

CONSENT AGENDA

POSSIBLE MOTION

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

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
July 14 Assembly meeting.



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 Michelle Putz*

*Municipal Administrator: Mark Gorman
Municipal Attorney: Robin L. Koutchak
Municipal Clerk: Sara Peterson, CMC*

Tuesday, July 14, 2015

5:00 PM

Assembly Chambers

REGULAR MEETING

I. CALL TO ORDER

II. FLAG SALUTE

III. ROLL CALL

Present: 7 - McConnell, Hunter, Swanson, Miyasato, Eisenbeisz, Guevin, and Putz

IV. CORRESPONDENCE/AGENDA CHANGES

15-117 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)

Rob Allen, CEO of Sitka Community Hospital, provided an update. Allen stated the Hospital's current cash situation was stable and shared the Hospital's top priorities some of which included the electronic health records system, doctor staffing plans, strategic plan, collaboration of ob/gyn coverage/nutritional services with SEARHC, and working with Petersburg on tobacco cessation and diabetes consultation.

15-113 Special Report: Managing your utility account online - Ron Duvall, IS Director (<10 minutes)

Ron Duvall, IT Director, gave an overview of the new utility management portal and demonstrated how citizens could access their utility accounts online.

15-115 **Special Report: Update on activities of the Sitka Convention and Visitor Bureau - Tonia Rioux (<10 minutes)**

Tonia Rioux, Director of Sitka Convention and Visitors Bureau (SCVB), provided a summary of FY15 SCVB activities.

VII. PERSONS TO BE HEARD

Curt Ledford, Chairman of the Library Commission, shared the Library was conducting a survey to explore the interest in a possible name change for the Library. Ledford stated a recommendation from the Commission would come forward to the Assembly in the future.

VIII. REPORTS

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

Mayor - Reported she had attended the following: Chamber lunch where Senator Stedman gave a report on the end of the legislative session, Sitka Convention and Visitors Bureau meetings, Sitka Economic Development Association meeting, 150th Anniversary Commemorative meeting, and met with Garry White and Chris Lay regarding bottled water business. McConnell reported she and the Municipal Administrator had been interviewed by Raven Radio regarding the Citizens' Taskforce.

Administrator - Gorman stated Assembly meetings would be held at the University of Alaska Southeast beginning July 28 for the duration of the Harrigan Hall Renewal project, noted City Hall was taking a more active role in enforcement issues, shared that he, Marlene Campbell and Maegan Bosak would be meeting with Baranof Warm Springs residents July 19 to talk about concepts for a dock mangement plan, looking at options for a City relationship with the State on obtaining management of the Halibut Point Recreation Area, announced there was an active radar sign on Kaagwaantaan Street to encourage citizens to comply with speed limits.

Attorney - Koutchak reported she had hired outside legal counsel to work on high level collection issues.

Liaisons - Guevin reported on the recent Health Needs and Human Services Commission meeting, Eisenbeisz on the Hospital Board meeting, and Miyasato on the Library Commission and Parks and Recreation meetings.

Clerk - Peterson announced the candidate filing period for the 2015 Municipal Election was July 20 through August 7 at 5pm. Vacancies noted were two Assembly seats and two School Board seats.

Other - Hunter noted the Senior Sales Tax ordinance had been postponed and would come back at a future date.

IX. CONSENT AGENDA

A 15-110 **Approve the minutes of the June 9 and June 23 Assembly meetings**

This item was APPROVED ON THE CONSENT AGENDA.

B RES 15-13 Supporting expanding recreational and tourism related activities in the Tongass National Forest

Putz recused herself due to employment with the Tongass Recreation Department.

A motion was made by Miyasato to approve this Resolution on first and final reading. The motion PASSED by the following vote.

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

Recused: 1 - Putz

C 15-109 Authorize the Municipal Administrator to issue a purchase order in the amount of \$88,000 to MWH Americas, Inc. for the Tenth Independent Consultant's Safety Inspection and Dam Break Analysis of the Blue Lake Dam and further authorize the expenditure of contingency funds in the amount of \$8,800 to address additional communication or reporting to FERC

This item was APPROVED ON THE CONSENT AGENDA.

D 15-108 Approve a request to create a Jarvis Bulk Tank Improvement Project for repairs in the amount of \$250,000 utilizing existing Blue Lake Bond Fund proceeds

This item was APPROVED ON THE CONSENT AGENDA.

E 15-106 Approve a purchase contract through KCDA Purchasing in the amount of \$115,941 for providing and installing the furniture for the Kettleon Memorial Library Expansion Project

In response to a question from Eisenbeisz, Administrator Gorman noted this was a separate contract from what was already budgeted and exceeded his approval limits thus the reason it was before the Assembly for approval.

A motion was made by Swanson to APPROVE this item. The motion PASSED by the following vote.

Yes: 7 - McConnell, Hunter, Swanson, Miyasato, Eisenbeisz, Guevin, and Putz

F 15-104 Approve the sublease agreement between the City and Borough of Sitka and Runway 29 LLC (Airport Gift Shop)

Attorney Robin Koutchak stated she had reviewed the contract and noted there was a 60-day notice clause in place.

Public Works Maintenance and Operations Superintendent, Gary Baugher, explained the commercial rate of a \$1.70/square foot rate was calculated by the Assessor's Office. Baugher noted the CPI adjustment was the responsibility of the tenant and a standard clause in CBS leases. Baugher added it was his understanding the Finance

Department followed up with each tenant to ensure there was a CPI adjustment.

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

Yes: 7 - McConnell, Hunter, Swanson, Miyasato, Eisenbeisz, Guevin, and Putz

X. BOARD, COMMISSION, COMMITTEE APPOINTMENTS

G 15-112 Reappoint Alice Johnstone to a three-year term on the Library Commission

Miyasato thanked Alice for her service.

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

Yes: 7 - McConnell, Hunter, Swanson, Miyasato, Eisenbeisz, Guevin, and Putz

H 15-114 Appoint seven members to the Citizens' Taskforce on City Services, Revenues and Fees - applicants are: 1) Rob Allen, 2) Ralph Ash, 3) Dyan Bessette, 4) Jeff Feldpausch, 5) Cynthia Gibson, 6) Alene Henning, 7) Donald Jones, 8) Mary Magnuson, 9) Jack Ozment, 10) Maxwell Rule and 11) Lawrence SpottedBird

Dorik Mechau urged the Assembly to carefully consider the composition of the Taskforce.

Jack Ozment provided the Assembly with an overview of his qualifications.

Ralph Ash summarized his letter of intent for the Assembly.

Putz stated it was important to her for there to be a mix of men and women on the Taskforce and that the group work in an environment of unbiased creativity and not preconceived notions.

A vote of the Assembly was taken. The top seven vote getters were: Cynthia Gibson, Jack Ozment, Max Rule, Lawrence SpottedBird, Rob Allen, Donald Jones and Mary Magnuson.

Administrator Gorman announced the first meeting would be held mid-August at which time a Chair and Vice-Chair would be selected and expectations for the group would be set. Gorman stated the intent was for the process to be completed within a six month timeframe with a final report presented to the Assembly.

This item was APPROVED.

XI. UNFINISHED BUSINESS:

I ORD 15-30A Proposing to amend Title 4, Revenue and Finance, of the SGC by amending Section 4.09.010, Levy of Sales Tax, to raise the sales tax in the April through September period from six percent to seven percent; proposing to amend the Home Rule Charter of the City and Borough of Sitka to create a dedicated fund for Sitka School District and place in that dedicated fund any revenues gained from that

seasonal increase in the sales tax from six to seven percent; and submitting to the voters these amendments for ratification - Ballot Proposition

Putz, Miyasato, Eisenbeisz, and Guevin offered they would like to see other revenue generating ideas explored and looked forward to hearing recommendations from the Citizens' Taskforce.

A motion was made by Putz that this Ordinance be POSTPONED INDEFINITELY. The motion PASSED by the following vote.

Yes: 7 - McConnell, Hunter, Swanson, Miyasato, Eisenbeisz, Guevin, and Putz

- J ORD 15-38** Amending Sitka General Code Section 4.28.110 "Suitable and Authorized Investments for the Permanent Fund" by adding Exchange Traded Funds as an authorized investment for the Sitka Permanent Fund

A motion was made by Putz that this Ordinance be APPROVED on second and final reading. The motion PASSED by the following vote.

Yes: 7 - McConnell, Hunter, Swanson, Miyasato, Eisenbeisz, Guevin, and Putz

XII. NEW BUSINESS:

New Business First Reading

- K ORD 15-37A** Amending Section 2.12.010 City and Borough of Sitka Hospital Board and Section 2.12.070 Organization, formally dissolving the existing Sitka Community Hospital Board (SCH) and its framework and re-establishing and reorganizing membership under new criteria by decreasing voting membership from seven to five with the goal of providing financial welfare and economic financial stability to Sitka Community Hospital. The new membership will include one CBS standing seat (and alternate) appointed by the Municipal Administrator.

Ann Wilkinson, Chair of the Hospital Board, expressed frustration and asked for clarification of the process. Wilkinson suggested the Assembly delay in making a decision and an open conversation take place between the Hospital Board and Assembly.

Hunter, co-sponsor of the ordinance, thanked the current Hospital Board members, recognized their integrity and good faith efforts to make Sitka Community Hospital successful. Hunter shared that over the last fifteen years, on average, the Hospital had asked the City for an emergency line of credit every two years and stated the City and Borough of Sitka (CBS) ultimately had fiduciary responsibility for the Hospital and added the current system was broken. Hunter provided an overview of the proposed Board composition citing one member would be CBS staff.

Attorney Robin Koutchak clarified that employees of Sitka Community Hospital could not be members of the Hospital Board.

Eisenbeisz cautioned the Assembly on placing too many restrictions on applicants. He further expressed concern on a senior member of CBS staff holding a seat on the

Board and stated there could be an intimidation factor. He instead offered the idea of an ex-officio member.

Gorman noted it was important to have City staff more actively involved in what was happening at the Hospital.

A motion was made by Hunter that this Ordinance be APPROVED on first reading. The motion PASSED by the following vote.

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

No: 1 - Eisenbeisz

- L ORD 15-39** Amending Sitka General Code Title 22 Zoning to allow Bed and Breakfast operations in owner-occupied single family or owner-occupied side of a two-family dwelling unit

Putz stated the ordinance provided flexibility for property owners and did so without making long-term housing more expensive. Guevin thanked staff for their work in providing more affordable housing options for Sitkans.

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

Yes: 7 - McConnell, Hunter, Swanson, Miyasato, Eisenbeisz, Guevin, and Putz

Additional New Business Items

- M 15-111** Board of Adjustment: Approve a conditional use permit request for operation of an outdoor restaurant/portable structure at 200 Lincoln Street filed by Ayla Stromquist

A motion was made by Putz to CONVENE as the Board of Adjustment. The motion PASSED by a unanimous voice vote.

Maegan Bosak, Planning and Community Development Director, provided an overview of the conditional use permit request and issues that had been previously discussed at the Planning Commission. In addition, Bosak reviewed the conditions set forth by the Planning Commission. Further, Bosak reminded the Assembly that the Central Business District (CBD) aimed to promote business and that if the conditional use permit was not approved, the applicant could legally operate as a mobile food cart, a permitted use in the CBD. Bosak clarified that a conditional use permit ran with the property based on the plans submitted.

Applicant, Ayla Stromquist, shared an overview of her operations. Stromquist explained actions had been taken to lessen the noise from two on site generators. Stromquist noted 90% of her business was between midnight and 2am and she was off site by 2:30-2:45am.

Norm Staton, part owner of the adjacent Tilson Building, stated his tenant had been disturbed by the applicant's business operations. Staton believed the applicant had not met the required findings and requested the applicant be required to hook up to electricity to mitigate noise concerns. In addition, Staton expressed concerns of smoking around the building, no garbage can nor plan for dumping wastewater. Stromquist stated there was a garbage can and wastewater tank on site.

Charles Bingham spoke in support of the conditional use permit request.

Attorney, Robin Koutchak, asked Bosak to explain noise complaints. Bosak reported the noise complaints that had been received were unfounded.

Eisenbeisz said he understood the noise concerns however noted the CBD was designed for business operations.

Guevin stated he was comfortable with the recommendations set forth by the Planning Commission. Putz agreed.

A motion was made by Miyasato to APPROVE a conditional use permit request for operation of an outdoor restaurant/portable structure at 200 Lincoln Street filed by Ayla Stromquist, and further, adopt the conditions and findings as recommended by the Planning Commission and request that they be listed in their entirety as part of the official record.

Required Findings

- 1. The city may use design standards and other elements in this code to modify the proposal. A conditional use permit may be approved only if all of the following findings can be made regarding the proposal and are supported by the record that the granting of the proposed conditional use permit will not:**
 - a. Be detrimental to the public health, safety, and general welfare;**
 - b. Adversely affect the established character of the surrounding vicinity, specifically the business will add to the downtown area and eating options in Sitka;**
 - c. Nor be injurious to the uses, property, or improvements adjacent to, and in the vicinity of, the site upon which the proposed use is to be located; specifically that the late hours are an inconvenience to some residential renters but should not stop a commercial use which is primary to the Central Business District.**
- 2. The granting of the proposed conditional use permit is consistent and compatible with the intent of the goals, objectives and policies of the comprehensive plan and any implementing regulation; specifically 2.5.2 To encourage commercial and industrial developments of a quality that does not adversely impact any adjacent recreational and residential areas.**
- 3. All conditions necessary to lessen any impacts of the proposed use are conditions that can be monitored and enforced; specifically with reference to the condition that the planning commission can call a public hearing to mitigate concerns.**
- 4. The proposed use will not introduce hazardous conditions at the site that cannot be mitigated to protect adjacent properties, the vicinity, and the public health, safety and welfare of the community from such hazard, specifically that the food stand is heating up pre-cooked food, and complies with all DEC requirements.**
- 5. The conditional use will be supported by, and not adversely affect, adequate public facilities and services; or that conditions can be imposed to lessen any adverse impacts on such facilities and services.**
- 6. Burden of Proof. The applicant has the burden of proving that the proposed conditional use meets all of the criteria in subsection B of this section.**

The general approval criteria are as follows:

- 1. Site topography, slope and soil stability, geophysical hazards such as flooding, surface and subsurface drainage and water quality, and the possible or probable effects of the proposed conditional use upon these factors;**
- 2. Utilities and service requirements of the proposed use, including sewers,**

storm drainage, water, fire protection, access and electrical power; the assembly and planning commission may enlist the aid of the relevant public utility officials with specialized knowledge in evaluating the probable effects of the proposed use and may consider the costs of enlarging, upgrading or extending public utilities in establishing conditions under which the conditional use may be permitted;

3. Lot or tract characteristics, including lot size, yard requirements, lot coverage and height of structures;
4. Use characteristics of the proposed conditional use that affect adjacent uses and districts, including hours of operation, number of persons, traffic volumes, off-street parking and loading characteristics, trash and litter removal, exterior lighting, noise, vibration, dust, smoke, heat and humidity, recreation and open space requirements; specifically that the CBD is intended to have commercial activity and this request is in line with other businesses such as bars and restaurants which have late hours in the same area.
5. Community appearance such as landscaping, fencing and screening, dependent upon the specific use and its visual impacts.

Conditions

1. The facility shall be operated consistent with the application and plans that were submitted with the request including the location.
2. The Planning Commission, at its discretion, may schedule a public hearing at any time following the first year of operation for the purpose of resolving issues with the request and mitigating adverse impacts on nearby properties.
3. Failure to comply with any of the conditions may result in revocation of the conditional use permit.
4. Must gain all necessary agency permits.
5. Must have on site a 5-lb ABC-rated fire extinguisher.
6. Will build a sound-muffling box over the generator.

The motion PASSED by the following vote.

Yes: 7 - McConnell, Hunter, Swanson, Miyasato, Eisenbeisz, Guevin, and Putz

A motion was made by Hunter to RECONVENE as the Assembly in regular session. The motion PASSED by a unanimous voice vote.

Di 15-103

Discussion/Direction/Decision on the future direction of the Sitka Convention and Visitors Bureau (possible executive session)

Hunter stated that after much thought, and public comment received, he was opposed to bringing SCVB services in house and offered a motion to direct the Municipal Administrator to negotiate with potential local contractors to provide comprehensive convention and visitor services and report back to the Assembly. The intent being for the Administrator to advertise for these services and report back to the Assembly with a recommendation. In the interim, the current services would be performed by the SCVB. Gorman stated the SCVB would be one of the local entities to be contacted.

Evy Kinnear, Ann Bills, and Sherry Aitken spoke in support of the current Sitka Convention and Visitors Bureau.

Mary Goddard with Oliver Media spoke in support of the motion and urged the Assembly to find new strategies.

Assembly members spoke to the current operating structure not working and it was time to explore other options.

Gorman stated he would define a process to move forward, solicit proposals, and then make a recommendation to the Assembly for consideration and approval. This would include working with the SCVB.

A motion was made by Hunter to direct the Municipal Administrator to negotiate with potential local contractors to provide comprehensive convention and visitor services and to report back to the Assembly. The motion PASSED by the following vote.

Yes: 7 - McConnell, Hunter, Swanson, Miyasato, Eisenbeisz, Guevin, and Putz

- O 15-105 Approve the FY16 application materials for non-profit organizations to apply for funding from the General Fund

Gorman said the revised application provided some flexibility for the Assembly.

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

Yes: 7 - McConnell, Hunter, Swanson, Miyasato, Eisenbeisz, Guevin, and Putz

- P 15-107 Discussion of Alaska Municipal League's policies

Assembly members had no objection to the proposed policies.

XIII. PERSONS TO BE HEARD:

Shirley Robards thanked the Assembly for taking some additional time to reconsider the senior tax rebate program.

Ann Wilkinson announced the Sitka Seafood Festival would be held August 7 and 8 and encouraged the public to attend.

XIV. EXECUTIVE SESSION

None.

XV. ADJOURNMENT

A motion was made by Miyasato to ADJOURN. Hearing no objections, the meeting ADJOURNED at 8:43pm.

ATTEST: _____
Sara Peterson, CMC
Municipal Clerk