



CITY AND BOROUGH OF SITKA

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

Minutes - Final

City and Borough Assembly

Mayor Gary Paxton
Deputy Mayor Steven Eisenbeisz,
Vice Deputy Mayor Kevin Mosher,
Kevin Knox, Dr. Richard Wein, Valorie Nelson, Thor
Christianson

Interim Municipal Administrator: Hugh Bevan
Municipal Attorney: Brian Hanson
Municipal Clerk: Sara Peterson

Tuesday, January 14, 2020

6:00 PM

Assembly Chambers

WORK SESSION - 5:00 PM

[20-007](#)

Work Session: Marine Service Center

Interim Administrator Hugh Bevan provided an overview of the Marine Service Center and discussed options related to retaining or selling the facility.

REGULAR MEETING

I. CALL TO ORDER

II. FLAG SALUTE

III. ROLL CALL

Present: 6 - Christianson, Eisenbeisz, Knox, Wein, Mosher, and Nelson

Absent: 1 - Paxton

IV. CORRESPONDENCE/AGENDA CHANGES

Deputy Mayor Eisenbeisz announced Item K had been pulled from the agenda.

[20-013](#)

Reminders, Calendars, and General Correspondence

Wein asked questions related to the employee survey and Wastewater Treatment Plant project included in correspondence.

V. CEREMONIAL MATTERS

None.

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

School Board President Elias Erickson and Vice President Amy Morrison provided an update on Board goals, budget process, and strategic planning process.

VII. PERSONS TO BE HEARD

Rachel Roy, Executive Director of the Chamber of Commerce, invited citizens to a Visit Sitka event January 16. The purpose being to learn more about Visit Sitka, thoughts for moving forward, and possible collaboration.

David Nelson, chapter President for the Public Safety Employees Association, noted the Association was working on solutions for recruitment, retention, and wage increases. Nelson noted a town hall meeting would be held in the near future to provide information to citizens, dispell myths, and gain community support.

VIII. REPORTS

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

Interim Administrator - Bevan spoke to the survey results included in correspondence and told of a recent meeting with Senator Stedman and staff.

Attorney - Hanson stated he was working on a multitude of matters for various departments.

Liaison Representatives - Knox reported on the Port and Harbors Commission meeting and Parks and Recreation Committee meeting.

Clerk - Peterson read a list of Board/Commission vacancies, told of upcoming meetings, and alerted citizens to be on the lookout for a notice from the Census with participation instructions for the 2020 Census.

IX. CONSENT AGENDA

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

Yes: 6 - Christianson, Eisenbeisz, Knox, Wein, Mosher, and Nelson

Absent: 1 - Paxton

A [20-003](#) Approve the minutes of the December 19 and December 23 Assembly meetings

This item was APPROVED ON THE CONSENT AGENDA.

B [20-004](#) Approve a liquor license renewal application for Sitka Golf Association, Inc. dba Sea Mountain Restaurant & 19th Hole

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

X. BOARD, COMMISSION, COMMITTEE APPOINTMENTS

- C** [20-005](#) Reappoint Scott Wagner to a three-year term on the Local Emergency Planning Committee in Category 5 (Owners/Operators of Facilities)

Wein thanked Wagner for his willingness to serve another term.

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

Yes: 6 - Christianson, Eisenbeisz, Knox, Wein, Mosher, and Nelson

Absent: 1 - Paxton

- D** [20-006](#) Reappoint Chris Spivey to a three-year term on the Planning Commission

Wein and Knox thanked Spivey for reapplying.

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

Yes: 6 - Christianson, Eisenbeisz, Knox, Wein, Mosher, and Nelson

Absent: 1 - Paxton

XI. UNFINISHED BUSINESS:

- E** [ORD 19-43](#) Making supplemental appropriations for Fiscal Year 2020 (Cross Trail Project Phase 6)

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

Yes: 6 - Christianson, Eisenbeisz, Knox, Wein, Mosher, and Nelson

Absent: 1 - Paxton

XII. NEW BUSINESS:

New Business First Reading

- F** [ORD 20-01](#) Making supplemental appropriations for Fiscal Year 2020 (Airport Entry Doors Replacement Project)

Michael Harmon, Public Works Director, reminded the front of the building, where the doors are located, wasn't included in the project funding for the airport expansion project. While the scope of the project had not yet been defined, the heavy focus areas were TSA and baggage. The hope would be to relocate the new doors when the time came. He added the probability of keeping the current doors in operating condition for a couple more years was unlikely and said the work would be done by staff.

A motion was made by Mosher that this Ordinance by APPROVED on FIRST

READING. The motion PASSED by the following vote.

Yes: 5 - Christianson, Eisenbeisz, Knox, Mosher, and Nelson

No: 1 - Wein

Absent: 1 - Paxton

Additional New Business Items**G** [20-002](#) Discussion / Direction on a process to update the City and Borough of Sitka seal

Cosponsors Knox and Eisenbeisz shared reasons for bringing the update forward. Knox noted there had been discussion on this topic for quite some time in the community and from Tribal Council and Sitka Tribe of Alaska. He stated while the dialogue in the community around historic trauma and reconciliation was not new and it was gaining momentum. The current city seal, a cannon pointed towards an old historic fort, represented some of that trauma. He added a change in the seal represented a way of recognizing the reconciliation process. Eisenbeisz agreed and noted that while the seal had served the City well, there was an opportunity to do better.

Christianson stated the project had the possibility of offering healing for the community. Wein read an article from the December 8, 1971 Daily Sitka Sentinel explaining the current seal was developed from a Franklin mint commemorative medallion as one of a series on U.S. historical sites. He wondered of costs, where the contest would be advertised, and what criteria the design review committee would use for quality assurance. Mosher spoke in support of the seal update. Nelson was not in favor of making a decision until costs were provided.

Cosponsors Knox and Eisenbeisz agreed to do further work on the project and bring back information to the Assembly at a future meeting.

H [20-008](#) Discussion / Direction / Decision on a list of priority requests to be submitted to the Alaska State Legislature

The Assembly discussed suggestions provided: funding for Green Lake powerhouse renovation, transfer of State uplands and tidelands necessary for Sitka to build the Sea Plane base, increased staffing levels at DMV, improve Lake / Lincoln Street intersection to include traffic left turn lanes, and creation of a functional parking situation for the Sitka Airport Terminal including a convenient area for long term parking.

After discussion, the Assembly directed Interim Administrator Hugh Bevan to include the following items as Legislative Priorities for 2020/2021:

1. Federal funding for Green Lake hydro generation plant renovation.
2. Request that the State Legislature expedite the transfer of State tidelands and uplands to the City of Sitka that are necessary for the construction of the Sitka Sea Plane Base.
3. Federal funding to support Sitka's Working Waterfront, a project that consists of a new marine haul out and renovation of the City cold storage sea wall.

4. Federal and State support for a right-sized and sustainable Alaska Marine Highway System.

5. Continued State funding of school bond reimbursement and the original 70% as originally agreed between the State and the Cities of Alaska.

6. State financial support for stable and predictable funding of school systems.

I [20-009](#)

Adopt the Chief Finance and Administrative Officer's interpretation of Sitka General Code 4.09 "Sales Tax" as it relates to gift cards

Chief Finance and Administrative Officer Jay Sweeney explained it was his responsibility to bring forward interpretations regarding the sales tax code to the Assembly to be adopted or rejected per Sitka General Code 4.09.400. This particular interpretation pertained to the sale of gift cards for remote sellers - e.g. Amazon, Target. Sweeney reviewed his analysis and said that any gift cards or gift certificates purchased in Sitka were nontaxable so as to avoid double taxation. Some members asked questions about the Remote Sellers Sales Tax Commission and what the effects would be on Sitka. Sweeney and Knox reminded the work of that Commission was still under development.

Bonnie Richards spoke in support of the interpretation.

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

Yes: 6 - Christianson, Eisenbeisz, Knox, Wein, Mosher, and Nelson

Absent: 1 - Paxton

J [20-010](#)

Adopt the Chief Finance and Administrative Officer's interpretation of Sitka General Code 4.09 "Sales Tax" as it relates to the sales of food containers and condiments

Knox left the meeting at 8:20 p.m.

Chief Finance and Administrative Officer Jay Sweeney explained the interpretation before the Assembly related to food packaging materials and condiments. He relayed that sales of food packaging materials were not considered sales for further resale and not considered to be tax exempt, unless the final retail customer was charged for such materials. An example used was whether items such as cups and napkins purchased by a restaurant for customer use without charge were subject to sales tax or not. Consensus of the members was that the items were part of resale, and therefore not subject to sales tax.

A motion was made by Christianson that this Item be APPROVED. The motion FAILED by the following vote.

No: 5 - Christianson, Eisenbeisz, Wein, Mosher, and Nelson

Absent: 1 - Paxton

Non-voting: 1 - Knox

K [20-011](#)

~~Adopt the Chief Finance and Administrative Officer's interpretation of Sitka General Code 4.09 "Sales Tax" as it relates to the application of the taxable transaction limit to long-term service and construction contracts- PULLED~~

The item was PULLED at the start of the meeting. No action was taken.

- L [20-012](#) Adopt the Chief Finance and Administrative Officer's interpretation of Sitka General Code 4.09 "Sales Tax" as it relates to the definition of the term resale

A motion was made by Christianson that this Item be APPROVED. The motion DIED FOR LACK OF A SECOND.

XIII. PERSONS TO BE HEARD:

None.

XIV. EXECUTIVE SESSION

None.

XV. ADJOURNMENT

A motion was made by Mosher to ADJOURN. Hearing no objections, the meeting ADJOURNED at 8:38 p.m.

ATTEST: _____
Sara Peterson, MMC
Municipal Clerk