

MANAGER'S REPORT
continued

project; DEC prepared a statement of qualifications for engineering services for the design of second facultative lagoon cell; issuance of statement of qualifications will start the selection process for an engineer;

- memorandum of agreement between KuC and the City is attached for the use of the Teen Center weight room for the purpose of conducting weightlifting courses and other instructor supervised sessions; this MOA extends the existing agreement from July 1, 1991 through June 30, 1992; City Manager to sign agreement if no objection;

- attached is grant offer from DEC regarding the Bethel Pumphouse Boiler Upgrade project; grant to be applied toward financing a contract for construction management of the boiler system upgrade at the pump-house;

- also indicated that part that was not in the report was regarding the Captain Atkins bid, which only 1 had been received in the amount of \$12,000.

motion

M/M by Trantham, 2nd by Feaster to reject the bid proposal the lease of Captain Atkins for \$12,000 from Bethel Contractors. Voice vote, motion carried unanimously.

Councilman Feaster asked what the next step would be; it was pointed out that it would have to be re-advertised.

Councilman Trantham asked if City was being asked to go ahead with the engineering on the waste water treatment system, when there's no assurance of land acquisition. Mr. Earnest indicated that the process is to solicit letters of interest from firms, which would be prioritized by DEC and they would be sent copies of RFP's. Councilman Trantham further asked what the status was of the 3-way land trade; Mr. Earnest briefly indicated that one had expressed interest, but did not want to say anything further until negotiations occurred. Councilman Trantham also asked why City was not interested in the summer youth grants; Mr. Earnest indicated that this had been assigned to an individual but found out that the application had not been submitted. Councilman Trantham concluded by indicating that the teenagers that would benefit from this program were upset, including their parents.

Acting Mayor Richardson asked how a roadway becomes eligible for road construction project. Mr. Earnest indicated that the request is usually made to Juneau Department of Transportation, Public Facilities; Acting Mayor Richardson suggested that that be looked into for the other roads. Also asked how long MOA had been on-going with KuC; it was indicated that it's been on-going for 5 years. Acting Mayor Richardson felt, if the City gives them money, they should give the City some money.

COUNCILMEMBER COMMENT

Councilman Feaster referred to the letter received regarding the last PATC Advisory Board meeting; City Manager Earnest indicated that what he knew was they were going to meet again, only this time with sufficient agenda posted. Mr. Trantham asked if the PATC Advisory Board worked for the Council as the other Committees and Commissions. Acting Mayor Richardson indicated that when City first took over the Phillip's Alcohol Treatment Center, that it was one of the requirements to have an Advisory Board. Councilman Trantham pointed out that the decision the PATC Advisory Board had made as far as supporting either entities, was that the City should stay neutral.

motion

M/M by Trantham, 2nd by Feaster that recommendation of the PATC Advisory Board be forwarded to City Council for endorsement indicating that City Council of City of Bethel takes a neutral position in the selection of the new operator of PATC. Voice vote, motion carried unanimously. Richardson abstains since she is on the YKHC Board and Wallace abstains since he is an employee of YKHC and on the PATC Advisory Board.

Councilman Dale asked who the fence project at the dump had been awarded to; City Manager Earnest did not quite remember who it was awarded to. Councilman Dale indicated he knew who it was awarded to and that the sub-contractee owed taxes to the City. It was pointed out that the contract money would be paid to City for delinquent taxes. Councilman Dale indicated that it should be a City policy not to contract out to businesses that owed taxes to the City. It was pointed out that this was part of the sales tax amendment. Councilman Dale simply pointed out that if contractors that turn in bids to the City, if they are going to use subcontractors, that those subcontractors owing sales taxes not be allowed to be subcontractors.

REPORTS OF STANDING
COMMITTEES

Councilman Dale reported that the Transportation Commission still had 3 vacancies and encouraged the public to apply. Acting Mayor Richardson indicated that it was suggested to her that the Transportation Commission be incorporated with the Public Safety Committee. Councilman Dale did not object to the idea, but that in the mean time, there were 3 vacancies in the Transportation Commission. It was pointed out that if the Public Safety Commission was to be formed, that the ordinance would have to be changed to eliminate the Transportation Commission and forming a Public Safety Commission since they would be dealing with regulations.

Madam Lilienthal reported that she did not attend the Port Commission meeting since she had attended the Council budget worksession that night and that the Port Commission Chairman was suppose to get with her, but has not contacted her yet.

REPORTS OF STANDING
COMMITTEES cont.

Councilman Feaster reported that the Planning Commission meeting that was scheduled for tomorrow was cancelled; and the Finance Committee met on the 16th, and following suggestions were made: urge the City Council to put a 5 year plan together to cope with a problem as far as budget planning; extended invitation to Parks & Recreation Committee as far as forming a non-profit corporation. and recommended to auction items at the Museum. Councilman Dale recommended that auctioning take place this summer due to tourists season. Councilman Trantham indicated that it was a good suggestion regarding the Musuem.

motion

M/M by Wallace, 2nd by Trantham to close the Museum down and auction the inventory, to close off Museum and do whatever has to be done. Voice vote, motion carried.

Acting Mayor Richardson pointed out that it was important to mark the artifacts that are to be sent to the University, that they be clearly marked to be returned to Bethel, if and when the Cultural Center opens up. Administrative/Personnel Officer Taylor pointed out the current Visitor Center lease, it required a 90 day notice which had been done, as far as the land lease for the Museum, there was no clause for closing out early, indicated that it had 3 more years to go and that if the land lease was was closed before the lease was expired, that the building would have to be removed; and concluded by suggesting to pay the term of the land lease to save money. Also pointed out, with the Visitor Center closure, that the building would have to be restored to its original state as when it was leased. Acting Mayor Richardson pointed out that the motion should address those issues.

Councilman Trantham reported that the Clean-Up Green-Up Committee met and reminded the public that this week was the clean-up green-up week and that Friday and Saturday were the big thrust days to pick up trash and to hold drawings on Saturday. Also indicated that cotton wood and willow trees were available at the dump. Also reported that Public Works Committee had 2 vacancies and they met on the 21st and items discussed were: utility rate review, indicated that the Committee was groping with this item, since they are not able to get full financial data and the Committee recommended that Finance Committee work with Public Works on this matter; the Committee still waiting on the 2nd Bethel Utilities Acquisition report; as far as the Shop Open house, been delayed; and concluded by indicating that Ms. Pavil had been selected as Acting Chair until the 2 vacancies were filled. Next Public Works Committee meeting schedule was the 3rd Tuesday of June and encouraged the public to apply for the 2 vacancies. As far as Shop Use Policy, that it was placed on the next agenda; and as far as kids using

REPORTS OF STANDING
COMMITTEES cont.

the pipes for walkways, that it was discussed in length but came to no conclusion and that the kids for now would have to be told not to use those pipes as walkways.

Councilman Wallace indicated that he had been out of town, but supposedly 2 meetings were held, which the 1st meeting was illegal and so a 2nd meeting was set with proper agenda posting, which at the time it was 5 to 0 in favor of YKHC.

PEOPLE TO BE HEARD

Planning Manager Debbie Gilcrest indicated to Council that she had been out of town at the last budget worksession, pointed that it was a day after the work session that a co-worker had pointed out to her that the Planning Department had been eliminated and put as a personnel item under the Public Works Department and basically wanted to point out that the decision was made while she was on vacation and was not at all involved in the development of the Planning Department budget as presented to Council at the worksession and hoped that another worksession could be held so she can express her views concerning proposed cuts in her department. At this time Council briefly discussed this matter. City Manager Earnest pointed out that when the Planning Department's budget was drafted, the Planning Manager was on vacation and indicated it was hard to get opinion from someone who was on vacation. Acting Mayor Richardson pointed out that this can be discussed further at the budget worksession that's to be scheduled.

At this time, Dave Cottrell of Mikunda, Cottrell introduced his workers Noel, Judy, Cindy and Walt Doss and himself, who were interested in coming to a Council meeting to see how meetings were conducted.

Councilman Dale asked if a staff attorney had been hired. City Manager Earnest at this time apologized and introduced Chris Provost hired as the Staff Attorney. Indicated that he had been a tremendous help the short time he had been here and the main project he had been working on is the Bethel Utilities matter. Councilman Trantham asked if no objection was heard, to have Mr. Provost sit at the table with Council.

COUNCIL BREAK 8:40 PM to 8:47 PM.

NEW BUSINESS:

Item A: Selection
of Auditor for FY'91
thru FY'93

SELECTION OF AUDITORS FOR FY'91 THROUGH FY'93

Councilman Trantham indicated that he did not see a justification for not accepting low bidder. City Manager Earnest pointed out that it was a Request For Proposal, which these proposals were reviewed on a ranking criteria basis. Finance Director Graham pointed out upon reviewing the proposals using the rating analysis, Mikunda, Cottrell had the overall

Item A continued

rating over the others. Councilman Trantham pointed out that he did not agree with Finance Director's approach and will not support his recommendation.

motion

M/M by Feaster, 2nd by Lilienthal that Auditing Firm of Mikunda, Cottrell be selected as City's auditing firm.

Councilman Trantham asked how long this was for. It was pointed out that it was for one year proposal, with option for the City to extend the 2 years. Finance Director Graham suggested to Councilman Trantham that he look at the number of hours it would require to do the job; Councilman Trantham indicated he was aware of them.

Poll vote

Poll vote, motion carried. 5-yes; 1-no (Trantham).

Item B: Intro. Ord
#201-FY'92 Budget

INTRODUCTION ORDINANCE #201 - FY'92 BUDGET

Councilman Trantham recommended that this ordinance not be introduced as presented.

motion

M/M by Trantham, 2nd by Dale not to introduce Ordinance #201, but to hold a Special Council meeting to introduce the budget, after the next budget worksession. Voice vote, motion carried unanimously.

The Worksession/Special Council meeting set for May 30th, 7PM at the Log Cabin. Madam Lilienthal indicated that she would be out of town, with her husband who would be out of town for medical reasons.

Item C: Proposed
Resol. 681-PERS
Retirement System

PROPOSED RESOLUTION #681 - PERS RETIREMENT SYSTEM

Administrative/Personnel Officer Taylor pointed out that this amends the previous resolution passed, since the back services clause was not in the previous resolution, plus it was not a proper resolution to amend the existing agreement with PERS.

Councilman Trantham pointed out that the effective date was changed to June 10th; Ms. Taylor pointed out that it was the first payperiod date for the month, since it was hard to deduct from 1/2 of a paycheck. Councilman Trantham pointed out that he was told by the PERS Representative that only time anyone can go into the system was by the 1st of each month, and if anyone came on after the 1st of the month that it would not be effective until the 1st of the following month. Employee Committee Co-Chair George Young indicated that the Committee's interest always was and still is to recognize past service to date of hire and with an effective date of June 1, since they were concerned of PATC employees, who might not have a job by the end of June, and recommended that effective date of June 1 not be changed and retroactive to date of hire.

Item C: Proposed
Resol 681 cont.

Councilman Trantham requested that the PERS people send a fax, verifying in writing that what had been said here tonight was true.

motion

M/M by Dale, 2nd by Trantham that City Council accept Resolution #681, accepting item B and with an effective date of June 1, 1991.

Council further discussed this resolution amongst themselves, the Employee Committee and the public. Councilman Trantham further requested that the Council get the written report at the Thursday Special meeting and how the Employee Committee recommends. Administrative/Personnel Officer Taylor further explained the problems encountered with the June 1st effective date.

Amended motion

Amended M/M by Trantham, 2nd by Wallace to add another item on the Resolution, being: Item #5 - that new employees to enter into PERS System the 1st day of hire. Voice vote on amended motion, motion carried unanimously.

Voice vote

Voice vote on main motion, motion carried unanimously.

Item D: Bethel
Utilities Matter
Discussion

BETHEL UTILITIES MATTER DISCUSSION

At this time Council heard a lengthy report from Bethel Utilities owners Ed Tilbury and Hal Borrego regarding the public session version of their proposal and the rest to be discussed in executive session under legal matters since this was an on going legal matter. Mr. Tilbury pointed out that this had been an on going matter from 1 - 5 years, and felt it was about time they came to Council, since this could not be resolved administratively. City Manager Earnest for the record, pointed out that he concurs with Mr. Tilbury's interest in resolving the issue, but that Administration would also like to resolve a number of issues. Mr. Tilbury pointed out that the main action he would like taken tonight is to resolve the on going litigation matter on sales tax issue and pointed out the reason for the suit was per the City's own sales tax ordinance under Manufacturers and Contractors exemption; goods for resale exemption and one the \$10,000.00 sale exemption. Mr. Tilbury further explained the process in detail as they happened since the suit was filed in 1986. Their proposal being that they would be willing to waive their rights to appeal Judge Curda's decision, the right of the City of Bethel won the waive of the collection of \$35,000 judgement recieved for Attorney's fees, esstentially both parties walked away and called it square. Indicated that the problem at hand is your allowed 30 days to appeal the decision of the judge; indicated that they have until June 9th to appeal that if they chose to do that. Mr. Tilbury further discussed this in detail.

Item D continued

After further discussion on the matter, following motion was made.

motion
EXECUTIVE SESSION

M/M by Dale, 2nd by Wallace to go into executive session regarding Bethel Utilities format, Legal Matters and City Manager's 2 year written evaluation at 9:58 PM. Voice vote, motion carried unanimously.

motion

M/M by Trantham, 2nd by Wallace to get out of executive session at 11:50 PM. Voice vote, motion carried unanimously.

motion

M/M by Dale, 2nd by Wallace that the City of Bethel agree to waive page 2 in favor of Bethel Utilities Corporation regarding Attorney's fees and page 3 that City of Bethel accept the waiver from Bethel Utilities Corporation regarding the \$8,200.45; and on page 7, that City of Bethel pay \$14,210.00 for waste heat construction contract fees and further waive the City's right to make further claims for breach of contract. Poll vote, motion carried unanimously.

motion

M/M by Dale, 2nd by Wallace that City of Bethel terminate the contract with Mr. Earnest as provided in paragraph 14A, effective immediately as of close of this meeting tonight.

Councilman Dale indicated that 14A is stated that if Mr. Earnest is terminated without probable cause, as provided in paragraph 11, Bethel shall provide no less than 2 months of severance pay calculated by dividing Mr. Earnest's annual compensation by 12 and multiplying the result in figure by 2, which is approximately \$10,000.00

Acting Mayor Richardson indicated that Council need to think about retaining him until the end of the contract, not talking personality, but talking about running the City here. Councilman Feaster felt with 2 months severance pay, felt there should be some kind of transition period. Councilman Dale speaking to his motion stated some of the reasons, and few of them being that employee morale's come down, as far as budget - shortfall greater and feels yes he sees 4 Council's seats coming up for election but that happens every year.

Poll vote

Poll vote on motion, motion carried. 4-yes; 2-no (Feaster and Richardson).

Council at this time discussed the interim City Manager subject. Madam Lilienthal suggested that City not hire a City employee, but hire someone from the outside. Mr. Earnest at this time expressed his sincere appreciation to Council and to the people of Bethel; indicated things were able to be accomplished, but recognizes all things weren't able to be fixed. But felt overall, felt objectives been

EXECUTIVE SESSION
continued

accomplished; concluded by expressing appreciation to City Council and thank's Council for the opportunity and leaving with good feelings and positive thinking.

motion

M/M by Dale, 2nd by Wallace to hire George Hohman as Interim City Manager. Poll vote, motion carried. 5-yes; 1-no (Feaster).

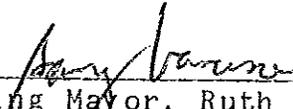
Councilman Dale indicated that in the past the Interim City Manager is usually paid the same rate as the City Manager and to advertise statewide and no time limit as Interim City Manager, just as how-ever long it takes to advertise, review applications and hiring.

Before adjourning, Staff Attorney Provost at this time informed Council of submitting his resignation, since he was not prepared to deal with the upcoming work load with the termination of the City Manager. But that he would still be interested if it were to be readvertised later down the months. Also indicated he would follow up on the Bethel Utilities matter that he had started.

ADJOURNMENT

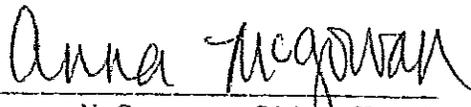
M/M by Dale, 2nd by Wallace to adjourn the Council meeting at 12:20 AM. Voice vote, motion carried unanimously.

PASSED AND APPROVED THIS 11th DAY OF June, 1991.



Acting Mayor, Ruth Richardson
Gary Vanasse, Mayor

ATTEST:



Anna McGowan, City Clerk