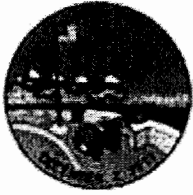


If this is pulled from the consent agenda the following motion would be in order:

POSSIBLE MOTION

I MOVE TO approve the minutes of the
May 27 & 29 Assembly meetings.



CITY AND BOROUGH OF SITKA

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

Minutes - Draft City and Borough Assembly

*Mayor Mim McConnell
Deputy Mayor Matt Hunter
Vice-Deputy Mayor Phyllis Hackett, Pete Esquiro, Mike Reif,
Benjamin Miyasato and Aaron Swanson*

*Municipal Administrator: Mark Gorman
Municipal Attorney: Robin L. Koutchak
Municipal Clerk: Colleen Ingman, MMC*

Tuesday, May 27, 2014

6:00 PM

Assembly Chambers

Worksession: 5:00PM to 5:50PM

14-119 Bus Tour of Edgumbe Drive Reconstruction Project

REGULAR MEETING

I. CALL TO ORDER

II. FLAG SALUTE

III. ROLL CALL

Present: 7 - McConnell, Hunter, Hackett, Esquiro, Reif, Swanson, and Miyasato

IV. CORRESPONDENCE/AGENDA CHANGES

14-128 Reminders and Correspondence

V. CEREMONIAL MATTERS

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

VII. PERSONS TO BE HEARD

Hugh Hallgren, retired CEO of Sitka Community Hospital and Long Term Care Unit, thanked the Assembly for their service to the community and the professional attitudes he shared while working with them, their predecessors and the administration. Reif and others thanked him for his efforts in turning the hospital around.

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

Mayor - Attended two cruise ship inaugurations for the Norwegian Pearl and Disney Wonder; met with Lesil McGuire who is running for Lt. Governor; attended Sitka Convention and Visitor's Bureau membership meeting; helped hand out diplomas at Sitka High School Graduation; attended Mr. Wayne's High School Government Class where they were given an objective to reduce the budget by \$500,000. Tonight she was invited to the Eagles Nest for a Wrangler Patriot Tour.

Administrator - He attended the Sawmill Cove Industrial Park Board meeting and heard encouraging news about interested parties in occupying most of the real estate out there. Received a check from the Redination for \$15,000. Trying a pilot project over the next few weeks where the city will establish two sets of kayak racks in the harbors and rent them out. Gorman announced June 3rd Raven Radio would host a Town Hall call in show talking about the condition of our roads and needs to repair them. He had a visit from a resident that was concerned about leash law avoidance and wanted to remind Sitkans there are leash laws in Sitka.

Attorney - Traveled to Anchorage for the International Attorneys Conference. One of the topics was "Design Build" contracts; when the new templates come out we will be able to share them.

Liaisons - Hackett attended the SCIP meeting; Health Needs and Social Services; Port and Harbors where float homes dominated the meeting; Hospital Board issued a contract to help search for a new CEO. Seven applicants are to travel to Sitka in mid-June. They are also working hard on the electronic records system. Hackett also attended the Tree & Landscape meeting where they are working hard on a new ordinance. She thanked the Pioneers of Alaska, Penny Brown and Julie White for the work they did planting at the Roundabout.

Miyasato and Swanson attended Mr. Wayne's SHS government class and congratulated the Sitka High Graduates.

IX. CONSENT AGENDA

Hunter moved to approve the Consent Agenda consisting of Items A, B, E & H. The motion PASSED on the following vote.

Yes: 7 - McConnell, Hunter, Hackett, Esquiro, Reif, Swanson, and Miyasato

- A 14-120** Approve the minutes of the May 13, 2014 Assembly meeting
This item was **APPROVED** on the **CONSENT AGENDA**.
- B 14-121** Appoint Dan Littlefield to a three year term on the Building Department Appeals Board
This item was **APPROVED** on the **CONSENT AGENDA**.
- C RES 14-07** Authorizing municipal matching grant applications to the Alaska Department of Environmental Conservation for Hollywood Way water

and sewer/ New Archangel Street sewer improvements, Monastery Street and Baranof Street water and sewer improvements - Sawmill Creek Road to Degroff Street, and Jeff Davis Street water and sewer improvements

A motion was made by Hunter to approve Resolution 14-07 on first and final reading. The motion PASSED on the following vote.

Yes: 7 - McConnell, Hunter, Hackett, Esquiro, Reif, Swanson, and Miyasato

- D RES 14-09** Setting the millage rates for the fiscal year July 1, 2014 through June 30, 2015
- Reif pointed out that the millage rate had not been increased in over thirty years. Hackett pointed out that four of those six mills were dedicated to the schools.
- A motion was made by Hunter to APPROVE Resolution 14-09 on first and final reading. The motion PASSED by the following vote.**
- Yes:** 7 - McConnell, Hunter, Hackett, Esquiro, Reif, Swanson, and Miyasato
- E 14-126** Award a janitorial contract to Malo's Janitorial for a three year contract at Sitka Rocky Gutierrez Airport for \$70,872 per year
- This item was APPROVED on the CONSENT AGENDA.**
- F 14-122** Authorize the Municipal Administrator to hire a Tax Accountant at Grade 29 Step L and approve a moving allowance of \$5,000
- Hackett pulled the item out of curiosity, expressing concerns of hiring someone from Delaware, not knowing how they would adapt to life in Sitka. Jay Sweeney, Chief Finance and Administrative Officer, offered this individual was the most qualified and had the prerequisites and educational experience. Sweeney noted an effort was made to hire locally even so far as asking a local candidate to reconsider.
- Esquiro inquired if the city had considered contracting this function out. Sweeney, responded "Yes" he had had conversations with the Administrator. Sweeney stated the Finance Department would like to see someone find efficiencies and innovations and that the position become multi-functional. Reif liked the approach.
- A motion was made by Hunter to approve the hire. The motion PASSED on the following vote.**
- Yes:** 7 - McConnell, Hunter, Hackett, Esquiro, Reif, Swanson, and Miyasato
- G 14-125** Approve the Health Needs and Human Services Commission proposed goals for 2014-2015
- Commission Chair Willow Moore reviewed the top three goals. 1) Compile baseline Community services Assessment: Review of Available Community Services/Health and Human Service Organizations. 2) Enlist partners to complete a thorough and professional community assessment (e.g.) Community Indicators) to document community needs. 3) Reinstate coalition (using a model like Advancing our Community). "Advancing our Community: will then organize Biannual or Quarterly meetings with the purpose of bringing diverse organizations/populations together to increase communication, collaboration, efficiency among those businesses and organizations operating in the health and human service sector. The coalition will also serve to decrease duplication of services.

A motion was made by Hackett to approve the Health Needs and Human Services Commission proposed goals for 2014-2015. The motion PASSED on the following vote.

Yes: 7 - McConnell, Hunter, Hackett, Esquiro, Reif, Swanson, and Miyasato

- H 14-127 Adopt the Finance Director's interpretation of SGC 4.09.270 eliminating the requirement for persons engaged in long-term residential rental business activity to file sales tax returns

This item was APPROVED on the CONSENT AGENDA.

X. UNFINISHED BUSINESS:

- I ORD 14-13A Amending SGC Chapter 4.12 entitled "Property Tax" to add SGC 4.12.045 entitled "Exemptions - Disaster Damage" to Allow Reassessment of Property Damaged by Disaster

Hackett pointed out that if a citizen were to have a disaster they could have their property reassessed.

A motion was made by Swanson to pass Ordinance 2014-13A as amended on first reading. The ordinance PASSED on the following vote.

Yes: 7 - McConnell, Hunter, Hackett, Esquiro, Reif, Swanson, and Miyasato

- J ORD 14-14 Adjusting the FY 2014 Budget for known changes

A motion was made by Miyasato to approve Ordinance 2014-14 on second and final reading. The motion PASSED on the following vote.

Yes: 7 - McConnell, Hunter, Hackett, Esquiro, Reif, Swanson, and Miyasato

XI. NEW BUSINESS:

New Business First Reading

- K RES 14-08 Renaming the Sawmill Cove Industrial Park to "Gary Paxton Industrial Park"

Mayor read the resolution in full.

Ward Eldrige stated a name change may be offensive to those who fought to help the environment.

Reif read a couple of his own personal "Whereas's" all ending in "Mission Accomplished" and also acknowledged Deborah Paxton's role in Paxton's success.

Esquiro had hoped to see a more permanent naming to recognize Paxton and was concerned there would be no permanence here. Reif understood Esquiro's concerns and informed that he had called Deborah Paxton when he initiated this and asked if there was something Paxton would like his name attached to. They both felt that the Cove was most appropriate.

A motion was made by Swanson to APPROVE Resolution 2014-08 on first and final reading. The motion PASSED on the following vote.

Yes: 7 - McConnell, Hunter, Hackett, Esquiro, Reif, Swanson, and Miyasato

L ORD 14-17

Authorizing the transfer/sale of City and Borough of Sitka's pocket lot as depicted in the Turney Burkhart Planned Unit Development and located in the Turney Burkhart Subdivision to Sitka's Community Land Trust (CLT)

Mayor McConnell recused herself because of her affiliation with SCDC.

Chris Spivey, a resident of Lillian Drive, stated the idea appealed to him. Additionally he added, First Bank was granting SCDC \$5,000 towards their affordable housing efforts. Greg Reynolds, SCDC Board Member spoke in support of the project. Melissa Wentzel spoke to her personal experience having lived in a Community Land Trust community and she witnessed families enjoying home ownership and believed that if we could get it started here in Sitka it would be great. Randy Hughey viewed it as a simple, elegant solution to impact affordable housing and that didn't require ongoing support. He reported SCDC had raised \$63,100 to date.

SCDC Director Mim McConnell spoke to the summary she distributed earlier that had been compiled by Mike Brown. She asked for Assembly support adding that they had been working on this project for six or seven years.

Miyasato supported, explaining the importance of trying to keep young people here.

Gorman assured that the cost of transferring the property would be assumed by SCDC. Mark Brown answered Hackett's concern with regard to the \$25 monthly repair and replacement reserve, which seemed inadequate to her. Bottom line, it was a start. Eventually the funds would end up getting pooled when there were more housing units.

Reif expressed firm belief in the CLT model and in providing affordable housing. He stressed that they would need to be successful to continue doing these types of partnerships. Esquiro didn't favor the \$1 purchase price. He would like to see the assessed value paid. He asked Gorman if it was possible for this organization to borrow \$78,000 from SE Economic Development Funds in an effort to not give the land away. Esquiro argued it was important for him to be protective of the city's interest. Reif added, he did hear from one constituent that did not support the idea pointing out that there was an LID for Lillian Drive subdivision and this lot would not have to buy in. Reif was on the Planning Commission when that subdivision was put in and the city got it for nothing. Gary Winnop had to give it to the city initially. Hackett believed it would never be a park, for one we could not maintain in. Swanson inquired if the CLT had the money to build the house out right. Hughes replied that SCDC does not have the money. It would be a construction loan that ultimately would become the responsibility of the buyer.

A motion was made by Hackett to approve. The motion PASSED on the following vote.

Yes: 5 - Hunter, Hackett, Reif, Swanson, and Miyasato

No: 1 - Esquiro

Recused: 1 - McConnell

M ORD 14-15 Adopting budgets for the fiscal year July 1, 2014 through June 30, 2015

Reif noted the Enterprise Funds were a cooperative model and that the city did not try and make any profit. The city worked at keeping the rates as low as possible which was challenging in a remote community. Another area of concern was the Permanent Fund. Reif believed it should be inflation proof. Hackett brought forward that the six percent took out each year went directly to the General Fund and was significant. Inflation proofing would give us less money but she agreed it needed to happen.

With regards to the RIDE, Reif noted there was a month that all rides were free and wondered why. Connie Sipe, Executive Director, and Gerry Hope, Transportation Director, explained there was a funding formula which included the number of free rides per year.

Esquiro wondered whether the RIDE could be self-sustaining next year and not require \$25,000. Sipe argued that public transit would never be self sufficient. Without Tribal funding next year there would need to be further cuts. Hope stated the Federal Transit Authority required a 43% match and they'd be out of business if it wasn't met.

Miyasato stated the \$25,000 was a small pittance, remarking that this was used by all citizens in Sitka.

Hunter stated the budget was balanced from an operational standpoint but not infrastructure. There was still an unfunded liability that continued to grow.

A motion was made by Hunter to approve Ordinance 2014-15 on first reading. The motion PASSED on the following vote.

Yes: 7 - McConnell, Hunter, Hackett, Esquiro, Reif, Swanson, and Miyasato

N ORD 14-16 Amending Chapter 15 of the Sitka General Code at Section 15.05.204A entitled "Service Connection Charge" and increase water rates at Sections 15.05.620 entitled "Rates and Fees" and 15.05.625A entitled "Water Service - Sawmill Cove Industrial Park"

Jay Sweeney, Chief Finance and Administrative Officer, read from a prepared statement regarding rate increases.

A motion was made by Hunter to pass Ordinance 2014-16 on first reading. The motion PASSED on the following vote.

Yes: 7 - McConnell, Hunter, Hackett, Esquiro, Reif, Swanson, and Miyasato

Additional New Business Items**O 14-124 Award a design-build contract for the Edgecumbe Drive Reconstruction Project to S&S General Contractors for \$4,636,500**

Mayor noted the Assembly had toured Edgecumbe Drive. Hackett remarked that roads were expensive and the lions share of maintenance costs. Miyasato thanked staff for the tour and commented that this particular road needed a lot of work.

Public Works Director, Michael Harmon, stated that roads were a huge funding hurdle. Typically roads had a twenty-five year life. Moving the program forward he

hoped a maintenance program could be built in.

Administrator Gorman stated \$2.7 million a year was needed to maintain the existing roads. Senior Engineer, David Longtin estimated the Edgcombe Drive project would begin in the spring of 2015 with final completion scheduled for October of 2015. The submissions were rated on the Design Build/Best Value Bid model meaning the City would do the work under one contract. Esquiro saw the need for the project. He was glad to see the contingency and that any remaining funds would be rolled back to the Public Infrastructure Sinking Fund.

A motion was made by Hunter to approve this item. The motion PASSED on the following vote.

Yes: 7 - McConnell, Hunter, Hackett, Esquiro, Reif, Swanson, and Miyasato

P 14-123

Award a contract to Municipal Solutions, LLC to conduct and complete a comprehensive management plan for the City and Borough of Sitka

Reif found this both exciting and scary requiring tough and uncomfortable decisions. That said, he felt CBS would have a better municipal government and be able to provide some services at lower costs. Hackett felt this was a step in the right direction. Hunter asked about the "Success Payment" portion of the contract. Gorman said he negotiated up to \$10,000. If there was a substantial savings there was an agreement in place to look at it. Esquiro was interested to see what kind of information the city would get as a result of this study. Gorman envisioned that Municipal Solutions would bring to our attention things we were aware of and those we were not. He believed the cost would be repaid several times over.

A motion was made by Hunter to approve this item. The motion PASSED on the following vote.

Yes: 7 - McConnell, Hunter, Hackett, Esquiro, Reif, Swanson, and Miyasato

XII. PERSONS TO BE HEARD:

Hunter wanted to clarify he was optimistic about a Public Infrastructure Sinking Fund for Sitka. We need to come up with \$5 Million a year, the "how" is what we still need to figure out.

XIII. EXECUTIVE SESSION

None.

XIV. ADJOURNMENT

A motion was made by Hackett to ADJOURN. Hearing no objections the meeting ADJOURNED at 8:57 PM.

ATTEST: _____
Colleen Ingman, MMC
Municipal Clerk



CITY AND BOROUGH OF SITKA

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

Minutes - Draft City and Borough Assembly

Mayor Mim McConnell
Deputy Mayor Matt Hunter
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Benjamin Miyasato and Aaron Swanson

Municipal Administrator: Mark Gorman
Municipal Attorney: Robin L. Koutchak
Municipal Clerk: Colleen Ingman, MMC

Thursday, May 29, 2014

6:00 PM

Assembly Chambers

I. CALL TO ORDER

II. FLAG SALUTE

III. ROLL CALL

Present: 7 - McConnell, Hunter, Hackett, Esquiro, Reif, Swanson, and Miyasato

IV. PERSONS TO BE HEARD

None.

V. NEW BUSINESS: REPORT

A 14-129 Hear and receive the Gallagher Consulting (Fox Lawson Associates) Final Report following their review of Compensation and Benefits for City and Borough of Sitka

Gorman informed that staff was given a presentation that afternoon. HR Director, Mark Danielson, gave a brief history of the compensation study and related history over the last nine years. Unions began seven years ago and the concern now was that unions were running up against non-union employees.

Lori Messer of the firm Fox Lawson and Associates stated the CBS existing pay matrix was outdated. This was evident by the fact seventeen of the non-union employees were off the existing pay matrix at Step O.

A discussion ensued on health and administrative costs and such things as Child Care reimbursement. Danielson reported there had been a lot of discussion on looking into these programs over the years. Some were doable with no risk such as Child Care, others were complicated and wouldn't work for CBS.

New Business First Reading

B ORD 14-18 Amending CBS Sitka Personnel Policies Handbook to: Change Policy on Probationary Period Increase for Regular Employees; Address Starting Pay for New Employees; Address Pay Upon Promotion; Establish Pay Matrix Procedures; Address Forfeited Annual Leave; Remove Section XXI and Update Attachment A

Jay Sweeney, Chief Finance and Administrative Officer, believes this was a "kind plan" and spoke in support of it.

HR Director, Mark Danielson pointed out that the biggest question was sustainability. The biggest change for an employee would be stopping at Step H. After an employee reached Step H, the ways to advance would then either be through performance and increases to the matrix, which would be at least 1.5% each year. Employees below Step H would receive Step progressions and a percentage every year. A major administrative change was the increase awarded after completion of a six month satisfactory evaluation would go away. Gorman advised that 72% of work force was below Step H. Money to fund this had already been budgeted and identified.

Esquiro would like sufficient time to review. Members indicated that if Esquiro wasn't ready to vote on June 10 he could postpone action until the following meeting.

Miyasato stated if employees were not compensated they would go somewhere else; it was an actuality.

Administrator Gorman explained that the lowest compensated were getting the higher percentages along with senior staff. He mentioned that senior staff worked 60-70 hours a week consistently.

Jay Sweeney offered that the 2.5% was already set aside. Reif asked questions on performance pay appropriations. Gorman said he planned to define it, what it would look like and how it would be allocated. He was not a fan of step increases. He was supportive of an employee who did a wonderful job and therefore was awarded a bonus. Esquiro agreed, very similar to the private sector.

A motion was made by Swanson to approve this Ordinance 2014-18 on first reading with a non-substantive amendment. The motion PASSED on the following vote.

Yes: 7 - McConnell, Hunter, Hackett, Esquiro, Reif, Swanson, and Miyasato

Reif wanted to make sure the Assembly was kept informed. He trusts Gorman to do that, but wanted something in place for future administrators.

A motion was made by Reif to amend at Line 149 by adding: The Administrator will provide to the Assembly (two times a year) a report of the employees receiving performance pay, the amount and reason. The amendment PASSED on the following vote.

Yes: 7 - McConnell, Hunter, Hackett, Esquiro, Reif, Swanson, and Miyasato

VI. PERSONS TO BE HEARD:

Chief Dave Miller spoke about the volunteers that worked for the city. He had learned that 13 of the last 15 left because they couldn't find jobs where they could live comfortably.

Hackett reminded that Sitka would host the Regional Baseball Tournament followed

by the State Baseball Tournament.

VII. EXECUTIVE SESSION

None.

VIII. ADJOURNMENT

A motion was made by Esquiro to ADJOURN. No objections were heard and the meeting ADJOURNED at 7:45 PM.

ATTEST:

Colleen Ingman, MMC
Municipal Clerk