



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*

*Municipal Administrator: Jim Dinley
Municipal Attorney: Theresa Hillhouse
Municipal Clerk: Colleen Ingman, MMC*

Tuesday, February 12, 2013

6:00 PM

Assembly Chambers

WORKSESSION - ANB HARBOR UPDATE - 5:00 PM

SPECIAL MEETING MUNICIPAL ATTORNEY HIRE - Executive Session anticipated - 5:45 PM

Motion by Reif to go into Executive Session regarding: hiring of a Municipal Attorney which may have immediate adverse legal and financial consequences for the City and Borough of Sitka and involve matters that are required by law to be confidential, and to invite the HR Director and Municipal Attorney to attend.

Motion PASSED a 6-0 roll call vote.

Motion by Christianson to go back into regular session. Motion PASSED on a 6-0 roll call vote.

Motion by Christianson to direct Mark Danielson to continue to negotiate with Robin Koutchak.

MOTION PASSED on a 6-0 roll call vote.

REGULAR MEETING - 6:00 PM

- I. CALL TO ORDER
- II. FLAG SALUTE
- III. ROLL CALL

Present: 5 - Christianson, Esquiro, Reif, Hunter, and Putz

Telephonic: 2 - McConnell, and Hackett

IV. CORRESPONDENCE/AGENDA CHANGES

None.

V. PERSONS TO BE HEARD

Fire Chief Dave Miller mentioned they had a communication exercise recently and as a result Sitka is better off than we were. It was a collaborative effort of several entities.

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

Mayor - Testified at the Senate Transportation meeting, held the Assembly's second visioning session, met with the state regarding plans for Stratton Library, and met with SCVB. The Mayor and Christianson also participated in a video conference with the Governor utilizing the library's new video conference equipment. The Assembly held a joint worksession with the School Board. Currently the Mayor is in Juneau attending the Conference of Mayors and tomorrow is the start of the AML Winter meetings. They will also do some lobbying while there.

Acting Administrator - Michael Harmon spoke to the recent ISO report surrounding the CBS's Building Code, we now have a better rating.

Liaisons - Christianson attended the SCVB meeting and two items are on tonight's agenda as a result. They just finished a promotional video for Sitka. SEDA held its annual meeting. They are very involved with the Sawmill Cove Board. He anticipates two RFPs: 1) Sawmill Cove Site Plan, and 2) Bulkhead Dock coming out in the near future. He felt the Governor was very engaged at their recent video conference meeting. Putz thanked CBS staff for making efforts in saving the community money through conservation. She attended the Parks and Recreation meeting where they are working on a collaborative approach to the issue with dogs. She also attended the Historic Preservation Commission Meeting. Putz announced she will not be able to make the STA Tribal Council and Esquiro said because of his affiliation as a Tribal Judge that he would not be comfortable sitting in for her. Hunter reported that Hackett sat in for him at the Ports and Harbors meeting. He personally thanked the Ports and Harbor Commission members for all their participation in the numerous worksessions being held. He added, there will be a worksession with the Assembly on March 26 regarding the harbors.

Other - Reif stated that the recent executive session held at City Hall should have probably been held at Harrigan Hall. He personally apologized. Reif also mentioned Brewton's memo on resources, reducing costs, and the Blue Lake Expansion project and found all very informational.

VII. CONSENT AGENDA

- A 13-017** Approve the minutes of the January 22 and 30 Assembly meetings
- B 13-018** Appointments: Approve reappointing Ken Fate to a Term (Media/Broadcast) on the Local Emergency Planning Commission
- C 13-020** Approve the following liquor license renewal applications: 1) Channel Club - 212; 2) Pioneer Bar - 865; 3) Pioneer Liquor Store - 872; and 4) Dock Shack Cafe - 5046

A motion was made by Christianson to Approve the Consent Agenda consisting of Items A, B, & C. The motion Carried by a 6-0 roll call vote. Hackett had not yet joined the teleconference.

VIII. UNFINISHED BUSINESS:

- D ORD 13-05** Adjusting the FY2013 Budget for funding of the Public Infrastructure Fund

Christianson thinks locking in funds early is bad politics. He would like to see the city keep this on the original time limit. Reif hoped to allocate funds early for deferred maintenance. He stressed that operations routinely get the dollars first and the city's unfunded liability is huge. Putz agrees with Reif. Hunter re-iterated that we can still get this money out if we need it with a super majority. Reif pointed out that the reserves have built up from a low to several million. Sweeney reported that the surplus has been somewhere in the amount of \$1,000,000 over the last couple years.

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

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

No: 1 - Christianson

Non-voting: 1 - Hackett

- E ORD 13-06** Amending Section 15.01.020 of the Sitka General Code entitled "Electrical Rates" by increasing rates for all customers to fund approved electrical utility capital projects including the Blue Lake Hydroelectric Expansion Project

Christianson thinks locking in funds early is bad politics. He would like to see the city keep this on the original time limit. Reif hoped to allocate funds early for deferred maintenance. He stressed that operations routinely get the

dollars first and the city's unfunded liability is huge. Putz agrees with Reif. Hunter re-iterated that we can still get this money out if we need it with a super majority. Reif pointed out that the reserves have built up from a low to several million. Sweeney reported that the surplus has been somewhere in the amount of \$1,000,000 over the last couple years.

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

Yes: 6 - Christianson, Esquiro, Reif, Hunter, Putz, and McConnell

Non-voting: 1 - Hackett

IX. NEW BUSINESS:

New Business First Reading

- F RES 13-01** Authorizing the application for a loan to the Alaska Department of Environmental Conservation under the Alaska Drinking Water Fund for Jeff Davis Street Water Replacement, Monastery Street & Baranof Street Water Replacement - SMC to Degroff & Starrigavan Water Well Development and under the Alaska Clean Water Fund for Monastery Street & Baranof Street Sewer Replacement - SMC to Degroff Street and Lift Stations

Acting Administrator Michael Harmon explained that each year DEC opens up a loan program that we try and capitalize on to get projects and typically we apply to get as many as we can. It is difficult to judge how the projects will score. We realize we cannot afford them all, but the more we put in for the better our chances are. It also positions us to apply for the matching grant program. Christianson questioned what if we get them all would we be facing any long term penalties. Harmon answered that at this juncture we submit a questionnaire that will be scored. It would not be the city's practice to apply for a loan and then back out, obviously that would not be good business. Therefore, the city needs to decide before the application process which projects are best to go forward with. The Assembly needs to trust us to not apply for what we cant afford. Putz too expressed similar concerns. Before we apply for these loans the Assembly wants a heads up and Harmon gave his assurances that would happen.

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

Yes: 6 - Christianson, Esquiro, Reif, Hunter, Putz, and McConnell

Non-voting: 1 - Hackett

- G RES 13-02** Strongly opposing an application from AquaBounty Technologies, Inc. to the US Food and Drug Administration (FDA) to market genetically

engineered Atlantic Salmon

Sitka Convention and Visitors Bureau Director, Tonia Rioux strongly encouraged the Assembly to support this. They had over hundred people turn out last weekend to protest on this matter. These would be farmed salmon which proposes a risk of cross contamination and the worst possibility - extinction of our wild salmon stocks. Hunter's main concern is the danger to our wild stocks. Reif supports legislation that assures farmed and industrial products be properly labeled.

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

Yes: 6 - Christianson, Esquiro, Reif, Hunter, Putz, and McConnell

Non-voting: 1 - Hackett

- H RES 13-03** Supporting the City's application to the Alaska Federal Lands Access Program (FLAP) Grant consisting of \$981,373 for construction of the Cross Trail Multimodal Pathway

Assistant Fire Chief, Al Stevens encouraged support. This is a great alternate access route for any kind of disaster. He urged the Assembly to look at it from an emergency standpoint. Deborah Lyons from Sitka Trail Works thanked the Assembly for including the cross trail funding on their federal legislative needs. Hunter confirmed that there is no match or city funding involved.

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

Yes: 6 - Christianson, Esquiro, Reif, Hunter, Putz, and McConnell

Non-voting: 1 - Hackett

- I ORD 13-08** Authorizing Amendment No. 2 to the Agreement for Material Sale from Municipally Owned Property ("Agreement") with S&S General Contractors and Equipment Rental, Inc. ("S&S") at Site 5 of the Granite Creek Industrial Area, and approving the Agreement to have S&S provide contract services as an alternative for certain payment owed under the Agreement

Both Putz and Reif had questions for Brewton. Brewton explained that we are paying for the rock to be blasted and removed. Reif clarified that we own the rock now and do not need it. Reif inquired if the city was on firm level ground not going out for competitive bid on this. Hillhouse cited the City Charter where we spell out the reasons we are not going out for competitive bid. Brewton relayed that there is no doubt in his mind that if we go out to bid there will be increased costs.

A motion was made by Christianson that this Ordinance be PASSED ON FIRST

READING. The motion **PASSED** by the following vote. Note Hackett was able to join the meeting at 7:30 PM. She was in transit prior to that and unable to participate.

Yes: 7 - Christianson, Esquiro, Reif, Hunter, Putz, McConnell, and Hackett

Additional New Business Items

- J 13-024** Approve Notice of Award to Myers Power Products Inc. for Contract No. 2 the Supply of 12,47kV Switchgear for Blue Lake Expansion Project not to exceed \$711,102.00

Paul Carson of McMillen, LLC explained that there are seven areas where city staff will be designing, doing procurement, providing pieces of the supervisory control, and data acquisition system. The city will supply the design. Esquiro inquired if there were spare parts. Generation Engineer Dean Orbinson broke it down, and added that if we don't need to use the switchgear we won't.

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

Yes: 7 - Christianson, Esquiro, Reif, Hunter, Putz, McConnell, and Hackett

- K 13-016** Approve a Contract Award for Completion of the UV Facility Tees Piping Connections to CBC for their base bid and additive alternate 1 in the amount of \$179,960.00

Senior Engineer Dan Tadic explained the UV Facility Tees Piping connections project is the first phase of the overall UV Treatment Facility.

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

Yes: 7 - Christianson, Esquiro, Reif, Hunter, Putz, McConnell, and Hackett

- L 13-021** Approve the IBEW Collective Bargaining Agreement for 2013-2015

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

Yes: 7 - Christianson, Esquiro, Reif, Hunter, Putz, McConnell, and Hackett

- M 13-019** Approve a Collection Agreement between USFS and CBS as part of the Protection, Mitigation, and Enhancement Plan for ten annual payments of \$10,000 each - Blue Lake Project CIP 90594

Putz pointed out this is a public benefit not just a USFS benefit. Brewton reported that nothing of concern was found. We had it assessed and it was valued between \$140,000 - \$170,000. The value fell below what is required for a public vote. Esquiro questioned has anyone considered what the value

of gold might be that is left in the mines. Brewton responded "No."

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

Yes: 7 - Christianson, Esquiro, Reif, Hunter, Putz, McConnell, and Hackett

N 13-030

Approve an award of a Time and Materials Design Contract for the Indian River Temporary Filtration Final Design and Services During Construction and Operation not to exceed \$401,000 and further to authorize a transfer of \$313,350 from the Blue Lake Dam project to the Alternate Water Source Filtration Project

Weatherman reported that they did find plenty of water at the Starrigaven site. Unfortunately the city only has a 12" pipe out there, which restricts water flow. For now, Indian River is the best choice. Harmon added that the city needs to be flexible on these filtration projects, yet we need to move forward as quickly as we can. The city does have certified operators but utilizing them is a workload issue.

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

Yes: 7 - Christianson, Esquiro, Reif, Hunter, Putz, McConnell, and Hackett

O 13-028

Sea Walk update and approval to advertise for bids to construct the Sea Walk from Crescent Harbor to National Historic Park

Senior Engineer Dan Tadic gave an overview of the project. Lon Garrison representing Sitka Sound Science Center wanted to lend their support to the project. It is a great benefit to their neighbors and getting folks not only to their facility but also to the National Park. Hillhouse added that it is her understanding that Sitka Sound Science Center will be giving the CBS several construction easements etc. at no cost. Hackett mentioned that Crescent Harbor parking was added and she wondered if there was enough public vetting of that portion. Hunter recalls that there was a lot of discussion during the 8' wide sidewalks topic. Much of the expansion is towards the water and doesn't impede on the green space and he is satisfied. Christianson agreed. Tadic spoke to the potential savings by doing it at one time versus over two years. It was also vetted by both Parks and Recreation and Tree and Landscape and both were supportive. Reif noted the tight contingency and questioned if the added alternatives were in any order. They were prioritized. Esquiro was interested to know if any ideas were generated from where that money would come from. Initially it was thought funding would come from the CPED funds, at that time no one anticipated a drop. Esquiro expressed his concerns with maintenance and replacement and the bills we leave the younger generation.

Christianson brought up that all those public meetings have a hidden cost. He was hoping to make a personal contribution of yellow cedar but it was more than he could handle. We need to make Sitka an attractive place to

come and this project would do that.

Harmon mentioned that this has to come back for award and if the Assembly wants to see a potential sinking fund we could craft a way to lay all that out.

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

Yes: 7 - Christianson, Esquiro, Reif, Hunter, Putz, McConnell, and Hackett

- P 13-029** Authorize action to either award or reject the bid proposal from Sitka Tours to transport cruise ship passengers from the Old Sitka Dock to the Centennial Hall or O'Connell Bridge parking areas prior to March 17, 2013

Mayor McConnell recused herself as Sitka Tours is a client of hers.

Christianson was glad to see interest on a local level. Hackett echoed Christianson and added that Sitka Tours has done an excellent job in Sitka. Reif inquired as to the number of handicap assessable seats being adequate. Chris McGraw said he only has one reference and that is from the one ship that tied up to their dock last year. On that particular day six people needed handicap accommodations. McGraw relayed that currently they have 23-24 ships, or 13,000 passengers; hoping for more next year with the Disney ship.

A motion was made by Reif to award the bid proposal from Sitka Tours to transport cruise ship passengers from the Old Sitka Dock to the Centennial Hall or O'Connell Bridge parking areas. The motion PASSED on the following vote.

Yes: 6 - Christianson, Esquiro, Reif, Hunter, Putz, and Hackett

Recused: 1 - McConnell

- Q 13-022** Appoint two to the Police and Fire Commission: 1) Frank Burkhart, 2) Aaron Wamsley, 3) Joseph Reeves (incumbent)
- Hackett had concerns with two of the applicants being employed by the same employer and the Alaska Open Meetings Laws being stricter for advisory committees. Hillhouse said we caution commission members on Alaska Opens Meeting Laws.

All three candidates were nominated. Wamsley and Reeves received the majority of votes and were appointed.

- R 13-023** Approve closing EPA NESHAP Diesel Compliance CIP No. 90730 and transferring the fund balance to Jarvis Street Diesel Capacity CIP No. 90646 as part of the next Assembly Budget Review.

Brewton informed the transfer amount is \$1,000,000. The city initially

challenged this and was able to prevail.

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

Yes: 7 - Christianson, Esquiro, Reif, Hunter, Putz, McConnell, and Hackett

- S 13-026 Approve sending members of the Assembly to the Cruise Shipping Miami Expo to promote Sitka to the Cruise industry to be held in Miami March 11-15, 2013**

Christianson strongly urged that we need to send someone. He checked the prices and he found prices of hotels downtown that were much cheaper and believes the trip can be done significantly cheaper than the costs outlined in Campbell's memo. Reif felt it is critical for the city to send someone, but a luxury to send more. He suggested that perhaps McGraws who paid for travel for Esquiro last year would consider doing something similar again.

Motion by Reif to approve sending one member of the Assembly to the Cruise Shipping Miami Expo as a City and Borough representative to promote Sitka.

Esquiro and McConnell were both nominated. A roll call vote was taken and McConnell received four votes to Esquiro's three.

- T 13-025 Discussion on Sister City inquiry**

Christianson related it is an economic benefit to Sitka to have a sister city. Putz was curious what does it mean and what does it entail. SCVB Director Tonia Rioux explained that their Director of Sales, Phillip Ruppel is interested in a mutual relationship with the City of Anaheim and sees a benefit to Sitka. There is a vetting an approval process on both sides. Much could be handled by the SCVB. She was encouraged to move forward with these two potential sister city relationships.

X. PERSONS TO BE HEARD:

Arthur Jeffery Kinnan says what you are missing is that more people are more problems. If you want tourism to expand you are going in the wrong direction.

Brewton mentioned that in the correspondence section he talks about FERC land use fees, for both Green and Blue lakes they are going up substantially. He has filed a petition with FERC. He added that employee Mary Ann Jones contributed to a publication on Karl Wolff. It is a real case scenario where hydro is a good thing and we should get recognition from our federal government. He stressed we need to continue to support and promote hydro.

Mayor McConnell announced that two milestones have been reached. SCDC Grant - has hired Mike Brown for the PLT Project Land Trust and today the Easter Group submitted an application for the Emergency Solutions Grant for Homeless Initiative SHIFT.

Human Resource Director announced that Robin Koutchak has accepted and offer of employment. The offer includes 1) A \$111,725 starting wage; 2) \$7,500 in moving expenses; 3) Two weeks leave bank to start with a 12.67 accrual rate per month; 4) Use of city auto for up to 3 months (she will pay for fuel); and 4) The city will pay all applicable Alaska Bar dues and malpractice insurance. She is to start no later than April 1, 2013. Danielson hopes to confirm this offer and acceptance tomorrow morning.

XI. ADJOURNMENT

A motion was made by Christianson that this meeting be ADJOURNED. The motion PASSED by an unanimous vote. The meeting ADJOURNED at 9:53 PM.