

# **CONSENT AGENDA**

## **POSSIBLE MOTION**

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

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  
August 19 and August 22 Assembly  
meetings.



# 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*

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Saturday, August 19, 2017

9:00 AM

Assembly Chambers

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#### SPECIAL MEETING

I. CALL TO ORDER

II. FLAG SALUTE

III. ROLL CALL

**Present:** 6 - Eisenbeisz, Guevin, Potrzuski, Hunter, Knox, and Bean

**Absent:** 1 - Swanson

IV. NEW BUSINESS:

A 17-143 Municipal Administrator applicant interviews (Brady, Fuqua, Shultz, and Zimmerman)

In-person interviews were held for each of the Municipal Administrator candidates: Keith Brady, David Fuqua, Delray Shultz, and Kim Zimmerman. In addition to receiving a tour of the community by City staff, candidates were also interviewed by a panel of City staff members and a representative of the Sitka Tribe of Alaska. Interviews concluded at 1:50pm.

**Public Comment:**

Pat Alexander wished to hear from the candidates on their understanding of medical finances. Further, she wondered how the candidates planned to relieve their ignorance after hearing that none of them had experience working with tribes.

**B 17-144** Discussion/Direction/Decision regarding today's interviews (*executive session anticipated*)

Staff was invited into executive session to offer their impressions of the candidates.

**A motion was made by Potrzuski to go into Executive Session to discuss subjects that may tend to prejudice the reputation and character of Municipal Administrator Candidates Keith Brady, David Fuqua, Delray Shultz, and Kim Zimmerman, and invite in John Hodgson, Mark Danielson, Melissa Henshaw, Don Kluting, Maegan Bosak, Shilo Williams, Jeff Ankerfelt, Ron Duvall, Jay Sweeney, and Lisa Gassman. The motion PASSED by the following vote.**

**Yes:** 6 - Eisenbeisz, Guevin, Potrzuski, Hunter, Knox, and Bean

**Absent:** 1 - Swanson

The Assembly was in Executive Session with staff from 2:05pm to 3:00pm. The Assembly dismissed staff at 3:00pm and remained in executive session, with a 10 minute recess from 3:55pm to 4:05pm, until 4:40pm. A 10 minute recess followed.

**At 4:50pm, a motion was made by Potrzuski to reconvene as the Assembly in regular session. The motion PASSED by a unanimous voice vote.**

Assembly members shared some of their reasons for selecting Brady: positive review from staff, community outreach while in Sitka, positive attitude, strong interpersonal skills, approachability, and commitment to growing into the position of Municipal Administrator.

**A motion was made by Potrzuski to direct staff to offer and negotiate a contract with Keith Brady to be the next City Administrator. The motion PASSED by the following vote.**

**Yes:** 6 - Eisenbeisz, Guevin, Potrzuski, Hunter, Knox, and Bean

**Absent:** 1 - Swanson

**V. PERSONS TO BE HEARD:**

None.

**VI. EXECUTIVE SESSION**

See Item B.

**VII. ADJOURNMENT**

**A motion was made by Bean to ADJOURN. Hearing no objections, the meeting ADJOURNED at 5:02pm.**

**ATTEST:** \_\_\_\_\_  
**Sara Peterson, CMC**  
**Municipal Clerk**



# CITY AND BOROUGH OF SITKA

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## Minutes - Draft

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*Mayor Matthew Hunter*  
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*Aaron Bean, and Aaron Swanson*

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

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Tuesday, August 22, 2017

6:00 PM

Assembly Chambers

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#### REGULAR MEETING

I. CALL TO ORDER

II. FLAG SALUTE

III. ROLL CALL

**Present:** 5 - Swanson, Eisenbeisz, Potrzuski, Knox, and Bean

**Absent:** 2 - Guevin, and Hunter

IV. CORRESPONDENCE/AGENDA CHANGES

**17-148** 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 (five minute time limit)

None.

VII. PERSONS TO BE HEARD

None.

VIII. REPORTS

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

Deputy Mayor - Potrzuski reported on the Alaska Municipal League Summer Legislative Meeting held in Haines. He announced Municipal Administrator candidate, Keith Brady, had accepted the City's offer and would begin mid-September. Potrzuski noted the interview process was thorough and thanked staff for their input.

Attorney - Hanson noted his new Legal Assistant was scheduled to start September 25. In addition, he stated he would be on vacation August 26 through September 10.

Clerk - Peterson shared information on the upcoming Town Hall Meetings regarding healthcare in Sitka, August 30 and 31.

**IX. CONSENT AGENDA**

- A 17-141** Approve the minutes of the August 8 and August 9 Assembly meetings

**A motion was made by Swanson that the Consent Agenda consisting of item A be APPROVED. The motion PASSED by the following vote.**

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

**Absent:** 2 - Guevin, and Hunter

**X. BOARD, COMMISSION, COMMITTEE APPOINTMENTS**

- B 17-142** 1) Appoint Darryl Rehkopf to an unexpired term on the Library Commission, and, 2) Appoint one of the following to the Sitka Community Hospital Board: ~~Lee Bennett~~—(application withdrawn) or Owen Kindig - possible executive session

Knox thanked Rehkopf for applying.

**A motion was made by Knox to appoint Darryl Rehkopf to an unexpired term on the Library Commission. The motion PASSED by the following vote.**

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

**Absent:** 2 - Guevin, and Hunter

Lee Bennett withdrew his application prior to the meeting.

Assembly members Eisenbeisz, Potrzuski, and Knox expressed concern with appointing Mr. Kindig to the Hospital Board. It was noted Mr. Kindig's spouse was employed at Sitka Community Hospital (SCH). Correspondence from the Municipal Attorney stated a spouse of a SCH employee may serve on the Board, however, for all discussions, deliberations, and decisions which would have a "substantial financial interest" on the spouse, the applicant (Board member) would have to recuse himself. Eisenbeisz, Potrzuski, and Knox wondered how often Kindig would need to recuse himself and the potential inefficiencies that could create. Bean reminded the term of the vacant seat expired in January and supported appointing Kindig.

**A motion was made by Swanson to appoint Owen Kindig to an unexpired term on the Hospital Board. The motion FAILED by the following vote.**

**Yes:** 2 - Swanson, and Bean

**No:** 3 - Eisenbeisz, Potrzuski, and Knox

**Absent:** 2 - Guevin, and Hunter

**XI. UNFINISHED BUSINESS:**

**C ORD 17-15 Adjusting the FY18 Budget (Sitka Community Hospital Modular Unit)**

Eisenbeisz believed it was important to provide Sitka Community Hospital (SCH) with the tools needed (e.g. modular) in order to be successful. He wished to see the suggestions from the Stroudwater Report implemented and close monitoring of their progress to ensure benchmarks were met. Knox asked SCH staff to provide an explanation of their goals and business plan.

Steven Hartford, SCH Director of Operations, and Rob Allen, SCH Chief Executive Officer, referenced the modular information included in the Assembly packet. Hartford and Allen indicated clinic visits were continuing to rise; SCH was currently unable to meet demands, hence the need for the modular unit. Allen stated the Hospital was working on its long-term capital needs.

Potrzuski noted the industry standard for clinic visits was 16 patients per day per provider; currently SCH numbers were 9-12 patients per day. Allen reminded the industry standard was based on a properly functioning clinic - e.g. adequate space, electronic health records system. He noted SCH did not meet those markers but was working to overcome the roadblocks and meet the industry standard. Potrzuski noted, after a recent tour of the clinic facility, it was clear the space needs and working conditions were inadequate. He reminded SCH was a department of the City and it was the responsibility of the Assembly to investigate and understand the financial plans of the Hospital.

Bean spoke in support of the modular and reminded it was a recommendation of the Stroudwater Report. He believed at the very least the modular would be an asset that would make the Hospital more marketable.

Knox wondered how this appropriation would affect other capital needs moving forward. Hartford reminded the funds to pay for the modular unit would be paid for out of the Hospital operating capital; it wasn't an additional request for \$400,000 from the City. He explained the electronic health records program, aside from the modular unit, was a top priority of SCH. Hartford explained it would be paid for operationally on a month-to-month basis and would not need a significant capital outlay. Once the proposal was more concrete, it would go before the Hospital Board and Assembly. In conclusion, he stated the Hospital welcomed the Assembly's oversight and tough questions. He expected the Assembly to hold SCH accountable and stated they would do their best to provide the most accurate information to help the Assembly make informed decisions with regards to the Hospital's future.

**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 - Swanson, Eisenbeisz, Potrzuski, Knox, and Bean

**Absent:** 2 - Guevin, and Hunter

**XII. NEW BUSINESS:**

**New Business First Reading**

**D ORD 17-29S Adjusting the FY18 Budget (*Sitka Airport Terminal Improvements Project*)**

Delta Airlines Sitka Station Manager, Jeremy Smith, read a statement from Delta Airlines Corporate Headquarters supporting the terminal improvement project. Bean inquired on the possibility of year-round service offered by Delta. Smith explained that currently year-round service was difficult due to space and de-icing needs. Eisenbeisz wondered if Delta planned to commit money to the project. Smith didn't have that information but noted it wasn't unheard of for the Airlines to contribute to projects.

Chief Finance and Administrative Officer, Jay Sweeney, explained the substitute ordinance was to account for the overall capital appropriation, as opposed to the increased amounts of revenue streams comprising it.

Bean, recognizing the cost of the project, and the amount of debt the City had, suggested the City save for the project first and then proceed. Knox reminded going this route, the City may encounter issues with the FAA - e.g. support.

Michael Harmon, Public Works Director, explained passenger facility charges (PFC) would be the primary funding mechanism for construction costs, or, for paying debt service if debt financing was ultimately approved. He indicated PFC's were required to be spent on a project that was expected to be built and completed in 3-5 years. At the beginning of this project, a model was set that PFC's would be collected at \$4.50 a head to further obtain bond funding to debt finance the project. He stressed the only way this project could happen was to debt finance and was how the PFC's were structured.

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

**Yes:** 4 - Swanson, Eisenbeisz, Potrzuski, and Knox

**No:** 1 - Bean

**Absent:** 2 - Guevin, and Hunter

**E ORD 17-30 Adjusting the FY17/FY18 Budgets (*Solid Waste Fund, Harbor Fund, Management Information Systems Fund, Public Works - Recreation Department*)**

With regards to the Solid Waste Fund, staff explained the adjustment was needed on the expense side to accurately reflect the overall cost of the contract. The revenue side had been accounted for.

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

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

**Absent:** 2 - Guevin, and Hunter



**F    ORD 17-31      Adjusting the FY18 Budget (O'Connell Lightering Facility Repair Project)**

Harbormaster, Stan Eliason, stated an unexpected wind event had damaged the O'Connell Lightering Facility. It had been determined the Facility was unable to safely accommodate yachts and large vessels over 40 feet in length. He believed the Facility, once repaired, had significant revenue potential citing it was a popular docking site for yachts. Deputy Harbormaster, Chuck Hackett, stated current charges were approximately \$1,000 per night. Outside sources had suggested the Facility should charge more, possibly between \$3,000 and \$5,000 a day. With a portion of the budget appropriation, Eliason and Hackett planned to conduct marketing research to determine demand and moorage fees. Eliason added the Facility would pay for itself and be a revenue stream for the Harbor Department. Dan Tadic, Municipal Engineer, relayed the repair barge planned to be used for construction of the Gary Paxton Industrial Park dock this fall could be used to repair the Lightering Facility, saving the City money.

Knox feared, if a decision was delayed, repair costs would increase and potential revenue would be lost. Eisenbeisz and Potrzuski expressed a desire for further analysis and marketing.

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

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

**Absent:** 2 - Guevin, and Hunter

**Additional New Business Items****G    17-146      Approve a lease amendment between the City and Borough of Sitka and SECON, Inc. for Granite Creek Industrial Site #7**

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

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

**Absent:** 2 - Guevin, and Hunter

**H    17-145      Approve a request from Sitka Community Hospital in the amount of \$60,171 for additional paving of the clinic parking lot and pedestrian walkway**

Steven Hartford, Director of Operations at Sitka Community Hospital (SCH), summarized there were remaining funds in the FY17 capital account. SCH hoped to use the money for repair and resurfacing of the existing clinic pedestrian access (between the Clinic and the ER entrance of the Hospital) and parking area. The paving work was needed to eliminate hazardous safety conditions for patients, customers and employees. SCH planned to piggyback on the City's paving project of the Emergency Room (ER) entrance driveway.

Knox wondered what phase the project was in as it appeared the project had started and where it fell within the capital plan. Hartford explained demo work had been done while the equipment and crew were available for the ER driveway project. SCH Chief Executive Officer, Rob Allen, added that any capital improvement projects over \$25,000

were required to come before the Assembly. It was not on the original capital improvement project list; however, identified as a need.

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

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

**Absent:** 2 - Guevin, and Hunter

**XIII. PERSONS TO BE HEARD:**

Dr. Wein spoke in support of Owen Kindig's Hospital Board application.

Owen Kindig stated he would apply again for the Hospital Board and didn't feel there would be times he would need to recuse himself. He believed he was a strategic thinker, creative problem solver, diplomatic, and was, in addition to a large majority of the community, in favor of keeping Sitka Community Hospital local.

**XIV. EXECUTIVE SESSION**

- I     **17-147**           Continued discussion/direction on the Administrator recruitment - if necessary  
Executive Session was not needed.

**XV. ADJOURNMENT**

**A motion was made by Swanson to ADJOURN. Hearing no objections, the meeting ADJOURNED at 8:25pm.**

**ATTEST:** \_\_\_\_\_  
**Sara Peterson, CMC**  
**Municipal Clerk**