

CONSENT AGENDA

POSSIBLE MOTION

**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
September 13 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 Bob Potrzuski

Municipal Administrator: Mark Gorman
Municipal Attorney: Brian Hanson

Tuesday, September 13, 2016

6:00 PM

Assembly Chambers

REGULAR MEETING

I. CALL TO ORDER

II. FLAG SALUTE

III. ROLL CALL

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

Telephonic: 1 - Potrzuski

IV. CORRESPONDENCE/AGENDA CHANGES

Mayor McConnell announced item I was pulled from the agenda.

16-165 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)**

16-163 1) Sitka Community Playground Update - Bridget Hitchcock and 2) Overview of electricity consumption - Utility Director, Bryan Bertacchi

Bridget Hitchcock and Monique Anderson came forward representing the Sitka Community Playground group and gave an update on the playground. Hitchcock told of history including upgrades, vision, ADA safety standards, reminded the Assembly's approval last year for the Crescent Harbor Park location, grants, donations and fundraising efforts. Anderson told of the design. Eisenbeisz thanked the group for

their effort. Anderson clarified there would be two tennis courts and the basketball hoop.

Bryan Bertacchi, Utility Director, and Jay Sweeney, Chief Finance and Administrative Officer, informed the Assembly of Electric Department budget challenges and issues for FY2017 and FY2018. They reviewed infrastructure needs, the capital fund, risks, the decline of consumption, the 10-year capital plan, reserves, rate increases, revenue and growth.

VII. PERSONS TO BE HEARD

Michelle Putz informed the Assembly and community of a meeting to discuss a plastic bag fee or tax and reusable bags on September 22nd at 7:00 p.m., St. Peter's See House.

Lloyd Platson with Sitka Counseling and Prevention and the HOPE Collation gave an update on the grant for opioid and herion use in the community.

Jeff Budd told of a draft calendar of events for the Sesquicentennial celebration.

VIII. REPORTS

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

Mayor - Attended a Planning Commission meeting of the Comprehensive Plan and reported the next meeting would be October 5th. She stated Lieutenant Governor Byron Mallot would be in Washington, DC tomorrow and would invite Russian Ambassador Kislyak to the Alaska Day festivities in 2017.

Administrator - Met with Matt Borger, Legislative Assistant to Senator Murkowski, and told of the stagnant monatary situation from Washington, DC. The ribbon cutting for Harrigan Centennial Hall would take place on October 11th. He stated there was an assessing tool on the website for the proposed mill rate increase, of the newly formed internal rv trailer task force, the Mayor and he would attend Southeast Conference in Petersburg next week, that the Gary Paxton Industrial Park rock was half removed, and that he would be resigning in next 6 to 9 months as Administrator.

Attorney - None.

Liaisons - Eisenbeisz attended and reported on the Sitka Community Hospital Board meeting. Guevin attended the Planning Commission meeting focused on the Comprehensive Plan and told of uneven distribution of income. Hunter mentioned the Port and Harbors Commission meeting would be tomorrow night and encouraged other members to attend, as he could not. Miyasato attended the Library Commission meeting and told of user statistics.

Clerk - Acting Municipal Clerk, Melissa Henshaw, told of advance/absentee voting dates and polling locations.

IX. CONSENT AGENDA

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

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

- A 16-162 Approve the minutes of the August 20, 23, 24 and September 6 Assembly meetings

This item was APPROVED ON THE CONSENT AGENDA.

- B RES 16-16 Supporting Permanent Fund Dividend automatic voter registration - an act allowing qualified individuals to register to vote when applying for a Permanent Fund Dividend

This item was APPROVED ON THE CONSENT AGENDA.

- C RES 16-17 Supporting the Standing Rock Sioux Tribe and their opposition to the Dakota Access Pipeline

Eisenbeisz was not in support for lack of information. Guevin was in support and told of protecting water and fisheries. Miyasato was in support to opposing the pipeline through burial grounds and to protect water. Hunter was sympathetic for the Tribe and had concerns of supporting a national issue.

A motion was made by Miyasato that this Resolution be PASSED ON FIRST AND FINAL READING AS AMENDED. The motion passed by the following vote.

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

No: 1 - Eisenbeisz

A motion was made by Hunter that this Resolution be AMENDED at Lines 31 through 33 deleting "WHEREAS, the Dakota Access Pipeline violates Article 2 of the 1868 Fort Laramie Treaty that guarantees that the Standing Rock Sioux Tribe shall enjoy the 'undisturbed use and occupation' of their permanent homelands; and". The motion passed by the following vote.

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

X. BOARD, COMMISSION, COMMITTEE APPOINTMENTS

- D 16-161 Appoint: 1) Melissa Viator to a three-year term on the Health Needs and Human Services Commission and 2) Joshua Thomas to a three-year term on the Library Commission

Miyasato thanked the applicants.

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 Potrzuski

XI. UNFINISHED BUSINESS:

E ORD 16-27S Adjusting the FY17 Budget (Float Plane Dock Funding)

Eisenbeisz thought the float plane dock funding should come from the Harbor Enterprise Fund. Hunter supported the project and repairs to the dock. Gorman stated the dock was not anticipated. Potruzski thought it appropriate for the funding to come from the Economic Development Fund.

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

Yes: 5 - McConnell, Hunter, Miyasato, Guevin, and Potruzski

No: 2 - Swanson, and Eisenbeisz

F ORD 16-30 Amending Sitka General Code Chapter 4.09 "Sales Tax" Section 4.09.100 "Exemptions" by including an exemption for sales tax on groceries and amending Section 4.09.420 "Definitions" by adding a definition for groceries

Gorman introduced a spreadsheet of two FY2018 budget scenarios. Mayor told of options regarding this item, the following item and the ballot proposition. Eisenbeisz told of received comments from the public and was opposed to this ordinance. Potruzski thought that Utility Director Bryan Bertacchi's report came at a perfect time and told of the need of paying debt first. Hunter commented in opposition to this ordinance, of lost revenue from the State and budget cuts. Guevin spoke to the reliance of sales tax, sustainability and equability. Mayor spoke to the need of revenue. She thought that increasing the mill rate was the first step. Guevin stated to remove sales tax from groceries was a good first step and what the community needed. Eisenbeisz thought over the long-term this ordinance would not save money.

A motion was made by Miyasato that this Ordinance be APPROVED ON SECOND AND FINAL READING. The motion FAILED by the following vote.

Yes: 2 - McConnell, and Guevin

No: 5 - Hunter, Swanson, Miyasato, Eisenbeisz, and Potruzski

G ORD 16-31 Amending Sitka General Code Chapter 4.12 "Property Tax" by adding a new Section 4.12.430 titled "Mill rate proceeds transfer to electric rate stabilization fund"

Potruzski was in support of this ordinance, thought that it was the best option for citizens long-term and it was important to support since it would pay debt. Eisenbeisz spoke of the burden of electrical debt. Gorman reminded the ordinances were recommendations from the Citizens' Taskforce, and encouraged the Assembly to remember that process when voting. Guevin was in support of this ordinance in order to give back to Sitkans and keep rates manageable. He reminded that this could be changed by a future Assembly. Potruzski thanked Gorman and the Citizens' Taskforce. Guevin told of the dedicated volunteer hours that had gone into this and of the unanimous vote for the mill increase from the Citizens' Taskforce.

A motion was made by Miyasato 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 Potruzski

XII. NEW BUSINESS:**New Business First Reading****H ORD 16-32** Amending Sitka General Code Chapter 4.05 "Marine Passenger Fee Fund" *(first reading)*

Gorman gave history, told of proposal of accessing funds, that this would streamline the process and the Assembly would award the proposals. Mayor spoke of history with regards to the process and was in support of the changes. Eisenbeisz questioned who would be recommending the projects. Gorman told of similarities of this process to the non-profit grant funding process. He offered proposals would come forward to the Assembly and the Assembly could determine to award or not award funding. Gorman told of an audit that stated there was a need for a methodology for the funding.

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

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

Potrzuski disconnect from the meeting at 8:01 p.m.

I ORD 16-33 Adjusting the FY17 Budget *(first reading)*

This item was PULLED from the agenda prior to the start of the meeting. No action was taken.

J ORD 16-34 Authorizing the transfer of the City and Borough of Sitka's "Boomer property", composed of 48 acres located within the West Chichagof-Yakobi Wilderness Area (Wilderness Area), and also known as "US Mineral Survey 1453 & 1587", to the US Forest Service for incorporation into the Wilderness Area

Hunter gave a summary of history and options for mitigation for the Blue Lake project for FERC funding and stated this was the most responsible and least expensive option.

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

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

Absent: 1 - Potrzuski

K ORD 16-35 Authorizing the extension of the lease of the land at 323 Seward Street to November 1, 2046 to White Elephant Shop, Inc.

Karen Grussendorf, board of directors for the White Elephant Shop came forward and told of change in donation area and signs posted. Karen Boyer and Aleeta Bauder board of Brave Heart volunteers were in support.

Hunter was in support and felt that issues had been mitigated. Maegan Bosak, Planning and Community Development Director, clarified the clause if the lease was operated differently than what was stated in the lease agreement, that it would revert back to the City. Guevin commented on the handout of contributions of donations.

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

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

Absent: 1 - Potrzuski

L ORD 16-36 Authorizing the lease of 7109 square feet of ATS 15 tidelands adjacent 1 Lincoln Street to Petro Marine Services

Eisenbeisz stated this needed to go before the Port and Harbors Commission for their approval or denial. Guevin was in support. Eisenbeisz was in support, thanked Petro and told of the process. Hunter stated the lease addressed most of his concerns, the site would look better and would be safer than when it was originally built.

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

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

Absent: 1 - Potrzuski

Kevin Knox, Chair of the Port and Harbors Commission, came forward stating he thought it would be valuable to go before the Port and Harbors Commission first. Jerry Jacobs, Petro Marine, told of the time sensitive deadline. Swanson was not in support to postpone as this item would come back to the Assembly at second reading. Hunter told of Port and Harbors Commission recess of summer months and there would be a second reading. Eisenbeisz had concerns with this process. Guevin was in support of the postponement as it supported the public process that was in place. Mayor was not in support of the postponement, and told if Port and Harbors Commission made changes, it could be addressed.

A motion was made by Eisenbeisz that this Ordinance be POSTPONED on FIRST READING. The motion FAILED by the following vote.

Yes: 3 - Miyasato, Eisenbeisz, and Guevin

No: 3 - McConnell, Hunter, and Swanson

Absent: 1 - Potrzuski

Additional New Business Items

M 16-160 Decision on whether to allow sales tax free day(s) following the Thanksgiving holiday and set date(s)

Eisenbeisz recused himself stating he would benefit from the sales of these tax free day(s). McConnell recused herself. Hunter spoke to the historic importance of this item from businesses.

A motion was made by Hunter to authorize Friday, November 25 and Saturday, November 26 as Sales Tax Free day(s) for 2016 noting the sales tax free day(s) will not be applicable to any sale of fuel, nor affect any sale which is part of a

continuing obligation of the buyer to pay the seller over time. The motion PASSED by the following vote.

Yes: 4 - Hunter, Swanson, Miyasato, and Guevin

Absent: 1 - Potrzuski

Recused: 2 - McConnell, and Eisenbeisz

N RES 16-15

Approving the City's participation in a proposed refinancing by the Alaska Municipal Bond Bank of its General Obligation Bonds, 2007 Series One, which provided funds to purchase the City's General Obligation Refunding Bond, 2007; authorizing the issuance to the Bond Bank of a refunding bond of the City if the Bond Bank successfully refinances its bonds; and authorizing the City's Chief Finance and Administrative Officer to enter into an agreement with the Bond Bank to accomplish the refunding

Hunter thanked Jay Sweeney, Chief Finance and Administrative Officer, for the memo and was glad the City would receive a better interest rate. Guevin echoed thank you to the Finance Department for finding the lower interest rate. Sweeney told of outstanding debt, current bonds and savings. He stated that by borrowing the additional amount of money, it meant a lower interest rate and told of the bond bank process.

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

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

Absent: 1 - Potrzuski

O 16-164

Approve the Employment Agreement between the City and Borough of Sitka and Municipal Attorney Brian Hanson

A motion was made by Hunter to APPROVE the Employment Agreement between the City and Borough of Sitka and Municipal Attorney Brian Hanson. The motion PASSED by the following vote.

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

Absent: 1 - Potrzuski

XIII. PERSONS TO BE HEARD:

Retired educator, Karen Grussendorf, came forward and thanked young Sitka School District children whom stayed in Sitka and are serving the community.

XIV. EXECUTIVE SESSION

None.

XV. ADJOURNMENT

A motion was made by Miyasato to ADJOURN. Hearing no objections, the meeting ADJOURNED at 8:40 p.m.

ATTEST: _____
Melissa Henshaw, CMC
Deputy Clerk