

CONSENT AGENDA

POSSIBLE MOTION

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

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
June 27 Assembly meeting.



CITY AND BOROUGH OF SITKA

ASSEMBLY CHAMBERS
330 Harbor Drive
Sitka, AK
(907)747-1811

Minutes - Draft

City and Borough Assembly

Mayor Matthew Hunter
Deputy Mayor Bob Potrzuski
Vice-Deputy Mayor Steven Eisenbeisz
Tristan Guevin, Kevin Knox
Aaron Bean, and Aaron Swanson

Interim Municipal Administrator: Phillip Messina
Municipal Attorney: Brian Hanson
Municipal Clerk: Sara Peterson

Tuesday, June 27, 2017

6:00 PM

Assembly Chambers

REGULAR MEETING

I. CALL TO ORDER

II. FLAG SALUTE

III. ROLL CALL

Present: 6 - Swanson, Eisenbeisz, Guevin, Potrzuski, Knox, and Bean

Absent: 1 - Hunter

IV. CORRESPONDENCE/AGENDA CHANGES

No agenda changes.

17-111 Reminders, Calendars and Correspondence

V. CEREMONIAL MATTERS

17-112 Athletic Awards for Sitka High School Baseball

Deputy Mayor Potrzuski read and presented Athletic Awards to members of the Sitka High School Baseball Team for placing first at the 2017 ASAA State High School Baseball Championships.

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

None.

VII. PERSONS TO BE HEARD

Travis Hudson spoke to the upcoming schedule for continued discussions of healthcare in Sitka and expressed that the process felt rushed. He reported a worksession for Sitka Community Hospital to present their options was scheduled for July 13, a Town Hall Meeting had been organized for July 17, and a special Assembly meeting was planned for July 18.

Alene Henning voiced concern, that although prohibited, citizens were continuing to use cellphones while driving.

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

Interim Administrator - Messina spoke to the professionalism of City staff and thanked everyone for welcoming him. He announced the City had been notified by Senator Murkowski's office that Sitka would receive a payment of \$684,271 from the PILT (Payment in Lieu of Taxes) federal program.

IX. CONSENT AGENDA

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

Yes: 6 - Swanson, Eisenbeisz, Guevin, Potrzuski, Knox, and Bean

Absent: 1 - Hunter

A 17-113 Approve the minutes of the June 13 Assembly meeting

This item was APPROVED ON THE CONSENT AGENDA.

B RES 17-11 Setting the millage rates for the Fiscal Year July 1, 2017 through June 30, 2018

This item was APPROVED ON THE CONSENT AGENDA.

X. BOARD, COMMISSION, COMMITTEE APPOINTMENTS

C 17-119 Reappoint Bert Stedman to a term on the Investment Committee

Guevin thanked Senator Bert Stedman for reapplying and his years of service with the Committee.

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

Yes: 6 - Swanson, Eisenbeisz, Guevin, Potrzuski, Knox, and Bean

Absent: 1 - Hunter

XI. UNFINISHED BUSINESS:

D ORD 17-18 Vacating the right of way adjacent to 403 Alice Loop (Purpose: to vacate and sell to Mica Trani, owner of property at 403 Alice Loop)

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

Yes: 6 - Swanson, Eisenbeisz, Guevin, Potrzuski, Knox, and Bean

Absent: 1 - Hunter

E ORD 17-17 Adjusting the FY17 Budget (GPIP Access Ramp)

Knox and Guevin spoke in support of the Ordinance. Guevin added it was exciting to see economic development being created at the Gary Paxton Industrial Park.

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

Yes: 6 - Swanson, Eisenbeisz, Guevin, Potrzuski, Knox, and Bean

Absent: 1 - Hunter

F ORD 17-19 Amending the official Sitka Zoning Map to rezone harbors at 211 and 617 Katlian Avenue from Waterfront District (WD) to Public Lands District (P)

Knox stated uniformity of zoning in the harbors was important.

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

Yes: 6 - Swanson, Eisenbeisz, Guevin, Potrzuski, Knox, and Bean

Absent: 1 - Hunter

G ORD 17-20 Amending Sitka General Code Title 19 entitled "Building and Construction", Chapter 19.08 entitled "Code Applicability", by adding Subsection D to Section 19.08.030 entitled "Islands", for an exemption for private recreational cabins on islands

Valerie Edwards spoke in support of the Ordinance.

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

Yes: 6 - Swanson, Eisenbeisz, Guevin, Potrzuski, Knox, and Bean

Absent: 1 - Hunter

- H ORD 17-14** Amending Sitka General Code Title 20 "Miscellaneous Permit Regulations" by changing the name to "Environmentally Critical Areas" and adding a new Chapter 20.01 entitled "Landslide Area Management"

Scott McArthur, a contractor and owner of property near the Kramer landslide, spoke in support of the ordinance.

Eisenbeisz stated passage of the ordinance would allow development in areas where development might not otherwise be allowed.

Potrzuski thanked staff for their work.

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

Yes: 6 - Swanson, Eisenbeisz, Guevin, Potrzuski, Knox, and Bean

Absent: 1 - Hunter

XII. NEW BUSINESS:

- I 17-114** Consideration and award of the request for proposals submitted for the available funds (\$38,000) in the Fisheries Enhancement Fund

Linda Behnken of Alaska Longline Fisherman's Association and Lisa Busch of Sitka Sound Science Center spoke to the disbursement of funds and their respective programs.

Nancy LeClerc Davidson and Steve Reifentstuhl spoke in support of the Sitka Sound Science Center proposal. Eric Jordan, Jacob Klusemeier, Kathryn Klusemeier, and Steve Fish voiced support for the Alaska Longline Fisherman's Association request.

A motion was made by Eisenbeisz to make \$38,000 in the Fisheries Enhancement Fund available for disbursement. The motion PASSED by the following vote.

Yes: 6 - Swanson, Eisenbeisz, Guevin, Potrzuski, Knox, and Bean

Absent: 1 - Hunter

A motion was made by Eisenbeisz to award \$10,000 to the Alaska Longline Fisherman's Association and \$28,000 to the Sitka Sound Science Center. After discussion, a motion was made by Eisenbeisz to Divide the Question. The motion to Divide the Question PASSED by the following vote.

Yes: 6 - Swanson, Eisenbeisz, Guevin, Potrzuski, Knox, and Bean

Absent: 1 - Hunter

A motion was made by Eisenbeisz to award \$10,000 to the Alaska Longline Fisherman's Association. The motion PASSED by the following vote.

Yes: 4 - Eisenbeisz, Guevin, Potrzuski, and Knox

No: 2 - Swanson, and Bean

Absent: 1 - Hunter

A motion was made by Eisenbeisz to award \$28,000 to the Sitka Sound Science Center. The motion PASSED by the following vote.

Yes: 6 - Swanson, Eisenbeisz, Guevin, Potrzuski, Knox, and Bean

Absent: 1 - Hunter

J 17-115 Discussion/Direction of use of Commercial Passenger Excise Tax (CPET) funds for a downtown shuttle pilot project

Pat Kehoe explained this was a one month pilot project and asked for Assembly support to include \$7,000.

The Assembly, while supportive of the concept, wished to have more information and discussed possible funding options: Commercial Passenger Excise Tax Funds, Visitor Enhancement Funds, partnership with Sitka Tribe of Alaska, and collaboration among local businesses.

Sheri Aitken, Director of Tourism at Visit Sitka, stated the last cruise ship was scheduled for September 29. She encouraged the pilot project to begin no later than the second or third week of July.

Eisenbeisz expressed concern over the need for a Request For Proposals. Municipal Attorney, Brian Hanson, indicated he would be involved to ensure the City was in compliance for this process.

A motion was made by Guevin to direct the Administrator to prepare a supplemental budget ordinance for a downtown shuttle pilot project working with Sitka Tribe of Alaska, and the group currently working to develop the project, with the amount not to exceed \$10,000. The motion PASSED by the following vote.

Yes: 6 - Swanson, Eisenbeisz, Guevin, Potrzuski, Knox, and Bean

Absent: 1 - Hunter

K 17-116 Approve a renewal of a retail marijuana store license for Anna M. Cleaver dba Weed Dudes at 1321 Sawmill Creek Road Suite J

Bean recused himself stating he benefitted from the license. Guevin thanked the Planning Department for their work.

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

Yes: 5 - Swanson, Eisenbeisz, Guevin, Potrzuski, and Knox

Absent: 1 - Hunter

Recused: 1 - Bean

L 17-117 Approve a renewal of a retail marijuana store license for Micah Miller and Michael Daly dba Northern Lights Indoor Gardens, LLC at 1321

Sawmill Creek Road Suite O and P

Eisenbeisz recused himself and stated he had a financial conflict.

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

Yes: 5 - Swanson, Guevin, Potrzuski, Knox, and Bean

Absent: 1 - Hunter

Recused: 1 - Eisenbeisz

M 17-118

Approve a renewal of a standard marijuana cultivation facility license for Micah Miller and Michael Daly dba Northern Lights Indoor Gardens, LLC at 1321 Sawmill Creek Road Suite O and P

Eisenbeisz recused himself and stated he had a financial conflict.

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

Yes: 5 - Swanson, Guevin, Potrzuski, Knox, and Bean

Absent: 1 - Hunter

Recused: 1 - Eisenbeisz

N RES 17-13

Supporting Sitka Sound Science Center's application of FY17 Historic Preservation Fund Grant program for Certified Local Governments

Knox and Potrzuski expressed support for Sitka Sound Science Center's grant application to preserve the Mill Building. Eisenbeisz requested clarification on the administrative fee. Chief Finance and Administrative Officer, Jay Sweeney, indicated the fee could be upwards of 10% of the grant amount, however, he was willing to work with applicant to come to a mutual agreement regarding the amount of the administrative fee for this grant.

A motion was made by Knox that this Resolution be APPROVED on FIRST AND FINAL READING. The motion PASSED by the following vote.

Yes: 6 - Swanson, Eisenbeisz, Guevin, Potrzuski, Knox, and Bean

Absent: 1 - Hunter

O ORD 17-21

Amending Sitka General Code Title 15 to increase rates at Chapter 15.04 "Sewer System" Sections 15.04.100 entitled "Service Connection Charge", 15.04.320 entitled "Rates and Fees"; and Chapter 15.05 "Water System" Sections 15.05.240A entitled "Service Connection Charge", 15.05.620 entitled "Rates and Fees"; and Chapter 15.06 "Solid Waste System and Refuse Collection" Sections 15.06.020 entitled "Solid Waste Disposal Policy and Rates", 15.06.030

entitled "Receptacles Available", 15.06.035 entitled "Rates for Treatment and Collection", 15.06.045 entitled "Special Refuse and Treatment Charges"

Chief Finance and Administrative Officer, Jay Sweeney, reminded the proposed increases were discussed during the annual budget meetings.

Several Assembly members spoke to the need for a reevaluation of the Master Plans and stated the City wasn't currently funding them to required levels. Guevin offered \$4 million was required to maintain the current level of infrastructure.

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

Yes: 4 - Swanson, Guevin, Potrzuski, and Knox

No: 2 - Eisenbeisz, and Bean

Absent: 1 - Hunter

P RES 17-12 Submitting City and Borough of Sitka Shovel Ready Project priorities to the State of Alaska

Guevin thanked staff for development of the project list. He noted, if awarded, the projects would provide multiple benefits including infrastructure improvements and employment opportunities.

A motion was made by Knox that this Resolution be APPROVED on FIRST READING. The motion PASSED by the following

Yes: 6 - Swanson, Eisenbeisz, Guevin, Potrzuski, Knox, and Bean

Absent: 1 - Hunter

Q 17-120 Discussion/Direction of Electric Department insurance renewal options

Utility Director, Bryan Bertacchi, provided an overview of Electric Department insurance renewal options and cost savings. He explained the annual cost for general liability, property and machinery breakdown was approximately \$700,000. Of that amount, nearly \$200,000 was for the two dams.

Bertacchi and Mike Venneberg of Venneberg Insurance reviewed the renewal options. Bertacchi recommended options 1 and 3.

Option 1: not to insure the dam or tunnel/penstock at either Green Lake or Blue Lake. The only covered property at these locations would be the powerhouses, a savings of \$210,000.

Option 2: insure all property but decrease earth movement and flood limit from \$50 million to \$30 million, a savings of \$50,000.

Option 3: increase the machinery deductible breakdown deductible to a flat \$500,000, a savings of \$49,285.

Option 4: make no changes and renew the policy as is.

Assembly members discussed the risks associated with each option.

A motion was made by Eisenbeisz to approve not insuring the Dam or Tunnel/Penstock at either Green Lake or Blue Lake and to approve an increase in machinery breakdown deductible to flat \$500,000. The motion FAILED by the following vote.

Yes: 3 - Swanson, Eisenbeisz, and Potrzuski

No: 3 - Guevin, Knox, and Bean

Absent: 1 - Hunter

A motion was made by Eisenbeisz to approve an increase in machinery breakdown deductible to flat \$500,000. The motion PASSED by the following vote.

Yes: 5 - Swanson, Eisenbeisz, Potrzuski, Knox, and Bean

No: 1 - Guevin

Absent: 1 - Hunter

R ORD 17-22 Adjusting the FY17 Budget (PERS)

Chief Finance and Administrative Officer, Jay Sweeney, explained the State of Alaska made and paid for contributions into PERS, on behalf of the City and Borough of Sitka (CBS) and its employees. He stated that financial reporting rules required the CBS to record in its accounting system, and report on financial statements, when another entity made an expenditure on behalf of CBS.

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

Yes: 6 - Swanson, Eisenbeisz, Guevin, Potrzuski, Knox, and Bean

Absent: 1 - Hunter

XIII. PERSONS TO BE HEARD:

None.

XIV. EXECUTIVE SESSION

None.

XV. ADJOURNMENT

A motion was made by Swanson to ADJOURN. Hearing no objections, the meeting ADJOURNED at 9:42pm.

ATTEST: _____
Sara Peterson, CMC
Municipal Clerk