



# CITY AND BOROUGH OF SITKA

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

## Minutes - Final

### 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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Tuesday, August 8, 2017

6:00 PM

Assembly Chambers

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#### WORK SESSION 5:15 PM

A work session was held on the Sitka Rocky Gutierrez Airport (SIT) Terminal Improvements Project.

#### REGULAR MEETING

##### I. CALL TO ORDER

##### II. FLAG SALUTE

##### III. ROLL CALL

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

**Telephonic:** 1 - Potrzuski

##### IV. CORRESPONDENCE/AGENDA CHANGES

No agenda changes.

[17-134](#)

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**

Alene Henning thanked the Assembly for their work. She noted that while she was still witnessing citizens using cellphones while driving, she was encouraged to hear that the Police Department was enforcing the law and citing individuals.

Doug Osborne reminded of the Active August Fitness Challenge sponsored by Sitka Community Hospital. He noted Sitka was uniquely positioned in the personal transportation sector and had the makings for a sustainable healthy transportation system. He encouraged folks to think about what a human powered, people centered, locally energized transportation system would look like in Sitka.

Kevin Knox announced the 2017 Change Your Latitude open water swim was scheduled for August 13. He noted it was the northern most ocean race in the United States, if not the world.

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

Liaison Representatives - Bean reported on the recent Planning Commission meeting and Knox on the Parks and Recreation Committee meeting.

Clerk - Peterson announced the candidate filing period for the Municipal Election had closed at 5pm August 4th. She reviewed the candidate list and announced the two Sitka precinct locations would return to Harrigan Centennial Hall for the 2017 Election.

**IX. CONSENT AGENDA**

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

**Yes:** 7 - Swanson, Eisenbeisz, Guevin, Potrzuski, Hunter, Knox, and Bean

**A**     [17-135](#)           Approve the minutes of the July 18 and July 25 Assembly meetings

**This item was APPROVED ON THE CONSENT AGENDA.**

**B**     [17-136](#)           Approve a liquor license ownership transfer and restaurant designation permit for The Longliner Lodge and Suites

**This item was APPROVED ON THE CONSENT AGENDA.**

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

**C**     [17-139](#)           Reappoint Mary Ann Hall to a term on the Local Emergency Planning Committee

Knox and Potrzuski thanked Ms. Hall for her service on the Committee and noted she also serves on the Hospital Board.

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

**Yes:** 7 - Swanson, Eisenbeisz, Guevin, Potrzuski, Hunter, Knox, and Bean

**XI. UNFINISHED BUSINESS:**

**D**     [ORD 17-28](#)     Amending Sitka General Code Chapter 10.24 entitled "Fireworks" by adding a new Section 10.24.070 "Penalties"

Knox reminded the Police and Fire Commission was supportive of the ordinance and noted passage would provide an enforcement tool for the Police Department. Guevin agreed, stated this would improve the current code, and while not opposed to relaxing the laws for fireworks, he wished to have more time for consideration. Hunter stated in the future he may be interested in exploring an avenue to allow for fireworks at certain times of the year, however, for now, he wished to maintain the current ban with the addition of a penalty section. Bean spoke in opposition to the ordinance as it didn't allow an avenue for fireworks use. He added passage of the ordinance (enforcement), could take the Police Department away from higher priority issues. Eisenbeisz wondered of the definition of municipal limits and if outlying islands and areas were included. Municipal Attorney Hanson clarified it was defined as the areas adopted in the definition of City and Borough. Hunter added that lighting off fireworks in the Tongass National Forest, including areas outside of the City and Borough, was against Federal Statute and if enforced, could include a \$5,000 fine and 6 months in prison. Potrzuski shared he had received many comments from citizens whose lives had been disrupted by the use of fireworks.

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

**Yes:** 4 - Guevin, Potrzuski, Hunter, and Knox

**No:** 3 - Swanson, Eisenbeisz, and Bean

**E**     [ORD 17-15](#)     Adjusting the FY18 Budget (Sitka Community Hospital Modular Unit)

Dr. Richard Wein and Jaime Ackley spoke in support of the ordinance.

Steve Hartford of Sitka Community Hospital noted there were cash reserves to move forward and commented the Hospital Clinic was in severe need of space. He added the current space limitations were holding the Hospital back financially and the services the public needs. Hartford stated it was important to make long-term best decisions and the modular was a small interim step to continue the positive work that had occurred over the past few years. Hartford reminded a deferral of 8 months for the line of credit owed the City had been approved in the budget process. This would allow the Hospital to not only maintain but rebuild its cash position.

Potrzuski shared he had toured the Clinic and saw a definite need. He believed there had been mixed messages given by Hospital Staff. Knox concurred and voiced concern of the instability of Hospital finances. He stated the Assembly was in a difficult position. Eisenbeisz, who had been previously opposed, stated after hearing the Hospital had ended their fiscal year in the black, was 100% supportive. Guevin wished to see the Hospital operate as a stand-alone entity and implement the

recommendations from the Stroudwater report. Bean stated by approving the appropriation it would help with the sustainability of the Hospital. If the Assembly continued with the RFP process, the modular would be considered as an asset. Hunter empathized with the employees and the public who had been shaken by the recent conversations of the future of the Hospital. He noted the financial instability of the Hospital had been a topic of discussion since his first year on the Assembly. He believed the Hospital needed to be on secure financial footing and looked forward to explore the possible options. In the short-term, he stated the Hospital must remain viable and wished to ensure the Hospital could operate successfully.

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

**Yes:** 7 - Swanson, Eisenbeisz, Guevin, Potrzuski, Hunter, Knox, and Bean

- F [ORD 17-26](#) Amending Sitka General Code Chapter 4.28 "Investment Policy" by adding a new Section 4.28.045 entitled "External Investment Management"

Guevin thanked staff and the Investment Committee members for their work.

Jay Sweeney, Chief Finance and Administrative Officer, stated the intent was to issue a RFP for the management of funds, every five years.

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

**Yes:** 7 - Swanson, Eisenbeisz, Guevin, Potrzuski, Hunter, Knox, and Bean

## XII. NEW BUSINESS:

### New Business First Reading

- G [ORD 17-29S](#) Adjusting the FY18 Budget (*Sitka Airport Terminal Improvements Project*)

Richard Wein wondered of Delta Airlines commitment to remaining in Sitka and suggested TSA be asked to help with funding. Kathy Matthews, Station Manager for Alaska Seaplanes, spoke to the short and long-term needs of Alaska Seaplanes.

Knox noted there were many efficiencies to be realized with the project. While he believed it was a necessity, he wondered if it was a short-term fix, that may not last long-term. Guevin reminded with Assembly approval the project could move forward to the 65% design phase. In addition, he reminded project funding was from the passenger facility charges. Bean relayed staff had reached out to Delta Airlines and they were committed to Sitka during the summer months.

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

**Yes:** 7 - Swanson, Eisenbeisz, Guevin, Potrzuski, Hunter, Knox, and Bean

### Additional New Business Items

- H [17-137](#) Approve a month-to-month lease between the City and Borough of Sitka and Samson Tug and Barge Company for tidelands adjacent 5309 Halibut Point Road

Michael Scarcelli, Planning Director, stated Samson Tug and Barge Company had requested a short-term lease renewal. Their current lease expired August 13, 2017 and a month-to-month lease was recommended to facilitate continued operations allowing time for a long-term lease to be drafted within the next 30 to 60 days.

Municipal Attorney, Brian Hanson, offered the current lease in place was a State lease assigned to the City decades ago and needed additional terms added. He suggested the following Recitals be added to the month-to-month lease: 1) the Lessee desires to renew its existing lease for a term of 55 years and the Sitka Planning Commission has recommended approval of such renewal on a 4-0 vote, and, 2) whereas the existing tidelands lease expires August 13, 2017, making it necessary and appropriate to enter a month-to-month lease while the parties negotiate the terms of the renewed lease.

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

**Yes:** 7 - Swanson, Eisenbeisz, Guevin, Potrzuski, Hunter, Knox, and Bean

I [17-138](#)

Approve the renewal of a Standard Marijuana Cultivation Facility license for Green Leaf, Inc. dba Green Leaf at 4614 Halibut Point Road C-2, C-3

Assembly member Bean recused himself.

Guevin restated the fiscal note included in the packet: In the 14 months that marijuana businesses have been licensed in Sitka, all of the operations have generated sales totaling \$813,772.08 and have remitted local sales tax totaling \$35,711.51.

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

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

**Recused:** 1 - Bean

XIII. **PERSONS TO BE HEARD:**

Richard Wein spoke to the finances of Sitka Community Hospital and recent news coverage of the Hospital being in the black. He obtained the fiscal year end report and had reviewed the past year financials. Wein believed the vast majority of the \$1.4 million was not out of Hospital operations but instead a one time payment from Medicare. He encouraged the Assembly to examine the details.

Assembly members recognized Guevin for his years of service and noted it was Guevin's final regular meeting, in-person, as he was moving. He would attend September meetings telephonically. Guevin stated it had been a pleasure to serve the community.

XIV. **EXECUTIVE SESSION**

None.

XV. **ADJOURNMENT**

**A motion was made by Swanson to ADJOURN. Hearing no objections, the meeting ADJOURNED at 7:52pm.**

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