



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 Pete Esquiro,
Vice Deputy Mayor Thor Christianson,
Phyllis Hackett, Matthew Hunter, Mike Reif and Michelle Putz*

*Interim Municipal Administrator: John P. Sweeney III
Municipal Attorney: Robin L. Koutchak
Municipal Clerk: Colleen Ingman, MMC*

Tuesday, June 11, 2013

6:00 PM

Assembly Chambers

WORKSESSION

SOUTHEAST ECONOMIC DEVELOPMENT ASSOCIATION/AVALON DEVELOPMENT
CORPORATION - MINING 5:00 - 5:50

REGULAR MEETING

I. CALL TO ORDER

II. FLAG SALUTE

III. ROLL CALL

Present: 5 - Reif, Hunter, Putz, McConnell, and Hackett

Absent: 2 - Christianson, and Esquiro

IV. CORRESPONDENCE/AGENDA CHANGES

13-118 Correspondence.

V. CEREMONIAL MATTERS - none scheduled

VI. SPECIAL REPORTS: Government to Government, and Guests (time limits apply)

Government to Government: STA Chair Michael Baines and Vice Chair Benjamin Miyasato read a statement concerning mining potential in the Silver Bay and objects to the Assembly spending money on a study.

1 13-100 Blue Lake Partnering - Charles Cowan & Associates LTD. (5 minutes)

Charles (Chuck) Cowan & Associates LTD. offered a review on the

partnering session that was held today. They are feeling confident they have the best team in this business in place and that they are on track with every element of construction. They plan to meet routinely. Utility Director Chris Brewton has been a good proponent. Sweeney was impressed with Barnard Construction today at the session. They displayed their commitment to bring this project in on time and on budget. He is confident that it will be the success we all want.

2 13-099 Proposed Trust Land Exchange with the USFS - Paul Slenkamp (10 Minutes)

The selected lands are in the timber base of the USFS, he plans to work with local contractors and allow subsistence and firewood access. There are always some negatives when looking for economic development and providing opportunities for other entities. The properties are valued for highest and best usage. Hunter pointed out that money has been set aside for a road out at Katlian Bay and that land could be of some value to the Mental Health Trust. Slenkamp said they look at lots of issues when they develop land especially with ocean front.

VII. PERSONS TO BE HEARD

Garry White gave an update on the Bulk Water venture. True Alaska Bottling (TAB) has signed an agreement to transport 13,000,000 gallons of water a month with Mexico. Now, we need to build the infrastructure to make it happen. Hackett was interested in what the Assembly could do to help. White mentioned that there will be permitting required and negotiations at some point that will involve the Assembly.

VIII. REPORTS

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

Mayor attended the South Benchlands Ad Hoc meeting. She met with senior staff last night for a Strategic Planning Session. Another session is scheduled for July 8. They plan to meet monthly on various topics. She attended the 8th Grade Rights of Passage; AK Mental Health teleconference; Risk Map Discovery - risks in community; Southeast Economic Development Association (SEDA); Public Safety Academy graduation; Strike Force Initiative meeting with Tammye Trevino and Jim Nordlund. She reported that no applications had come forward for the newly formed Health Needs and Human Services Commission. Ingman informed they received three but are waiting for more before bringing them to the Assembly. Mayor also mentioned the Sitka Community Land Trust Survey can be found at: sitkaaffordablehousing.org.

Interim Administrator - Sweeney advised that he had been attending

monthly staff meetings and patrol sergeant meetings at the Police Department in an effort to help understand the issues they are experiencing. He participated in the Southeast Conference Transportation teleconference; met with the ATT wireless representative to discuss the COW; Strike Force; Public Safety graduation; 8th Grade Rights of Passage; Downtown Revitalization, where he plans to be a routine participant on behalf of CBS. Public Works Director Michael Harmon and he met with Al Clough of the Department of Transportation and addressed the delays from the project on Sawmill Mill Creek Road. He presented the Grand Princess with a plaque on their inaugural visit June 8.

Sweeney announced that the Fire Department just completed EMT testing. With the help and knowledge of Harbor Master Stan Eliason the city passed USCG Inspection. The dam was inspection by FERC and it was good. Additionally, we successfully concluded our negotiations with PSEA subject to ratification. Kudos go to Mr. Danielson for his efforts. Fire Department sprayed down the "Old Turn Around" adjacent the Skate Park. The Library has started their "Reading Buddy Program" and encouraged folks to sign up. Our local Search and Rescue was on standby on the recent plane crash out of Petersburg, which speaks well to their regional reputation. Middleton attended the National Government and Finance Officers Association and brought back some changes in federal grant funding that will be useful.

Liaisons - Hunter mentioned that the Police and Fire Commission were thankful for the recent worksession. Ports and Harbors don't meet again until September. He is impressed by how involved Sweeney is. Putz announced that she will not be able to attend STA meeting. She did attend Historic Preservation and Parks and Rec.

IX. CONSENT AGENDA

- A 13-114** Approve the minutes of the May 28 and June 3, 2013 Assembly meetings.

This item was APPROVED ON THE CONSENT AGENDA.

- C 13-097** Approve a Liquor License Transfer from The Bayview Restaurant LLC to Teal West - Homeport Eatery, under a restaurant designation, at a new location 209 Lincoln Street.

This item was APPROVED ON THE CONSENT AGENDA.

- D 13-112** Authorize the transfer of \$60,000 from the Harbor Fund Undesignated Working Capital to Capital Project Crescent Harbor Water Line replacement (Project #90751) to complete deteriorated waterline

repairs.

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

- E 13-108** Approve a temporary month-to-month lease with Rock Hard Construction to lease property at Granite Creek Industrial Area Pit Run site for temporary storage of equipment.

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

- G 13-115** Authorize a Notice of Award to CG Power Systems USA Inc. to clarify and confirm the final contract price and enter into an agreement not to exceed \$428,400 to supply a 69 kV 15/20MVA Generator Step-Up Transformer.

Motion by Hunter to approve the Consent Agenda consisting of Items A, C, D, E & G. The motion passed on the following vote.

- B 13-098** Appointments: 1) Appoint Michael Johnson to a term on the Ports and Harbors Commission; Reappoint: 2) Charles Howlett to a term on the Local Emergency Planning Commission; and 3) Morgan Doubleday to the Animal Hearing Board.

Reif and Hackett both wanted to recognize Ken Creamer for his service he has contributed over the years on the Ports and Harbors Commission.

A motion was made by Hunter that these Appointments be APPROVED. The motion PASSED by the following vote.

Yes: 5 - Reif, Hunter, Putz, McConnell, and Hackett

Absent: 2 - Christianson, and Esquiro

- F 13-116** Authorize the Interim Administrator to advertise and hire a temporary Site Manager/Project Engineer for the Sawmill Cove Industrial Park and adjust the FY'2014 Budget accordingly.

Putz wanted to know how this would be funded. The position will primarily be under the SCIP fund but a lot of charges will be charged back to projects. Hackett pointed out to the public that it is temporary and that it will help with many projects such as the bulkhead water transport infrastructure and believes this is a good plan.

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

Yes: 5 - Reif, Hunter, Putz, McConnell, and Hackett

Absent: 2 - Christianson, and Esquiro

X. UNFINISHED BUSINESS:**H ORD 13-27** Adopting Budgets for the Fiscal Year July 1, 2013 through June 30, 2014.

Reif was curious how much projected surplus for 2013 we are planning to use for 2014. Sweeney pointed to a line in the ordinance that depicts the difference of the expenditures and projects \$675,000. Reif voiced that this budget cycle was fairly easy with a surplus to help fund next year, but counseled this is still not sustainable and next year will be more challenging; especially without stumpage, secure rural schools and revenue sharing funds. The Assembly needs to start addressing. Hackett hopes to ask the public soon on what is important to them in regard to services.

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

Yes: 5 - Reif, Hunter, Putz, McConnell, and Hackett

Absent: 2 - Christianson, and Esquiro

XI. NEW BUSINESS:**I 13-113** Approve a Geotechnical Survey for mining potential along Green Lake Road and provide funding to SEDA out of the Southeast Economic Development Funds to execute a contract with Avalon Development Corporation - \$72,237

Garry White would like to have a full Assembly to vet this process and asked this to be postponed.

Libby Stortz gave her testimony opposing from what she observed in Fairbanks. She read a letter from Jim Steffen.

Larry Edwards is against this expenditure. It is gambling with city funds in his opinion. He expressed concern with when the boom ends.

Andrew Thoms, director of Sitka Conservation Society is against this expenditure. It is a poor use of the funds. He does support quarry work to supply rock to local contractors.

Greater Sitka Chamber of Commerce Board member Ptarmica McConnell reasoned that there are a lot of struggling families in Sitka and this has a potential economic factor that could help. The Chamber respectfully request the Assembly support funding the study.

A gentleman is against the allocation of funding he believes mining has been looked at many times.

Ken Cameron, president and CEO of Shee Atika Incorporated spoke in favor of the funding. He has a great deal of experience working with environmental agencies and resource extraction and is familiar with the system. Shee Atika became a model for all Southeast Alaska. He questioned where are you going to find jobs that pay \$100,000 a year. He'd like to have a free month of electricity, which is a perk some other cities receive associated to local mining ventures. He contends there is a lot of good here.

Lucy Phillips urged caution. Need to be careful with mining in Silver Bay. We don't want to do anything to endanger the hatchery there.

A motion was made by Hackett to approve access to the Green Lake Road to Avalon Development Corporation for the purpose of a Geotechnical Survey and to provide funding to SEDA in the amount of \$72,237 out of the Southeast Economic Development Fund to execute a contract with Avalon Development Corporation for the proposed Green Lake Road Geotechnical Survey.

Hackett moved to postpone until a full Assembly can be present and to allow more time for the public to be informed on the subject.

Yes: 5 - Reif, Hunter, Putz, McConnell, and Hackett

Absent: 2 - Christianson, and Esquiro

J 13-111

Approve a plat that reconfigures a parcel of Lot 4A Turney Burkhart Replat, to eleven lots submitted by Jeremy Twaddle.

Putz queried Twaddle if Mr. Weatherman's request was going to be dealt with. Twaddle responded; yes, with regard to the 5 foot setback there will not be any conflict with the utilities. Reif visited the property recently and he is excited to see this development by a private developer. Hackett stated the memo mentions affordable housing and was curious. Twaddle opined that they are going to try and keep these lots as affordable as possible. The intent is to get more land for purchase on the market. They have had lots of interest - with 50% spoken for already. Reif added the lots are ready to build on so they are going to be pretty attractive. Twaddle said they are shooting for late summer to have them available. Need to wait for permitting and finalizing the subdivision. Hackett noted that this creates an additional city road that the city will have to maintain. Twaddle responded that Public Works did bring that to their attention through the process and it does sound like there is a shortage in both funding and crew to maintain the existing roads so an additional road will be an added burden. Yet Twaddle pointed out that this particular road is only 400 feet long and that the Assembly could consider Public Works needs for additional funding and crew in their budget process.

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

Yes: 5 - Reif, Hunter, Putz, McConnell, and Hackett

Absent: 2 - Christianson, and Esquiro

- K 13-101** Approve and award a design contract for the UV Disinfection Facility to CH2MHill a time and materials contract \$999,000.

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

Yes: 5 - Reif, Hunter, Putz, McConnell, and Hackett

Absent: 2 - Christianson, and Esquiro

- L 13-117** Discussion/Direction/Decision on a request from the Tourism Commission and Destination Sitka Working Group to move forward with the Wayfinding Signs Project so that they can be installed prior to the 2014 Visitor Season.

PULLED prior to the meeting.

XII. PERSONS TO BE HEARD:

Michelle Putz spoke to the Sitka Global Warming Group with regards to placing reusable cloth bags in the local grocery stores. If you forget your bag there will be one there for you to borrow and you can return it next time. The library is collecting bags until June 24 if anyone has any to donate.

XIII. ADJOURNMENT

Motion by Hunter to ADJOURN. Hearing no objections the meeting ADJOURNED at 7:44 PM.