

CONSENT AGENDA

POSSIBLE MOTION

**I MOVE TO APPROVE THE CONSENT AGENDA
CONSISTING OF ITEMS A, B & C**

I wish to remove Item(s) _____

**REMINDER – Read aloud a portion of each item being
voted on that is included in the consent vote.**

Should this item be pulled from the Consent Agenda the following motion is suggested:

POSSIBLE MOTION

I MOVE TO approve the minutes of the
September 19 and 27 Assembly meetings.



CITY AND BOROUGH OF SITKA

ASSEMBLY CHAMBERS
1332 Seward Ave.
Room 229
Sitka, AK
(907)747-1811

Minutes - Draft

City and Borough Assembly

Mayor Mim McConnell
Deputy Mayor Matt Hunter
Vice-Deputy Mayor Benjamin Miyasato
Aaron Swanson, Steven Eisenbeisz
Tristan Guevin, and Bob Potrzuski

Municipal Administrator: Mark Gorman
Municipal Attorney: Brian Hanson

Monday, September 19, 2016

6:00 PM

Assembly Chambers

Meeting to be held at Harrigan Centennial Hall 330 Harbor Drive

SPECIAL MEETING

I. CALL TO ORDER

II. FLAG SALUTE

III. ROLL CALL

Present: 6 - McConnell, Hunter, Swanson, Miyasato, Eisenbeisz, and Guevin

Absent: 1 - Potrzuski

IV. CORRESPONDENCE/AGENDA CHANGES

None.

V. PERSONS TO BE HEARD

None.

VI. NEW BUSINESS:

A 16-166 Award FY17 General Fund Non-Profit Grants

A motion was made by Hunter:

To award the following FY17 General Fund Non-Profit Grants in the category of Human Services:

Brave Heart Volunteers \$11,113

Sitka Counseling and Prevention Services \$4,692

Southeast Alaska Independent Living \$8,835

Youth Advocates of Sitka \$1,074

To award the following FY17 General Fund Non-Profit Grants in the category of Cultural & Educational Services:

Alaska Arts Southeast (Sitka Fine Arts Camp) \$4,929

The Island Institute \$3,643

To award the following FY17 General Fund Non-Profit Grants in the category of Community Development:

Greater Sitka Arts Council \$3,286

Sitka Trail Works \$7,429

The motion PASSED by the following vote.

Yes: 6 - McConnell, Hunter, Swanson, Miyasato, Eisenbeisz, and Guevin

Absent: 1 - Potrzuski

VII. EXECUTIVE SESSION

None.

VIII. ADJOURNMENT

A motion was made by Swanson to ADJOURN. Hearing no objections, the meeting ADJOURNED at 6:08pm.

ATTEST: _____
Sara Peterson, CMC
Municipal Clerk



CITY AND BOROUGH OF SITKA

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330 Harbor Drive
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Minutes - Draft

City and Borough Assembly

*Mayor Mim McConnell
Deputy Mayor Matt Hunter
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Aaron Swanson, Steven Eisenbeisz
Tristan Guevin, and Bob Potrzuski*

*Municipal Administrator: Mark Gorman
Municipal Attorney: Brian Hanson
Municipal Clerk: Sara Peterson*

Tuesday, September 27, 2016

6:00 PM

Assembly Chambers

WORKSESSION 5:00 PM

16-168 Worksession: Electric Department 10 Year Capital Plan and Overview of Ordinance 2016-38: Amending Sitka General Code Chapter 15.01 "Electric Utility Policies", at Section 15.01.020 "Electrical Rates", by increasing electrical rates, adding provisions to interruptible rates, and removing Section 15.01.015 "Construction Guidelines", Section 15.01.085 "Carrier Current" and Section 15.01.090 "Rebate Program for Electric Heat Pump Heating Systems" (*no action will be taken during the worksession*)

REGULAR MEETING

I. CALL TO ORDER

II. FLAG SALUTE

III. ROLL CALL

Present: 5 - Hunter, Swanson, Miyasato, Eisenbeisz, and Guevin

Absent: 2 - McConnell, and Potrzuski

IV. CORRESPONDENCE/AGENDA CHANGES

No changes.

16-173 Reminders, Calendars and General Correspondence

V. CEREMONIAL MATTERS

None.

VI. SPECIAL REPORTS: Government to Government, Municipal Boards/Commissions/Committees, Sitka Community Hospital, Municipal Departments, School District, Students and Guests (time limits apply)

Mike Baines, Sitka Tribe of Alaska Council Chair, provided an update: Tlingit signage at Harrigan Centennial Hall, candidate forums for Municipal Election, Tribal Council election November 8.

Hospital Board Update - Rob Allen, CEO of Sitka Community Hospital (SCH), reported the SCH Board and SCH staff had been updated on the SCH/SEARHC collaboration project. Allen announced a presentation for the Assembly would be given during the first few weeks of November. In addition, Allen reported the revenue/cash levels were higher than a year ago and presented a check to Deputy Mayor Matthew Hunter for \$463,323.65 for partial payment of the Hospital's line of credit from the City.

Robb Farmer provided an overview of events at Sitka Public Library.

VII. PERSONS TO BE HEARD

None.

VIII. REPORTS

a. Mayor, b. Administrator, c. Attorney, d. Liaison Representatives, e. Clerk, f. Other

Administrator - Gorman provided an update on Harrigan Centennial Hall and announced the grand opening was scheduled for October 11. He announced the Jeff Davis Street repairs had been delayed, shared an update on his attendance at Southeast Conference, and extended thanks to those who participated in the search for missing person Michael Hansen.

Attorney - Hanson said he had received a warm welcome from staff and looked forward to his employment at the City.

Liaison Representatives - Eisenbeisz reported on the Sitka Community Hospital Board, Hunter on the Port and Harbors Commission, and Miyasato on the Parks and Recreation Committee.

Clerk - Peterson told of the polling locations for the Municipal Election on October 4.

Other - Guevin thanked community members who had helped with the Tlingit language signage project at Harrigan Centennial Hall.

IX. CONSENT AGENDA

A motion was made by Swanson that the Consent Agenda consisting of items A & B be APPROVED. The motion PASSED by the following vote.

Yes: 5 - Hunter, Swanson, Miyasato, Eisenbeisz, and Guevin

Absent: 2 - McConnell, and Potrzuski

A 16-171 Approve the minutes of the September 13, 2016 Assembly meeting

This item was APPROVED ON THE CONSENT AGENDA.

B RES 16-18 Supporting the application for a technical assistance workshop, free of charge, from Smart Growth America

This item was APPROVED ON THE CONSENT AGENDA.

X. BOARD, COMMISSION, COMMITTEE APPOINTMENTS

C 16-172 Appoint: 1) Richard Parmelee to an unexpired term on the Planning Commission, 2) Woody Widmark to a three-year term on the Parks and Recreation Committee, 3) Lance Ewers to a term on the Local Emergency Planning Committee and 4) Craig Warren to a term on the Local Emergency Planning Committee

A motion was made by Miyasato that this Item be APPROVED. The motion PASSED by the following vote.

Yes: 5 - Hunter, Swanson, Miyasato, Eisenbeisz, and Guevin

Absent: 2 - McConnell, and Potrzuski

XI. UNFINISHED BUSINESS:

D ORD 16-32 Amending Sitka General Code Chapter 4.05 "Marine Passenger Fee Fund"

A motion was made by Swanson that this Ordinance be APPROVED on SECOND AND FINAL READING. The motion PASSED by the following vote.

Yes: 5 - Hunter, Swanson, Miyasato, Eisenbeisz, and Guevin

Absent: 2 - McConnell, and Potrzuski

E ORD 16-34 Authorizing the transfer of the City and Borough of Sitka's "Boomer property", composed of 48 acres located within the West Chichagof-Yakobi Wilderness Area (Wilderness Area), and also known as "US Mineral Survey 1453 & 1587", to the US Forest Service for incorporation into the Wilderness Area

A motion was made by Miyasato that this Ordinance be APPROVED on SECOND AND FINAL READING. The motion PASSED by the following vote.

Yes: 5 - Hunter, Swanson, Miyasato, Eisenbeisz, and Guevin

Absent: 2 - McConnell, and Potrzuski

F ORD 16-35 Authorizing the extension of the lease of the land at 323 Seward Street to November 1, 2046 to White Elephant Shop, Inc.

A motion was made by Swanson that this Ordinance be APPROVED on SECOND AND FINAL READING. The motion PASSED by the following vote.

Yes: 5 - Hunter, Swanson, Miyasato, Eisenbeisz, and Guevin

Absent: 2 - McConnell, and Potrzuski

G ORD 16-36

Authorizing the lease of 7109 square feet of ATS 15 tidelands adjacent 1 Lincoln Street to Petro Marine Services

Kevin Knox, Chair of the Port and Harbors Commission relayed this item had gone before the Commission for review and stated the Commission was comfortable with the proposal.

A motion was made by Miyasato that this Ordinance be APPROVED on SECOND AND FINAL READING. The motion PASSED by the following vote.

Yes: 5 - Hunter, Swanson, Miyasato, Eisenbeisz, and Guevin

Absent: 2 - McConnell, and Potrzuski

XII. NEW BUSINESS:

H 16-169

Approve Amendment No. 5 to the lease between the City and Borough of Sitka and Sitka Animal Hospital

Administrator Gorman explained the lease rate was fair given the service Dr. Hunt provides to the community. Eisenbeisz wished to see "reception services" defined.

A motion was made by Swanson that this Item be APPROVED. The motion PASSED by the following vote.

Yes: 4 - Hunter, Swanson, Miyasato, and Guevin

No: 1 - Eisenbeisz

Absent: 2 - McConnell, and Potrzuski

I ORD 16-40

Authorizing assignment of sublease of space by Ostrov Enterprises dba North Star Rent A Car to Alaska Rent A Car, Inc dba Avis Rent A Car at the Sitka Rocky Gutierrez Airport Terminal Building

A motion was made by Miyasato that this Ordinance be APPROVED on FIRST READING. The motion PASSED by the following vote.

Yes: 5 - Hunter, Swanson, Miyasato, Eisenbeisz, and Guevin

Absent: 2 - McConnell, and Potrzuski

J ORD 16-39

Amending Sitka General Code Title 4 "Revenue and Finance" by adding a new Chapter 4.25 "Student Activities Dedicated Travel Fund"

Eisenbeisz estimated approximately \$8-10,000 per year would be received in license fees. This amount would significantly help students with travel. Guevin agreed and supported putting the money into positive activities for youth.

A motion was made by Swanson that this Ordinance be APPROVED on FIRST READING. The motion PASSED by the following vote.

Yes: 5 - Hunter, Swanson, Miyasato, Eisenbeisz, and Guevin

Absent: 2 - McConnell, and Potrzuski

- K ORD 16-38** Amending Sitka General Code Chapter 15.01 "Electric Utility Policies", at Section 15.01.020 "Electrical Rates", by increasing electrical rates, adding provisions to interruptible rates, and removing Section 15.01.015 "Construction Guidelines", Section 15.01.085 "Carrier Current" and Section 15.01.090 "Rebate Program for Electric Heat Pump Heating Systems"

Deputy Mayor Hunter noted there had been a worksession on this topic preceeding the regular meeting. Guevin shared \$1.9 million had been infused into the rate stablization fund in an effort to keep electric rates down. He noted an additional \$1.5 million would be needed to stabilize rates. Guevin spoke in support of a 5% increase and to look for ways to increase consumption. Eisenbeisz also spoke to the severity of the situation and noted a substantial rate increase may be in the future in order to meet bond covenants. Gorman stated scenarios for covering the budget shortfall would be on the October 11th Assembly agenda for discussion. Guevin and Hunter reminded that while City government had shrunk there was also a dramatic decline in funding from the State.

Bryan Bertacchi, Utility Director, explained there was a benefit of discounted interruptible rates to those commercial companies making significant capital investments to convert from fuel oil to electric. These conversions would lead to increased revenues for the City.

A motion was made by Miyasato that this Item be APPROVED on FIRST READING. The motion PASSED by the following vote.

Yes: 5 - Hunter, Swanson, Miyasato, Eisenbeisz, and Guevin

Absent: 2 - McConnell, and Potrzuski

- L ORD 16-33** Adjusting the FY17 Budget

A motion was made by Miyasato that this Item be APPROVED on FIRST READING. The motion PASSED by the following vote.

Yes: 5 - Hunter, Swanson, Miyasato, Eisenbeisz, and Guevin

Absent: 2 - McConnell, and Potrzuski

- M 16-170** Transfer \$440,862 from the FY16 General Fund balance to the Public Infrastructure Sinking Fund and place \$250,000 of the General Fund unreserved, undesignated fund balance to a committed fund balance for unbudgeted landslide legal, geotechnical and other related expenses

Guevin noted he had not made the first motion included in the packet (to approve the

administrator's recommendation to transfer \$440,862 to the Public Infrastructure Sinking Fund). Guevin felt that because of the need to subsidize the electric rates it may be best to keep the \$440,862 in the General Fund.

Gorman stated two lawsuits had been filed against the City related to the August 2015 landslides. He noted staff would like to move ahead with a geotechnical study for the Gavin Subdivision area. Gorman estimated these costs would be around \$70,000 plus additional costs, approximately \$100,000, for continued legal support from Attorney David Bruce.

The Assembly asked the Administrator to keep the Assembly informed of geotechnical and legal costs.

Gorman reminded that if the Assembly did not take action on the \$440,862 administrator's recommendation it would automatically go into the Public Infrastructure Sinking Fund after 60 days. It was noted this should come back to the Assembly for further discussion.

A motion was made by Guevin to restrict \$250,000 of the General Fund unreserved, undesignated fund balance to a committed fund balance, available only for appropriation for the purposes of providing payment for landslide legal and geotechnical services and other related costs. The motion PASSED by the following vote.

Yes: 5 - Hunter, Swanson, Miyasato, Eisenbeisz, and Guevin

Absent: 2 - McConnell, and Potrzuski

A motion was made by Eisenbeisz to AMEND the amount to \$350,000. The motion FAILED by the following vote.

Yes: 3 - Swanson, Miyasato, and Eisenbeisz

No: 2 - Hunter, and Guevin

Absent: 2 - McConnell, and Potrzuski

N ORD 16-37A Adjusting the FY17 Budget (Public Infrastructure Sinking Fund - first reading as previously amended)

A motion was made by Miyasato that this Ordinance be APPROVED on FIRST READING AS AMENDEND. The motion PASSED by the following vote.

Yes: 5 - Hunter, Swanson, Miyasato, Eisenbeisz, and Guevin

Absent: 2 - McConnell, and Potrzuski

As a result of discussion/action on item M, a motion was made to amend this Ordinance.

A motion was made by Swanson to AMEND this Ordinance by removing the appropriation of \$440,862 to be transferred to the Public Infrastructure Sinking Fund. The motion PASSED by the following vote.

Yes: 5 - Hunter, Swanson, Miyasato, Eisenbeisz, and Guevin

Absent: 2 - McConnell, and Potrzuski

XIII. PERSONS TO BE HEARD:

None.

XIV. EXECUTIVE SESSION

None.

XV. ADJOURNMENT

A motion was made by Miyasato to ADJOURN. Hearing no objections, the meeting ADJOURNED at 7:40pm.

ATTEST: _____
Sara Peterson, CMC
Municipal Clerk