



CITY AND BOROUGH OF SITKA

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

Minutes - Draft

City and Borough Assembly

Mayor Cheryl Westover
Deputy Mayor Pete Esquiro, Vice-Deputy Mayor Thor
Christianson,
Terry Blake, Phyllis Hackett, Mim McConnell, and Mike Reif

Municipal Administrator: Jim Dinley
Municipal Attorney: Theresa Hillhouse
Municipal Clerk: Colleen Ingman, MMC

Tuesday, March 27, 2012

6:00 PM

Assembly Chambers

WORKSESSION Sitka Harbors Master Plan 5:00 - 5:50 PM

REGULAR MEETING - 6:00 PM

I. CALL TO ORDER

II. FLAG SALUTE

III. ROLL CALL

Present: 7 - Westover, McConnell, Blake, Christianson, Esquiro, Reif, and Hackett

IV. CORRESPONDENCE/AGENDA CHANGES

None.

V. CEREMONIAL MATTERS

Mayor Westover read a proclamation celebrating 100 years of Girl Scouts.

VI. SPECIAL MUNICIPAL/COMMITTEE/COMMISSION REPORTS:

Tonia Rioux, Sitka Convention and Visitors Bureau Executive Director, and John Dunlap, Vice President of Allen Marine Tours, provided a brief update on the BackRoads Alaska Cruise Model. Rioux and Dunlap spoke of their recent trip to Miami promoting Sitka at the Sea Trade Fair. Dunlap noted they were please to have had the opportunity to meet with top itinerary planners and high level marketing people for various cruise lines.

VII. PERSONS TO BE HEARD

Mark Bigelow commented the government should live within their means.

David Tjomsland spoke to utility fees for harbor users and distribution of funds.

Marko Dapcevich noted the City's expenses outweigh its income. He said the only alternative was to spend less money.

Peter Apathy, President of Alaska Arts Southeast, provided an update on the Fine Arts Camp; enrollment numbers were higher than ever. Since taking over the campus, they have logged over 22,000 volunteer hours.

Dave Miller noted statewide Tsunami testing would be conducted on March 28. Miller invited the public to the dedication of the new fire truck on Saturday March 31.

VIII. REPORTS

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

Mayor - Traveled to Juneau for Southeast Conference this month and also to Washington DC to meet with Alaska's Congressional Delegation - both worthwhile trips.

Administrator - Briefly mentioned the Congressional trip.

Liaison Representatives – Hackett: Attended Hospital Board Meeting, Hospital doing well. Mentioned there were major infrastructure needs. Reif: Museum Feasibility Study – working on finalizing plans and developing a budget. Esquiro: Traveled recently to Miami to promote Sitka at the Sea Trade Fair. He stated he would be presenting in the future a couple of ideas on how Sitka could participate more in it's representation to the "outside" world.

Other - McConnell shared the small business class at Mt. Edgecumbe High School was selling bracelets in support of Sitka's homeless.

IX. CONSENT AGENDA

- A 12-41 Approve the minutes of the February 28 and March 13, 2012 Assembly meetings.

This item was APPROVED ON THE CONSENT AGENDA.

- B 12-42 Appointment: 1) Appoint Jennifer Robinson to a fill an unexpired term on the Tourism Commission.

McConnell recused herself. She noted Robinson was her daughter.

Assembly members thanked Robinson for submitting a thorough application.

A motion was made by Reif that this Appointment be APPROVED. The motion PASSED by the following vote.

Yes: 6 - Westover, Blake, Christianson, Esquiro, Reif, and Hackett

Recused: 1 - McConnell

X. UNFINISHED BUSINESS:

- C ORD 12-13** Amending SGC Subsection 13.06.010 L entitled "Launch Ramp Fees" to be consistent with Alaska State Park Boat Launch Fees
- Kim Elliot spoke in support of the ordinance.*
- Harbormaster, Stan Eliason, came forward to speak to line 42 - "Launch ramp fees are not applicable to current harbor users paying moorage." Eliason confirmed both he and the Port and Harbors Commission were not supportive of this line.*
- A motion was made by Reif that this Ordinance be APPROVED on second reading as previously amended. The motion FAILED by the following vote.**
- Yes:** 3 - Blake, Christianson, and Hackett
- No:** 4 - Westover, McConnell, Esquiro, and Reif
- D ORD 12-08** Amending Sitka General Code Section 4.09.010 entitled "Levy of Sales Tax" to reallocate the percentages of the Fish Box Sales Tax.
- Assembly member Reif recused himself.*
- Kim Elliot spoke in support of the ordinance.*
- David Tjomsland noted 80% should go to Harbors.*
- Erin O'Kelly-Long spoke in opposition to the proposed ordinance changes.*
- Assembly members expressed their opinions on the issue.*
- A motion was made by Blake that this Ordinance be APPROVED. The motion FAILED by the following vote.**
- Yes:** 3 - Westover, Blake, and Esquiro
- No:** 3 - McConnell, Christianson, and Hackett
- Recused:** 1 - Reif
- A recess was taken from 7:28pm to 7:35pm.*
- E ORD 12-06** Amending the Sitka General Code by repealing the sales tax exemption provision currently at Sitka General Code subsection 4.09.100Y for "exemption for retired persons who have reached the age of sixty-five," and adding a new section 4.09.105 entitled "Sales Tax Exemption for Sitka Senior Residents or Members of their households"
- The following spoke in opposition to the ordinance: David Tjomsland, Shirley Robards, Kim Elliot, Betty Jo Moore, and Signe Wilson.*
- A motion was made by Hackett to amend Ordinance 2012-06 by adding or amending the following provisions:**
- 1. SGC 4.09.105A.5 at line 186 add:**
Notwithstanding subsection A.4 above, if the applicant has a sales tax exemption card issued under prior SGC 4.09.100Y for "Retired Persons Who Have Reached The Age of Sixty-Five," and meets all other requirements of this section;
- 2. Purpose section at line 29, by adding the following sentence:**
Seniors who hold sales tax exemption cards that were issued under SGC

4.09.100 Y for "Retired Persons Who Have Reached The Age of Sixty-Five" will still qualify and are not subject to the income level means test, as long as the seniors meet all other requirements under this new exemption at SGC 4.09.105.

David Tjomsland spoke in support of the amendment.

Assembly members expressed their opinions on postponing the issue.

A motion was made by Reif that this Ordinance be POSTPONED to the May 22, 2012 Assembly meeting. The motion PASSED by the following vote.

Yes: 4 - McConnell, Christianson, Esquiro, and Reif

No: 3 - Westover, Blake, and Hackett

F 12-28

1) Discussion/Decision on forward funding or bridge funding to the Sitka School District on anticipated educational funding from state and federal sources for FY 2013.

Westover stated she was recusing Christianson and explained her reasons. Christianson responded with his interpretation.

A recess was taken from 8:34pm to 8:39pm.

Municipal Attorney, Theresa Hillhouse, reviewed the memo from outside counsel, Michael Gatti, speaking to disqualifying bias. Hillhouse outlined the process for the Assembly to take.

Assembly members Reif, Hackett, Blake, McConnell, and Esquiro offered their opinions on the issue and disqualifying bias.

A motion was made by Hackett to OVERRULE the Mayor's decision to recuse Christianson. The motion PASSED by the following vote.

Yes: 5 - McConnell, Blake, Esquiro, Reif, and Hackett

Non-voting: 2 - Westover, and Christianson

Mayor Westover handed the gavel to Deputy Mayor Esquiro.

The following motion to amend was on the floor from the February 28, 2012 meeting:

A motion was made by McConnell to AMEND the amount to \$225,000. McConnell and Hackett withdrew their previous amendment.

School Superintendent, Steve Bradshaw, came forward and urged the Assembly to support the District in whatever capacity possible. Tim Fulton, School Board Member, also spoke in support of the amendment.

In response to a question by Assembly member Blake, Bradshaw explained some of the cuts the School District would be possibly making.

Sitka High School Principal, PJ Ford-Slack, came forward to answer a question from Assembly member Blake on Secure Rural School money.

A vote was taken on the main motion still on the floor from the February 28, 2012 meeting:

A motion was made by Reif to forward fund to the Sitka School District anticipated educational funding from state and federal sources for FY2013 in

the amount of \$300,000. That forward funding will be paid back by any increase in funding received from the State of Alaska for the Sitka School District or any funding received from Secure Rural Schools for the Sitka School District. The motion PASSED by the following vote.

Yes: 6 - Westover, McConnell, Blake, Christianson, Reif, and Hackett

No: 1 - Esquiro

A recess was taken from 9:27pm to 9:35pm.

XI. NEW BUSINESS:

New Business First Reading

- G RES 12-05** Formally supporting the idea the Alaska Historical Commission support and recommend the State of Alaska include funding for this top civic project - improvements, expansion, construction of Alaska Centennial Center memorializing the 150th Anniversary of the Alaska Purchase in Sitka, Alaska.
- Robert Medinger, Executive Director of Sitka Historical Society and Museum, urged the Assembly to support the resolution. Medinger spoke of his recent visit with Lieutenant Governor Mead Treadwell, Chair of the Alaska Historical Commission.*
- A motion was made by Christianson that this Resolution be APPROVED. The motion PASSED by the following vote.**
- Yes:** 7 - Westover, McConnell, Blake, Christianson, Esquiro, Reif, and Hackett
- H RES 12-06** Supporting Mt. Edgecumbe Drive Pavement Rehabilitation - Kashevaroff to Kimsham Project and providing matching funding
- A motion was made by McConnell that this Resolution be APPROVED. The motion PASSED by the following vote.**
- Yes:** 7 - Westover, McConnell, Blake, Christianson, Esquiro, Reif, and Hackett

Additional New Business Items

- I 12-36** Authorize the Administrator to execute Amendment No. 2 to Extend The Refuse Collection Agreement between the CBS and Alaska Pacific Environmental Services Sitka, LLC.
- Public Works Director, Michael Harmon, explained the agreement was due for renewal. Harmon added the City was very pleased with the service APES provided.*
- A motion was made by McConnell that this Contract/Agreement be APPROVED. The motion PASSED by the following vote.**
- Yes:** 7 - Westover, McConnell, Blake, Christianson, Esquiro, Reif, and Hackett
- J 12-39** Approve Southeast Economic Development 6-month short-term loan with conditions requested by Baranof Island Brewing Company - \$75,000
- McConnell stated Baranof Island Brewing Company was a client of hers and recused herself.*
- Suzan Hess and Rick Armstrong, owners of Baranof Island Brewing Company, came*

forward to explain the loan would be used to further the brewery - bottling line, glycol chillers, kegs, etc.

The Assembly applauded Hess and Armstrong for their hard work and success.

A motion was made by Reif to approve a short-term loan to Baranof Island Brewing Company, LLC (BIBC) for \$75,000, with a maturity date of October 1, 2012 from the Southeast Alaska Economic Development Fund with the following conditions:

- 1. Personal guarantees by the owners of the business for repayment of the loan;**
- 2. That Armstrong, LLC guarantee the additional loan;**
- 3. That Armstrong, LLC agree to a modification of the existing Deed of Trust dated May 4, 2011 in order to secure payment on this new loan as well as the existing loan; and, that Baranof Island Brewing Company pledge a senior lien on all accounts receivable, equipment, supplies, and inventory;**
- 4. These loans proceeds are to be used as specified – deposits on kegs and bottling lines, purchases and installation of glycol chiller, and working capital; these loans proceeds cannot be used to repay investments or loans made by the owners to the business; and**
- 5. BIBC needs to be current on all loan payments to the CBS before this note can be executed; and**
- 6. BIBC will remain compliant with all municipal laws to include, but not limited to: building code compliance, timely payment of all taxes including sales taxes;**
- 7. Contingent on the filing of a business plan and the receipt of updated financials within 6 months;**
- 8. The ability to refinance this promissory note into a long-term loan, upon Assembly approval, if the business plan and financial analysis requested in 6. Above supports the extension of additional credit.**

And, direct the Municipal Attorney to draft the appropriate amendments to the current deed and promissory note. The motion PASSED by the following vote.

Yes: 6 - Westover, Blake, Christianson, Esquiro, Reif, and Hackett

Recused: 1 - McConnell

XII. PERSONS TO BE HEARD:

None.

XIII. ADJOURNMENT

A motion was made by Blake that the meeting be ADJOURNED. The meeting was adjourned at 10:05pm by a unanimous vote.

ATTEST: _____
Sara Peterson, CMC
Deputy Clerk