 toward the sewer lagoon renovation project. Council requested that this item be added to the July 14, 1992, agenda for review.

**COUNCIL MEMBER**  
**COMMENTS**

In response to question from Councilman Warner regarding the status of the Tidelands survey report, Planning Manager, Jerry White, reported that the survey should be recorded within the next couple of days. Following that, the City then deals with the State in obtaining control of the land.

Councilman Warner commended the road crew for grading Tundra Ridge Road as it has been used extensively since the closing of Ptarmigan Road. Councilman Warner suggested that grading should continue on a regular basis for the period Ptarmigan is closed.

Councilman Wallace noted that one of the ball games was referred to as a "Little League" game in the 4th of July Schedule of Events and pointed out that it was his understanding that the term "Little League" could not be used if the team(s) did not belong to the Little League Association.

**REPORTS OF STANDING  
COMMITTEES**

Councilman Wallace reported that the Planning Commission had been unable to muster a quorum. He pointed out that it was becoming critical to get a meeting convened in order to consider the number of requests that have been brought to the Commission for action.

It was suggested that the City Council hear the requests at its regular Council meeting scheduled for July 14, 1992, if the Planning meeting scheduled for June 26 does not have a quorum. Additionally, it was recommended that the Planning Manager notify the people who have requested the variances if, in fact, the Council hears the requests on the 14th.

Mayor Feaster reported that the Finance Committee met on June 18, 1992. The Committee recommended that utility deposits be held for one year and returned after one year if there were no credit problems. The change would be reflected in an amendment to the ordinance drafted by the Finance Committee and presented to the Council for action.

Councilwoman Richardson reported that the Public Safety Committee met June 16, 1992, and referred Council to the minutes included in the packet. A special meeting was called for June 30, 1992, at 3:00 concerning a personnel matter.

**PEOPLE TO BE HEARD** Dave Trantham advised Council of the problem of dust control on Akakeet Street, Ptarmigan Street and the portion of Ridgecrest where heavy trucks pass through. Mr. Trantham stated that there are a number of people who live in these areas who suffer from lung problems, and asked that Council or City Administration take some type of action to alleviate the problem.

Mr. Trantham also spoke on the continued problem of bootlegging in the City. He suggested that the City impose a sales tax on the bootleggers.

In response to the comment about the dust control, City Manager Hohman stated that he and the Public Works Department were aware of problem and had been working to solve it. Jerry Korthuis of Public Works informed Council that besides spraying the roads with water there were three options available: 1) using oil (not generally environmentally safe); 2) use material that derives from pulp and is mixed with water, while this method is real effective, it is also very expensive; 3) use of calcium chloride (however, this process slowly damages vehicles because it solution use is composed of salt). Councilman Warner recommended that the City continue using the water trucks with spray bars as a band-aid approach until a better method has been determined.

**OLD BUSINESS:**

Item A--Public  
Hearing: Amend.  
#3 to Ord. #201

**PUBLIC HEARING: AMENDMENT #3 TO ORDINANCE  
#201 FY 92 YEAR-END BUDGET REVISION**

Finance Director, Larry Elam requested approval of the budget amendment to adjust appropriations that require Council action by ordinance in accordance with BMC 4.04.080 Budget Control. This amendment would provide for situations that were not anticipated at the mid-year review and adjust for minor transfers between departments as of year end. Mayor Feaster then opened the hearing to the public. There being no comments from the public, Mayor Feaster closed the public hearing. Council briefly discussed several

of the transfers.

motion

M/M by Dale, 2nd by Richardson to adopt Amendment #3 to Ordinance #201 FY 92 Year-End Budget Revision. Poll vote. Motion carried unanimously.

Council broke at 8:20 PM for a short recess. At 8:30 PM, Mayor Feaster called the meeting back to order.

PEOPLE TO BE HEARD

At 8:30 PM, as required by resolution, Mayor Feaster again opened the meeting to the public for discussion of items not listed on the agenda. There were no people to be heard at this time.

OLD BUSINESS (Cont):

Item B: Public  
Hearing--Amend.  
#4 to Ord. #190

**PUBLIC HEARING: AMENDMENT #4 TO ORDINANCE  
#190-SALES TAX: SECTION 4.16.020 POSTPONEMENT  
OF THE DELETION OF SALES TAX EXEMPTION ON  
GAMES OF CHANCE & SKILL**

Mayor Feaster provided a brief explanation of the amendment before the public and the Council stating that it was a postponement of the deletion of the sales tax exemption on games of skill and chance. Mayor Feaster opened the hearing to the public for people to speak to Amendment #4 to Ordinance #190.

Joel Bowles, Gil Bates, and Buck Bukowski spoke in favor of the amendment as it would give the non-profit organizations time to develop a method for collecting the tax. Jan Debnam, as a representative for Allen Auxier, read a letter written by Mr. Auxier in support of postponing the implementation of collection of the sales tax (a copy of that letter is attached as part of these official minutes). Charles Gavin stated that he did not feel it was fair to assess sales tax on the non-profits as they were not set up to make a profit.

Dave Trantham spoke against approval of the amendment by pointing out that the non-profits had been given four months to develop a method for collection of the tax. Mr. Trantham also indicated that the for-profit

organizations collect sales tax in Bethel and donate hundreds of thousands of dollars back into the community as well. In addition, Mr. Trantham pointed out that a possible conflict of interest existed if Councilman Dale, as the Manager of the VFW, voted on the amendment.

There being no further comments from the public, Mayor Feaster closed the public hearing.

Council next held a lengthy discussion concerning the issue of postponement of the deletion of the sales tax exemption. Councilman Wallace suggested assessing the non-profits a flat fee on the gaming operations instead of the 5% tax on the gross receipts; Councilwoman Richardson stated that she, too, favored the suggestion of assessing a flat fee.

Council also addressed the conflict of interest matter raised by Dave Trantham. City Manager Hohman informed Council that he had obtained a verbal opinion from City Attorney, Brooks Chandler on the subject of whether or not a conflict of interest existed. Mr. Chandler indicated that if a substantial financial interest was to be benefitted then that would constitute a conflict of interest. Referring to the issue at hand, Mr. Chandler indicated that it was a "gray area" and that it was a difficult question to call. In response to a question from Mayor Feaster, City Manager Hohman stated that Mr. Chandler had further indicated that the Mayor first makes a ruling on the situation involving the question of conflict of interest; if there was an objection to the Mayor's ruling, then that ruling could be challenged and the determination then made by the governing body. Councilman Vanasse requested that Council receive a written opinion from the City Attorney on this issue. Mayor Feaster next asked several questions of Councilman Dale concerning his position as Business Manager with the VFW with regard to a potential conflict of interest. Based on the

information provided, Mayor Feaster then ruled that a conflict of interest did not exist and Councilman Dale should be allowed to vote.

**motion**

M/M by Warner, 2nd Richardson for adoption of Amendment #4 to Ordinance #190 postponement of the deletion of the sales tax exemption on games of skill and chance. Poll vote. Motion failed. 3- yes; 3-no (Feaster, Vanasse, Warner).

**Item C: Lease Agreement on old Cutting Edge Building**

**DISPOSITION OF LEASE AGREEMENT ON OLD CUTTING EDGE BUILDING**

City Manager Hohman informed Council that the City had not been able to find an alternative location for DECO International (lessee, Cornelis "Sparky" Buhrman) to conduct business; Mr. Buhrman has requested that he be allowed to remain in the old Cutting Edge building.

**motion**

M/M by Dale, 2nd by Warner to approve the lease agreement with DECO International (Mr. & Mrs. Cornelis Buhrman) for the period June 2, 1992, through July 15, 1992. Poll vote. Motion carried. 5-yes; 1-no (Feaster).

**Item D: Quotes on Insurance Coverage**

**PRESENTATION OF QUOTES ON INSURANCE COVERAGE**

Dennis O'Neill, Personnel Technician, reported that Administration, at Council's direction, had contacted three additional insurance brokers to obtain quotes for the City's insurance with a deadline date of June 25, 1992, 1:00 PM for receipt of quotations. The three insurance brokers declined the offers due to the late date of the invitation for solicitation of quotes. The current broker, Rollins Burdick and Hunter indicated it would have its quote to the City by the deadline date of June 25. Administration suggested that the City follow the recommendation submitted by the insurance consultant, Richard Block. In response to a question from Councilman Dale, City Manager Hohman reported that the consulting fee paid to Mr. Block was \$180.00.

PAGE 8  
CITY COUNCIL MINUTES  
JUNE 23, 1992

**motion**

M/M by Richardson, 2nd by Wallace to follow insurance consultant, Richard Block's recommendation and time frame for the bidding process for insurance brokerage services as outlined in his letter of June 3, 1992; in addition, the City accept the bid that will be presented by the current broker, Rollins Burdick and Hunter (a copy of Mr. Block's letter of recommendation is attached to the Council minutes of June 9, 1992). Poll vote. Motion failed. 3- yes; 3-no (Feaster, Vanasse, Warner).

Councilman Vanasse pointed out that to approve the motion would bind the City to purchase the insurance package that had not yet been presented by Rollins Burdick and Hunter. Councilman Vanasse further pointed out that the cost of such insurance package was unknown at this time.

Following the vote concerning the insurance coverage, Councilman Warner stated that it was likely he would approve the package presented by Rollins Burdick and Hunter, but he would first like to review the cost. A special meeting of the City Council was set for June 30, 1992 at 7:30 PM, City Conference Room, to review the insurance package and quote(s) submitted by Rollins Burdick and Hunter.

Council broke at 9:50 PM for a short recess. At 10:00 PM, Mayor Feaster called the meeting back to order.

**motion**

M/M by Dale, 2nd by Warner to continue meeting past 10:00 PM. Voice vote. Motion carried. 5-yes; 1-no (Richardson).

**NEW BUSINESS:**  
Item A: Intr.  
Amend. #1 to  
Ord. #202

**INTRODUCTION OF AMENDMENT #1 TO ORDINANCE  
#202--PERSONNEL RULES & REGULATIONS**

Mayor Feaster explained that through the budget process it was discovered a loop hole existed in the recently approved Personnel Rules and Regulations that could have a potential impact on the budget.

**PAGE 9  
CITY COUNCIL MINUTES  
JUNE 23, 1992**

**motion**

M/M by Dale, 2nd by Warner to introduce for public hearing on July 14, 1992, Amendment #1 to Ordinance #202, Personnel Rules and Regulations. Voice vote. Motion carried unanimously.

**Item B: Intro.  
Ord. #204, 205  
206, 207, 208**

**INTRODUCTION OF ORDINANCES #204, 205, 206, 207 and 208--LAND DISPOSAL LEASE (BOJANGLES BUILDING, BUS BARN AND CITY DOCK PROPERTY)**

City Manager Hohman explained that ordinances #204-207 attempt to conform to the Acquisition and Disposal of Land Ordinance with respect to the Bojangles Building and the Bus Barn properties. In addition, disposal of these two pieces of property were advertised June 16, 1992, to conform to the 30 day requirement. Ordinance #208 relates to an interest in leasing space on the dock which would be used as a staging area for gravel for the period of the summer months. The gravel is supposed to be removed in time for that area to be used as it was in the past year for boat vessel storage area; this land is in front of the warehouse on the dock side. Payment for the space is gravel.

**motion**

M/M by Warner, 2nd by Dale to introduce for public hearing on July 28, 1992, Ordinances #204, 205, 206, 207 and 208, disposal/lease of city property (Bojangles Building, Bus Barn Building and City Dock property). Voice vote. Motion carried unanimously.

**Item C: Res.  
#709**

**PROPOSED RESOLUTION #709--LEASE/PURCHASE AGREEMENT WITH NATIONAL BANK OF ALASKA**

Finance Director, Larry Elam, explained that through the budget process the Council had approved the purchase of trucks up to \$100,000. Three bids were received with Cal Worthington Ford at \$102,993 as the successful bidder (a copy of the summary of bids for the purchase is attached as part of the official minutes). The amount of \$2,993 over the \$100,000 approved will be covered with other funds. Resolution #709 authorizes the city to acquire the trucks and execute an equipment lease/purchase agreement with the National Bank of Alaska. The resolution

becomes a part of a standard municipal lease/purchase agreement.

motion

M/M by Dale, 2nd by Richardson to adopt Resolution #709 authorizing the acquisition of certain equipment and the execution of an equipment lease/purchase agreement with National Bank of Alaska. Voice vote. Motion carried unanimously.

Item D: Exec.  
Session

**EXECUTIVE SESSION--LEGAL MATTERS**

motion

M/M by Dale, 2nd by Richardson to go into Executive Session for the purpose of discussing legal matter--Polty & Black vs. the City of Bethel. Voice vote. Motion carried unanimously.

motion

M/M by Warner, 2nd by Richardson to come out of Executive Session. Voice vote. Motion carried unanimously.

motion

M/M by Warner, 2nd by Wallace that the City Attorney go back with a counter offer in the legal matter of Polty & Black vs. the City of Bethel. Voice vote. Motion carried unanimously.

motion

M/M by Dale, 2nd by Warner to adjourn the meeting at 10:35 PM. Voice vote. Motion carried unanimously.

PASSED AND APPROVED THIS 14<sup>th</sup> DAY OF July, 1992.

James H. Feaster III  
James H. Feaster III, Mayor

ATTEST:

Jane Elam  
Jane Elam, City Clerk