

If this item is pulled from the consent agenda the following motion would be in order:

### **POSSIBLE MOTION**

---

**I MOVE TO** approve the minutes of the June 14, 2011  
Assembly Meeting.



# CITY AND BOROUGH OF SITKA

ASSEMBLY CHAMBERS

330 Harbor Drive

Sitka, AK

(907)747-1811

## Minutes - Draft

### City Assembly

*Mayor Cheryl Westover*

*Deputy Mayor Larry Crews*

*Vice Deputy Mayor Mim McConnell*

*Assembly Member Phyllis Hackett*

*Assembly Member Terry Blake*

*Assembly Member Thor Christianson*

*Assembly Member Pete Esquiro*

*Municipal Administrator: Jim Dinley*

*Municipal Attorney: Theresa Hillhouse*

*Municipal Clerk: Colleen Ingman, MMC*

---

Tuesday, June 14, 2011

6:00 PM

Assembly Chambers

---

### REGULAR MEETING

#### I. CALL TO ORDER

**Present:** 6 - Westover, Crews, McConnell, Hackett, Blake, and Esquiro

**Absent:** 1 - Christianson

#### II. FLAG SALUTE

#### III. ROLL CALL

#### IV. CORRESPONDENCE/AGENDA CHANGES

#### V. CEREMONIAL MATTERS

*Mayor Westover presented Athletic Awards to the SHS Lady Wolves Softball Team and coaches for capturing 1st in the small schools category at State.*

#### VI. PERSONS TO BE HEARD

*Michelle Putz displayed a sign made by the Sitka Global Warming Group for Substantial Sitka it will be installed at the Recycling Center and indicates Sitka's power supply status. Additionally, she encouraged the Assembly to entertain reduced rates for a "lowest user concept."*

*Jerry Dugan, representing Sitka Historical Society announced a current fund raiser for Japan. He is collecting donations.*

#### VII. REPORTS

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

*Mayor - Attended, along with many Assemblymembers, the dedication of Krueger Soccer Field. Met with Dinley and Rick Harris of Sealaska and talked about the need for improved communications.*

*Administrator - Dinley spoke to the five year capital plan and eighteen active public works projects, noting that 16 start this summer. He mentioned receipt of DEC's Compliance Audit Report and closure of seven of Sitka's loans/grants with no corrective action. Met with Tourism Committee with Assemblymember McConnell and they volunteered to head up the signage-Dinley will provide a list. Mentioned the Swan Lake fishing derby and offered his appreciation to all involved.*

*Clerk - Asked the Assembly to get in touch with either Jim or her regarding any items they would like discussed at the upcoming Government-to-Government meeting.*

*Liaisons - McConnell met with the Tourism Commission and they have suggested changes to Tourism Commission and the Marine Passenger ordinances.*

*Other - McConnell attended a webinar along with Chris Brewton and the summer electrical intern Elizabeth on "Determining Revenue Requirement of Utility". We have some deficiencies like a long-term financial reserve that should be addressed. McConnell has been hired by Sitka Community Development Corp part-time. She continues to work towards affordable housing for Sitka. Hackett reminded the liaisons duties of Assemblymembers and how much commissions appreciate it.*

## **VIII. CONSENT AGENDA**

- A      11-114      Approve the minutes of the May 2, 16 and 24 Assembly meetings.**

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

- B      11-115      Reappoint 1) Susan Royce to a term on the Animal Hearing Board, and 2) Penny Lehmann to Local Emergency Planning Committee, and appoint 3) Aaron Wilkinson to an unexpired term on the Sawmill Cove Industrial Park Board.**

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

- C      11-116      Approve increasing leave accrual rate from middle tier to top tier for Librarian Sarah Bell to coincide with other Department Heads.**

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

- D      11-119      Approve a transfer of \$10,000 from the Airport Enterprise Fund to the Airport Restroom Project.**

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

- F      11-118      Approve a \$150,000 transfer - Capital Project Funds - Marine Street Voltage Regulator 90627 to Green Lake Powerplant Improvements 90562.**

**A motion was made by Blake to Approve the Consent Agenda consisting of Items A, B, C, D & F. The motion Carried by 6-0 roll call vote.**

- E      11-117      Award a Request for Proposal to Sitka Sound Science Center for \$33,600 in**

---

Fisheries Enhancement Funds.

*Sitka Sound Science Center Executive Director Lisa Busch believes this funding is intended for exactly what they do -- raise pink, chum and provide fish for the common stock fishery. Trish White, board member agrees.*

*Esquiro pulled this item. He inquired if this was the total dollar amount of the fund. Dinley answered no, it is 20%. Secondly, in their proposal he didn't see a separate budget for the hatchery side. It would be helpful for Esquiro to have them separated out. He contends that increasing the production of salmon is what salmon enhancement is all about. Esquiro also inquired if SSSC was considering going to the loan fund. Busch replied, "Yes". Westover stated these funds are for getting the fish out into the water and she thinks perhaps we need to revisit the ordinance establishing the fund. Esquiro reluctantly will support it this time, but sees the need to determine if these funds are for salmon enhancement or something else.*

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

**Yes:** 6 - Westover, Crews, McConnell, Hackett, Blake, and Esquiro

**Absent:** 1 - Christianson

**G 11-001** Award Bridge Crane Equipment - Blue Lake Third Turbine Dam Upgrade - \$288,885.00.

*Brewton explained the purpose is to obligate funds and purchase a crane for the Blue Lake power house. Esquiro expressed concerns with having to fund so much before we get the permit. Brewton pointed out that this project has had universal acceptance, unlike many other projects throughout country.*

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

**Yes:** 6 - Westover, Crews, McConnell, Hackett, Blake, and Esquiro

**Absent:** 1 - Christianson

**IX. UNFINISHED BUSINESS:**

**H ORD 11-20** Adopting Budgets for the Fiscal Year July 1, 2011 through June 30, 2012.

**A motion was made by Crews that this Ordinance be PASSED ON SECOND READING. The motion PASSED by the following vote.**

**Yes:** 6 - Westover, Crews, McConnell, Hackett, Blake, and Esquiro

**Absent:** 1 - Christianson

**I 11-74** Approve an MOU between the CBS and the Natural Resources Conservation Service under the National Cooperative Soil Survey Program pending review/approval by the Municipal Administrator and Attorney - to rescind previous action on this item.

*Linda Speerstra, Corps of Engineers testified that in her experience it has become very evident that having soil surveys done provides valuable baseline information.*

*Public Works Director Michael Harmon stressed that the information is important for everybody. People want to know the quality of soil they are dealing with, plus the data*

*could help the city build a mitigation bank. Planning Director Wells Williams spoke to how this data would improve the GIS system and possibly save the city on wetlands delineation studies needed for land development. Speerstra sees no strings attached to this agreement and it will save staff time in the future.*

*Assembly members expressed opposition for the use of federal dollars. They wanted reassurances that this would benefit Sitka and not be a detriment in the future. Municipal Engineer Stephen Weatherman explained what a great tool this would be and offered local scenarios on how this information would assist in determining drainage and road design. After an hour of discussion the entire Assembly could see some merit to having this work done.*

**A motion was made by Hackett that the previous vote on this matter be rescinded. The motion PASSED by the following vote.**

**Yes:** 6 - Westover, Crews, McConnell, Hackett, Blake, and Esquiro

**Absent:** 1 - Christianson

**A motion was made by McConnell that this Contract/Agreement be APPROVED. The motion PASSED by the following vote.**

**Yes:** 6 - Westover, Crews, McConnell, Hackett, Blake, and Esquiro

**Absent:** 1 - Christianson

**X. NEW BUSINESS:**

**New Business First Reading**

**J ORD 11-21** Authorizing the sale of municipal tidelands in North Pacific Seafoods Subdivision.

*Planning Director Williams informed that Sitka Sound Seafoods has already been using these tidelands. The matter has been vetted by the Planning and Ports and Harbors Commissions. Harbors wanted to make sure there was no interference with float plane docks -- and there is not. Sitka Sound Seafoods, Tim Ryan and John Baird explained this was simply housekeeping and that they are agreeable.*

**A motion was made by Crews that this Ordinance be PASSED ON FIRST READING. The motion PASSED by the following vote.**

**Yes:** 6 - Westover, Crews, McConnell, Hackett, Blake, and Esquiro

**Absent:** 1 - Christianson

**K ORD 11-22** Amending SGC to add a New Chapter 20.05 Coastal Management, to adopt and regulate activities in the Sitka Coastal Management Areas to coincide with Coastal Management Plans/Regulations under the State of Alaska (if applicable) and Federal Government.

*Government Relations Director Marlene Campbell explained this ordinance is a result of the state Coastal Management Program sun-setting July 1. She believes we need to formally adopt Sitka's CMP as a continuing planning document.*

**A motion was made by McConnell that this Ordinance be PASSED ON FIRST READING. The motion PASSED by the following vote.**

**Yes:** 6 - Westover, Crews, McConnell, Hackett, Blake, and Esquiro

**Absent:** 1 - Christianson

- L      ORD 11-23**      Amending SGC Chapter 4.12.025 entitled "Exemptions" to clarify mandatory and optional property tax exemptions and procedures.

*Assessor Hughes explained currently exemptions are being heard by the Board of Equalization. Normally the board would just hear valuation issues and not exemption issues. This ordinance puts the exemption decisions directly on the Assembly and not the Board of Equalization. It also contains a date change and specifies appeal procedures.*

**A motion was made by McConnell that this Ordinance be PASSED ON FIRST READING. The motion PASSED by the following vote.**

**Yes:** 6 - Westover, Crews, McConnell, Hackett, Blake, and Esquiro

**Absent:** 1 - Christianson

- M      ORD 11-24**      Updating the Personnel Policies Handbook to reflect changes due to Collective Bargaining Agreements, general clarifying and other amendments.

*Human Resource Director Danielson explained that union contracts have necessitated changes in our personnel policies. The changes went out to all departments and he has not heard opposition.*

**A motion was made by McConnell that this Ordinance be PASSED ON FIRST READING. The motion PASSED by the following vote.**

**Yes:** 6 - Westover, Crews, McConnell, Hackett, Blake, and Esquiro

**Absent:** 1 - Christianson

- N      ORD 11-25**      Amending the SGC Section 15.05.620 Rates and Fees to adjust the rates for water service.

*Environmental Superintendent Mark Buggins explained this follows the 5-year master plan. The rate increase is necessary to cover costs and to fund the sinking fund. It is also required to increase the revenue to qualify for low interest rates.*

*Florian Sever spoke to affects of dioxin. He opposes any efforts of the Assembly to buy or install any type of ultraviolet treatment. Spoke to the need for filtering. He believes the City needs to reconsider the whole concept of water purification in our community.*

*Buggins informed that the cost of a modern filtration system is \$30-40 million for Sitka, whereas ultraviolet treatment is between \$8-9 million. UV kills bacteria, viruses and protozoa, it doesn't take out sentiment. We do measure the turbidity. The suspended solids are super low in Sitka's water. Hackett spoke to the concerns raised by Sever. Buggins explained that dioxin is everywhere because it is airborne. The water is safe. The department does all kinds of testing and results of that testing is available on-line. There is constant monitoring that takes place routinely. McConnell supports the customer paying for what they are using and the need to support the infrastructure.*

**A motion was made by Blake that this Ordinance be PASSED ON FIRST READING. The motion PASSED by the following vote.**

**Yes:** 6 - Westover, Crews, McConnell, Hackett, Blake, and Esquiro

**Absent:** 1 - Christianson

- O**     **ORD 11-26**     Amending the SGC Section 15.04.320 Rates and Fess to adjust the rates for sewer service.

*Florian Sever expressed his prior objection.*

**A motion was made by Crews that this Ordinance be PASSED ON FIRST READING. The motion PASSED by the following vote.**

**Yes:** 6 - Westover, Crews, McConnell, Hackett, Blake, and Esquiro

**Absent:** 1 - Christianson

### **Additional New Business Items**

- P**     **11-122**     Board of Adjustment  
Approve with conditions a conditional use permit for manufacturing food products (sea salt) at 207 Smith Street filed by Jim and Darcy Michener.

**A motion was made by McConnell to convene as the Board of Adjustment. The motion PASSED by a unanimous voice vote.**

*Williams informed that the Planning Commission was in favor of the standardization and that it requires a Conditional Use Permit only because it is a food process.*

*Applicants Jim and Darcy Michener explained that the business is located on Smith Street and there will be no odor or smoke. Blake was reassured by the letters from neighbors. They can produce hundreds of lbs a week if they can generate the sales.*

**A motion was made by Crews that the conditional use permit be APPROVED with conditions. The motion PASSED by the following vote.**

**Yes:** 6 - Westover, Crews, McConnell, Hackett, Blake, and Esquiro

**Absent:** 1 - Christianson

**A motion was made by Crews to accept the Planning Commission's recommendation regarding the Findings of Fact as listed in the Planning Commission minutes of May 17, 2011 on Pages 3 & 4 and the following conditions:**

- 1. The project shall be completed in conformance with the plans submitted in the conditional use application to the Planning Commission;**
- 2. Prior to the activation of the conditional use permit, the operator of the facility shall certify to the municipality, in writing, that all necessary permits have been received;**
- 3. In addition, prior to the activation of the conditional use permit, the Planning Director shall indicate, in writing, that all permits have been received that the municipality considers necessary;**
- 4. The applicant recognizes that other permits, not specifically mentioned by the municipality, may be required;**
- 5. The applicant shall provide a narrative on the status of operations nine months after the activation of the conditional use permit;**
- 6. The Planning Commission has an annual review of the first nine to twelve months of operation of the facility within one year of the activation of the conditional use permit. The purpose of the annual review is to determine what, if any impacts of the operation need to be mitigated. The Planning**

Commission, by its own motion, may undertake a second annual review if the board considers it to be necessary and;

7. The Assembly, at its discretion, may complete an annual review if any issues are not satisfactorily resolved at the Planning Commission level.

**The Findings of Fact and Decision PASSED by the following vote.**

**Yes:** 6 - Westover, Crews, McConnell, Hackett, Blake, and Esquiro

**Absent:** 1 - Christianson

**A motion was made by McConnell that they reconvene as the Assembly in regular session. The motion PASSED by a unanimous voice vote.**

**Q 11-120**

Award a contract to Aggregate Construction, Inc. for completion of the Monastery Street Water & Sewer Improvements, in the amount of \$1,271,532.00.

*Hackett disclosed that she is a property owner on that street and was recused.*

*Harmon explained that all utilities will be replaced and the road paved. Traffic will be discouraged during construction.*

*Esquiro wondered if the City would actually see the \$200,000 derived from the engineer's estimate vs the bid amount. Harmon replied if there are no change orders or other complications.*

**A motion was made by McConnell that this Contract/Agreement be APPROVED. The motion PASSED by the following vote.**

**Yes:** 5 - Westover, Crews, McConnell, Blake, and Esquiro

**Absent:** 1 - Christianson

**Recused:** 1 - Hackett

**R 11-124**

Award a bid to Motorola Solutions in the amount of \$499,245.00 for replacement of the E-911 system with the NG-911 system.

*Equiro questioned the price tag of this system for a population of 8600 people. Hillhouse informed there are some federal requirements that mandate this.*

*Police Chief Sheldon Schmitt plans to take out a 10-year loan funded by the surcharge found on your phone bill. Crews wondered how much we generated from the surcharge -- \$188,000 a year.*

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

**Yes:** 6 - Westover, Crews, McConnell, Hackett, Blake, and Esquiro

**Absent:** 1 - Christianson

**S 11-121**

Adopt procedures and application packet to be used for grant funding of nonprofit organizations by the City and Borough of Sitka General Fund.

*Brave Heart Volunteer representatives Wilma and Maggie asked the Assembly not to pass this proposed process and use the one that has been in place in recent years, and urged the Assembly award the full \$140,000 budgeted.*

*Connie Sipe, executive director for Center for Community referencing one of the*



*proposed categories -- she doesn't know what "immediate health care" means. She also doesn't know why a grant can't be used for salaries. Looking for clarification on whether a local match is cash or in-kind.*

*Melissa Wentzel, Sitka Summer Music Festival stressed that the non-profit community makes Sitka such a vital community to raise a family in. They have been happy with the existing process, it's fair and transparent. This motion slashes the allocation amount by \$100,000. Blake clarified that the proposed cut was \$40,000 not \$100,000.*

*Mayor Westover believes this gives more people an opportunity. She doesn't think the city can keep supporting everybody's needs and expressed concern for the businesses that are "for profits" receiving benefit. According to the Municipal Attorney, if the services are not provided they would fall on the state and not the city to provide.*

*Hackett believes we do a lot "for profit" businesses and mentioned the sales tax cap and the free sales tax day(s) as examples. Westover argued that those incentives benefit everybody. Hackett believes the current dollar amount is meager. She also pointed out that we just passed a budget tonight that included a \$140,000 for non-profits, not the \$100,000 being proposed. Blake's intent was to give more people something. Crews pointed out that we have been continual funding a good number of these non-profits for years, part of the problem is--the list has grown and continues to grow.*

**A motion was made by Hackett that this Item be POSTPONED. It was decided to form a small committee of Hackett, Westover and Crews to review and make a recommendation at the next meeting. The motion PASSED by the following vote.**

**Yes:** 6 - Westover, Crews, McConnell, Hackett, Blake, and Esquiro

**Absent:** 1 - Christianson

**XI. PERSONS TO BE HEARD:**

*None.*

**XIII. ADJOURNMENT**

**A motion was made by Blake that the meeting be ADJOURNED. The motion PASSED by unanimous consent. The meeting adjourned at 10:10 PM.**

**ATTEST:**

---

**Colleen Ingman, MMC**  
**Municipal Clerk**

