

City of Coffman Cove
Regular City Council Meeting
Thursday, May 19th, 2016
At City Hall 7:00PM

Call to Order: Mayor Sharon Toman called the meeting to order at 7 pm.

Roll Call: Sharon Toman, present. Bill Bateman, present. Bryce Brucker, present. Dick Stewart, present. Brian Wilson, absent-unexcused. Perry Olson, present via teleconference. Randy Lenz, present via teleconference.

Pledge of Allegiance: Yes.

Public Comment: None.

Persons to be heard:

1. Keith Webb-resigning from North End Ferry Authority Board. Keith resigned from the board at this meeting because he doesn't believe there is a way forward with the ferry and he does not want to be an impediment to those who do. Being that the ferry also has tremendous debt, the assets are losing value, there is a hole in the hull, the insurance will lapse soon and there is about \$10,000 owed to employee wages, Keith has noticed failures within the ferry board and the City. He thinks there will eventually be investigations and lawsuits and the City and the ferry board will need legal representation. Dick Stewart recommends talking to our representative and getting him involved with this information and getting the necessary people paid. Sharon commented that the Council has no authority or obligation to pay employees of NEFA but we need to make sure the City is covered in case whoever is owed this money comes looking for it. Perry Olson read section 29.35.650: "Limitation Liabilities" which states that a liability incurred by an authority shall be satisfied exclusively for the assets or revenues of the authority. A creditor or other person does not have a right of action against the state or in the municipality participating in the authority because of a debt, obligation or liability of an authority. The City is completely covered and we have no obligation to the actions of the Ferry. The only way that type of protection can become nonexistent is if the other party can prove malice or negligence of the Council, both of which the Council is not guilty of. Randy Lenz commented that we are trying to get the boat dry-docked to Wrangell fairly quickly, so that problem will be solved when USDA is contacted. We do not have money to run it or repair it, so we should take the boat to a safe place. Bryce Brucker commented that we should move the boat down to the ferry terminal so we can receive transient income for the upcoming Memorial Day weekend. Randy said that the boat should be going to the dry dock since it has a hole in it and we wouldn't want it to sink at the ferry terminal. Perry commented that he wants the boat easily accessible in case something happens, so he wouldn't want it tied down with the steelhead float unless it is easily accessible from the dock. Perry would be okay with leaving it where it is until the IFA does their monthly run, then moving it and parking it at the ramp where the captain and crew can get on it if something happens.
2. Julie Ashe-storage space for EMS equipment. Julie's goal is to have all of EMS squad's equipment in one place since everything is scattered in different storage spaces right now. The high-dollar equipment needs a safe storage space, since budget costs will not allow the replacement of these things if something were to happen to them. Also, certain electronics need to be heated. If the

EMS were to have an emergency, they wouldn't be able to get to their things in a timely and efficient manner. Bryce would be open to putting in locked cabinets in the building so things wouldn't be tampered with. Sharon also mentioned having labeled cabinets. Perry Olson mentioned that since the old City building is still being heated and used by the Arts and Seafood Festival, to move EMS equipment over there as well. All council members agreed.

Consent Agenda: Dick Stewart made the motion to accept the consent agenda. Bill Bateman seconded. All were in favor.

Resolutions & Ordinances:

- 1. Resolution 16-20: Office and Employee Decorum:** A resolution that denies office access to any non-city employee without the presence of a city employee. **Perry Olson made a motion to amend with some kind of language to add in that the mayor and councilmen don't need to have an employee with them to use city hall.** Councilmen and mayor aren't employees of the City, they are elected officials so we should add in that elected officials can use the City Hall as well. "Whereas the City of Coffman Cove designated office and/or City Hall use to elected officials and city employees only..." **Bryce Brucker seconded. Roll Call: Bill Bateman, yes. Bryce Brucker, yes. Dick Stewart, yes. Perry Olson, yes. Randy Lenz, yes. Sharon Toman, yes. Motion Passes. Bryce Brucker made a motion to accept Resolution 16-20. Bill Bateman seconded. Roll Call: Bryce Brucker, yes. Dick Stewart, yes. Perry Olson, yes. Randy Lenz, yes. Sharon Toman, yes. Bill Bateman, yes. Motion Passes.**
- 2. Payment in lieu of taxes FY 17 Resolution 16-21:** A resolution requesting FY 17 PILT funding from the Department of Commerce Community and Economic development. The state of Alaska expects to receive funds from the PILT program in June of 2016 which will allow the department of commerce to disperse payments to all PILT recipients in July of 2016. It is unknown how much the city will receive and the DCRA hasn't received a specified amount yet either. To receive payment from a PILT program, a city must submit a resolution to request payment and certifies that certain minimum standards have been met and that the City also submit a copy of their FY 17 approved budget. **Bill Bateman made a motion to accept Resolution 16-21. Dick Stewart seconded. Roll Call: Dick Stewart, yes. Perry Olson, yes. Randy Lenz, yes. Sharon Toman, yes. Bill Bateman, yes. Bryce Brucker, yes. Motion Passes.**
- 3. Non-code 16-02 FY 17 Budget: Dick Stewart made the motion to accept the FY 17 Budget. Bill Bateman seconded.** Comment: Perry Olson would prefer to have another workshop to go through more detail and emphasis with the budget. Bryce Brucker expressed the same concern for having more time to review the budget. **Dick Stewart withdrew his motion to accept the FY 17 Budget. Perry Olson made a motion to table this agenda item until a future special meeting. Bryce Brucker seconded. All were in favor.**
- 4. Ordinance 16-06: Construction of driveways onto Coffman Cove Highway:** Assigning a new section to chapter 5 of Title XIV concerning the construction of driveways from Coffman Cove Loop Subdivision onto Coffman Cove highway. **Bryce Brucker made a motion to accept Ordinance 16-06. Dick Stewart seconded.** Comment: Perry agrees to this change but he remembers negotiations with DNR where there were going to be a couple of lots that are on the other side of a stream that cannot be physically accessed from a subdivision road. We agreed with DNR to allow those specific lots to have driveways onto Coffman Cove Road in those limited circumstances. Perry agrees with the intention of the Ordinance but we did tell DNR to allow that and we should stick by our word. **Bryce Brucker withdrew his original**

motion and made a motion that we table Ordinance 16-06 until we have more language added to the ordinance. Dick Stewart seconded. All were in favor.

Unfinished Business:

- 1. Cedar Tree Drive Bid Proposals:** Rimco Construction will scarify potholes to a uniformed grade and compaction where needed along the 2000 feet of Cedar Tree Drive with estimated 60 yards of shot rock added to areas that need filled or shaped for drainage. This crushed rock will provide approximately a 14 foot wide road surface. Project would be completed by 08-31-2016. An estimated total would be \$7,072. **Dick Stewart made a motion to award Rimco Construction the Cedar Tree Drive job. Bill Bateman seconded. Roll Call: Perry Olson, yes. Randy Lenz, yes. Sharon Toman, yes. Bill Bateman, yes. Bryce Brucker, yes. Dick Stewart, yes. Motion Passes.**
- 2. Luck Lake maintenance agreement with Forest Service:** Mayor Toman has been in contact with Katie Rook at the Craig office who is working on their budget for the year. In section 4 of the MOA that is currently in draft, it states that the US Forest Service shall reimburse the city of Coffman Cove the share of actual expenses incurred not to exceed \$4800 as shown in the financial plan. We are unsure if this number will change with Craig's not-yet-approved budget. Luck Lake and Seaside Park are too far to maintain and it is cheaper for them to sub-contract the City to hire summer help. **Perry Olson made a motion to accept the MOA with the attached financial plan. Bryce Brucker seconded. Roll Call: Randy Lenz, yes. Sharon Toman, yes. Bill Bateman, yes. Bryce Brucker, yes. Dick Stewart, yes. Perry Olson, yes.**
- 3. City Road Maintenance-upgrade.** Perry commented that we could dedicate that crushed rock onto the first part of Logger's Lane up until Minke Loop to improve the surface and decrease dust. Dick Stewart wants to see the rock taken out as far as possible on the road. There have been numerous complaints about the road and we should go as far as we can on the road. Covering the first stretch would benefit the most people at this time. Council members and the Mayor agreed to move this item to next month's workshop so the road issues can be covered with more in-depth detail. Dick Stewart would like to anticipate how we would like to put this out for a bid for rock, the sooner the better. **For now, Mayor Toman would like to put a few signs on the road advising people to slow down and drive carefully.** For our workshop, we can map out what we would like to do with the rock.
- 4. Coffman Cove Community Quota Entity:** Mayor Toman suggested we combine this item with #1 under "New Business."

New Business:

- 1. New Board of Directors Quota/Reinstate Permits:** Bill Bateman talked to Megan Fitzpatrick, who assured him that all proper documentation was online and being processed through NOAA and should all be in good standing soon. Perry Olson commented that we should have the non-profit reinstated as a legal entity and take care of the NOAA reports. The City or governing entity is supposed to have a very active hand in managing this program, all the way up to having a member of the government being a member. It has not been adequately managed up until this point. Perry thinks we should appoint a new board of directors and should not have any of the current members on the board. Perry would be open to giving Megan a second chance but we should start having an active hand in the managing of the program. It would be at the hands of the new board of directors to appoint new members and officers. Randy Lenz would like to see Megan Fitzpatrick stay on the board of directors and the City step up a little and help out with the paperwork. Dick Stewart would like Megan to stay as well but

Mike Warner would also be a good representative. Dick would be willing to work with Mike Warner if he joins the program and would like to see more commercial people become involved, perhaps 4 or 5 people. **Bryce Brucker made a motion that we appoint Dick Stewart, Mike Warner and Megan Fitzpatrick as the directors of the Coffman Cove Community Quota Entity. Perry Olson seconded. Motion Passes.** Bryce would like to see some kind of annual report in the future from entities that we sponsor.

- 2. Poole Engineering Change Order #2:** Additional work for field welding, installation of additional piling caps and associated materials. The amount for this change order is \$3,933.25. Completion date was May 4, 2016. **Dick Stewart made a motion to accept the change order. Bill Bateman seconded.** Perry Olson commented that this is an after the fact change order and the council was not asked to verify it beforehand. His interpretation of bidding ordinance is that the purchasing agent needs to be involved in these things and prior authorization should be implemented for anything over \$2,000. Perry noted that the project manager does not have the authorization to tell companies that they can perform unauthorized work on behalf of the City. He would like to see the project manager come to the mayor and purchasing agent, make a request, and present it to council, if needed. Bill Bateman commented that Poole Engineering had the Drive Down Ramp in their possession and some parts went missing, and so the welding had to be done. Perry recalls that the project manager's explanation from the last meeting was that the parts that had to be fabricated were never sent to us from our original bill. Perry thinks that if our contractor is at fault, we should not be paying them extra. Bryce Brucker mentioned that the change order needs to be approved before the work is done, in all circumstances. Dick Stewart commented that there will always be cost-overs in certain situations; and the City is not prepared for the amount of money that is being requested for this change order. However, different circumstances create different situations. Dick agrees that we should pay Poole Engineering and we should become more aware of situations like this. **Roll Call: Bill Bateman, yes. Bryce Brucker, yes. Dick Stewart, yes. Perry Olson, yes. Randy Lenz, yes. Sharon Toman, yes. Motion passes.**
- 3. Revised Bolt Quote from Tyler Rental-Drive down Ramp:** The total for the quote is around \$5,500, give or take \$100, totaling about 4 items. One is about 500 feet of bull rail that has been slated for replacement, along with longer bolts to secure those bull rails. The decking on the old float plane dock (at the very end of the small harbor), there are 550 lag bolts that are required to replace that. That decking was included in the Madison Lumber quote that was approved at the last council meeting. In addition, there are all the bolts securing the 11 floats that make up the boat launch finger; as well as bolts to secure the old floats to themselves. **Perry Olson made a motion to approve the Tyler Rental purchase order in the amount of \$6250.20. Bill Bateman seconded.** Bill Bateman commented he may have found an error in the list. **Perry withdrew his motion.** Bill commented that the 3/4 x8 lag bolts- those were actually for the re-decking on the drive down ramp, not for the old float plane dock. The 550 3/4x8 lag bolts are meant for the decking and should be 1/2x8 galvanized lags. The airplane float would take probably a 1/4 lag. Misty agreed that her and Bill could work on this error the following day, if council would be willing to make an allowance. **Perry Olson made a motion that we approve the Tyler Rental purchase order for up to \$7000. Bill Bateman seconded.** Perry questioned if this is something that should be put out for competitive bid. Misty Fitzpatrick clarified that once the council authorizes either a sole source contract or a competitive contract for the supplier, when they purchase materials above and beyond the original authorization, the procurement requirements do not change. Originally, the City Council authorized a sole source contract with Tyler Rental and the justification was written

out in a Resolution, so now we're executing change orders that still fall under the original procurement requirements that the City followed. **Roll Call: Bryce Brucker, yes. Dick Stewart, yes. Perry Olson, yes. Randy Lenz, yes. Sharon Toman, yes. Bill Bateman, yes. Motion Passes.**

4. Alaska Heating Change Order Proposal No. 1 – Electrical Reconnect at main harbor:

The City of Coffman Cove provides one laborer for two days. Labor estimate at 110 man hours at \$120/hour. Use existing pipe clamps and conduit where possible to hang and support cedar cables, purchase any new materials needed to hang cables after existing are used. Materials, excavation **Bill Bateman made a motion to accept. Dick Stewart seconded. Roll Call: Perry Olson, yes. Randy Lenz, yes. Sharon Toman, yes. Bill Bateman, yes. Bryce Brucker, yes. Dick Stewart, yes. Motion passes.** Perry Olson commented that we had Joel Buchanan committed to doing this work, that he backed out and now we're looking for someone else. Misty commented that Joel asked we find another way to get it done. Firstly, during the trips Joel will be out here, he will have company from out of town. Secondly, there was a conflict with his Ketchikan job in which he cannot do certain things for other employers. Alaska Heating was awarded the electrical contract and according to their contract, they would typically bid change orders. What Misty asked is that they just work for time and materials, to try and keep the cost down. That was agreed upon and a change order was submitted accordingly. The City would be paying them their hourly labor cost which is detailed in the proposal. They would provide backup documentation to the City and they would be allowed to make 15% overhead and profit. In addition to that, we can also request backup documentation for their labor costs. This needs to be completed by the end of June. Misty commented that they're looking at reconnecting the electrical to the junction box at the top of the drive down ramp. However, the length has increased. Originally the landing float that was supporting the base of the drive down ramp was much narrower than the landing float that is there now. It may have been an engineering detail that was overlooked but was caught by Joel. The existing electrical line is not going to be sufficient now that we have a larger float, so we had to make some design adjustments accordingly when we met with Joel and the engineer a few weeks ago and come up with a plan of how to work with a junction of about 30 feet. Part of the explanation of the cost of this change order is that there is some additional work that wasn't anticipated when the project was designed. Perry's concern is that since we had someone contracted to do this project originally, we may be faced with legal liability issues if we expanded this work from the one ramp to a different ramp that we originally had someone else contracted to do, that hasn't been competitively put up to bid as a new contract. Misty said that Joel was hired as a City employee, not contractually. So we would be requesting him to reconsider completing the work as an employee. As far as addressing change orders and why it would or wouldn't be a separate contract, Misty says that it is part of the same contract and it is electrical work, and isn't a lot of money. **Perry Olson made a motion to amend that the disagreement with Mike or with Alaska Heating be predicated on Misty getting ahold of the granting agency and getting them to sign off on this change order. Bryce Brucker seconded. Roll Call: Dick Stewart, yes. Perry Olson, yes. Randy Lenz, yes. Sharon Toman, yes. Bill Bateman, yes. Bryce Brucker, yes. Motion Passes.**

5. Matheus Lumber Quote – 3" laminated decking for main harbor: This is to add fingers to the small harbor, totaling \$29,520. **Dick Stewart made a motion to approve the Matheus Lumber quote for new decking. Bill Bateman seconded. Roll Call: Randy**

Lenz, yes. Sharon Toman, yes. Bill Bateman, yes. Bryce Brucker, yes. Dick Stewart, yes. Perry Olson, yes. Motion passes.

- 6. Rainier Welding Quote – transition plates and wear plate materials.** Totaling \$2031. **Dick Stewart made a motion to accept the Rainier welding quote. Bill Bateman seconded.** Perry Olson recalled from the last meeting that Rainier shorted us on some parts and was inquiring if they were going to credit us on that. Misty will continue negotiating with them concerning this issue. Misty explained that the parts they shorted us originally, they ended up providing a different version of at the last minute. Misty has brought to the company's attention the fact that the parts they provided at the last minute required substantially less material to fabricate than what was originally agreed upon. Misty has been trying to contact the engineer and is still working on some kind of agreement with the parts. By the time everyone realized that certain parts weren't sent from Rainier Welding, what was necessary was a different design that required Cove Excavation to do more work than what they had originally proposed, such as additional concrete work. As a result, Rainier shipped up a hinge assembly that was originally designed at the last minute by their engineer. That required Poole engineering to weld them on once the hinges arrived. Rainier should agree to a credit, Cove Excavation should have proposed a change order but they did not, and Poole Engineering proposed a change order for the additional work. Misty recommends that we request a credit from Rainier from the amount of materials that was not required to construct the revised hinge assembly and ask them to quantify that. Dick Stewart recommends letting Misty get what we can back, but going ahead and approving this. Perry Olson will approve the purchase order but only while encouraging Misty to improve costs, communicate with Rainier Welding, and give a detailed account of what it will ultimately cost the City. Misty will try to get the transition plates without charge. **Roll Call: Sharon Toman, yes. Bill Bateman, yes. Bryce Brucker, yes. Dick Stewart, yes. Perry Olson, yes. Randy Lenz, yes. Motion Passes.**
- 7. FY 17 POWHA Operating Contract – Cities of Craig & Coffman Cove:** The City of Coffman Cove agrees to continue to allow POWHA the use of all hatchery equipment purchased by the City of Coffman Cove, inventory to be used for the care/transfer of fish. Also, to reimburse POWHA for 25% of the quarterly operating costs not to exceed \$20,157 per annum. **Dick Stewart made a motion that we accept this operation agreement with POWHA. Bill Bateman seconded.** SSRAA took over the Klawock hatchery and with the increase in updating on pumps, work, etc., Dick Stewart knows that there were expenditure changes for a couple of things. Perry is concerned that the City of Craig is using our equipment free of charge. **Bill Bateman made a motion to table this for our next meeting. Dick Stewart seconded. All were in favor.**

Adjourn: Sharon Toman made the motion to adjourn at 9:45 pm. All were in favor.

Passed and approved on this 16th day of June, 2016.

Mayor, Sharon Toman

Clerk, Gina Cavaretta