

Should this item be pulled from the Consent Agenda the following motion is suggested:

POSSIBLE MOTION

I MOVE TO approve the minutes of the May 27 and May 28 Assembly meetings.



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 Matt Hunter
Vice-Deputy Mayor Benjamin Miyasato
Aaron Swanson, Steven Eisenbeisz
Tristan Guevin, and Michelle Putz*

*Municipal Administrator: Mark Gorman
Municipal Attorney: Robin L. Koutchak
Municipal Clerk: Sara Peterson, CMC*

Wednesday, May 27, 2015

6:00 PM

Assembly Chambers

WORK SESSION 5:00 PM

15-083 Taxation Overview by Assessor, Wendy Lawrence

Assessor, Wendy Lawrence, provided an overview of taxation issues.

REGULAR MEETING

I. CALL TO ORDER

II. FLAG SALUTE

III. ROLL CALL

Present: 7 - McConnell, Hunter, Swanson, Miyasato, Eisenbeisz, Guevin, and Putz

IV. CORRESPONDENCE/AGENDA CHANGES

15-085 Reminders, Calendars and 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)**

Tim Fulton, Sitka School Board Clerk, thanked the Assembly for their support and reported on recent events in the District.

VII. PERSONS TO BE HEARD

Linda Behnken, Director of Alaska Longline Fisherman's Association, reported the North Pacific Fishery Management Council would be in Sitka the week of June 1 to address the issue of Bering Sea halibut bycatch.

Robb Farmer, Director of Kettleson Memorial Library, informed the Assembly and public of upcoming events at the Library.

Cindy Litman, member of the Library Commission, read from the "Kettleson Memorial Library Information Sheet" which was prepared by the Library Commission. She spoke in opposition to reducing the hours of operation at the Library.

Linda Marlin stated the money from the sale of Blue Lake water should go to the people of Sitka.

VIII. REPORTS

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

Mayor - Attended an AML Board meeting in Anchorage which included participating in the Sustainable Alaska Committee formed of AML members providing recommendations to help make the State budget sustainable. McConnell also attended the final Sitka Branding Committee meeting and announced a public unveiling would be held at Harrigan Hall on May 28.

Administrator - Announced recent news of the reduction of community jail funding from the State, reported on Blue Lake Road access and Harbor Mountain Road repair, and announced travel to Washington DC in June to speak to the Delegation about exporting water.

Liaison Representatives - Putz reported on activities of the Tree and Landscape Committee and Investment Committee, Guevin attended Health Needs and Human Services Commission and added that the Commission goals would come before the Assembly for approval in the future, Miyasato attended the Parks and Recreation Committee meeting.

IX. CONSENT AGENDA

A 15-079 Approve the minutes of the May 12, 2015 Assembly meeting

This item was APPROVED on the Consent Agenda. The motion PASSED by a unanimous voice vote.

B 15-077 Approve a request filed by Dove Island Lodge for an expansion of licensed premises under liquor license #5126

Eisenbeisz and Putz expressed concern over safety issues of serving alcohol at the dock. Dove Island Lodge owner, Harold Duane Lambeth, offered it was a service provided to clients and will be closely monitored by staff of Dove Island Lodge.

A motion was made by Hunter to APPROVE this item. The motion PASSED by the following vote.

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

No: 1 - Eisenbeisz

- C** RES 15-12 Setting the millage rates for the Fiscal Year July 1, 2015 through June 30, 2016

Putz reminded the public how low Sitka's millage rate was and that of the 6 mills, 4 of those went to the schools leaving 2 mills for general purposes.

A motion was made by Putz to APPROVE this Resolution on first and final reading. The motion PASSED by the following vote.

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

- D** 15-076 ~~Award the Tree and Brush Clearing service contract to Marshall Albertson dba Absolute Tree Care not to exceed an amount of \$175,000 for the FY2016 budget~~ - PULLED

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

- E** 15-080 Award a contract to MCG Constructors, Inc. in the amount of \$1,145,204.00 for completion of the Baranof Street and Monastery Street Utility and Street Improvements project

Putz wondered if the level of work was necessary and if there might be a way to scale back to save money. Gorman offered this was a great deal for the citizens of Sitka as the funds were coming from the State. Gorman read the funding project revenue sources and noted the loan was at 1.5% interest. Hunter thanked staff for their work.

A motion was made by Hunter to APPROVE this item. The motion PASSED by the following vote.

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

X. BOARD, COMMISSION, COMMITTEE APPOINTMENTS

- F** 15-078 Reappoint Roberta Littlefield and Ana Dittmar to three-year terms on the Historic Preservation Commission

Putz thanked both individuals for their willingness to serve.

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

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

XI. UNFINISHED BUSINESS:

- G** ORD 15-24A Amending SGC Section 4.09.100 N entitled Over One Thousand Five Hundred Dollars on Sales and Rents of Tangible Personal Property and on Sales and Services to increase the taxable transaction limit from \$1,500 to \$3,000 (*third and final reading - effective date October 1, 2015*)

Ann Wilkinson, Jennifer Robinson (Chamber of Commerce), Theresa Weiser and John Belcher, John Ohaus, Chuck McNamee, Greg Kain, Sharon Romine, Peggy Gipple, and Matt Donohoe spoke in support of the amendment to change the effective date to October 1, 2015.

Robert Carlson offered that with decreased state and federal spending Sitka needed

to reevaluate its spending and taxation.

Dave Fowler and Volney Smith testified the cost of living in Sitka was continuing to rise and would affect all citizens not just the tourists.

Assembly members thanked those who had testified and offered their opinions on the ordinance. Some stated it was needed in order to fund the schools while others noted a larger conversation was needed to explore what services the community was willing to pay for.

A motion was made by Putz that this Ordinance be APPROVED on second reading. The motion PASSED by the following vote.

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

H **ORD 15-31**

Clarifying Sitka General Code Title 2 Administration, at Chapter 2.40 Elections, Section 2.40.095 Candidate Biographical Information

A motion was made by Hunter 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 Putz

XII. NEW BUSINESS:

New Business First Reading

I **ORD 15-34**

Amending Sitka General Code Title 23 "Parks and Recreation" by adding a new Chapter 23.40 entitled "Municipal Trees and Landscaping"

Putz and Guevin thanked the Tree and Landscape Committee and staff for their work. Lynne Brandon, Parks and Recreation Manager, and Joe D'Arienzo, Chair of the Tree and Landscape Committee came forward to summarize the ordinance. Brandon stated the main idea behind the ordinance was to manage the City's trees and park areas. Eisenbeisz stated he did not support the ordinance explaining he felt it increased the complexity of government and ultimately increased the cost of operations.

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, Guevin, and Putz

No: 1 - Eisenbeisz

J **ORD 15-10**

Amending Title 15 of the Sitka General Code to increase water rates at Section 15.04.100 entitled "Service Connection Charge", 15.04.320 entitled "Rates and Fees" Sections 15.05.240A entitled "Service Connection Charge", 15.05.620 entitled "Rates and Fees" and to increase wastewater rates

Linda Marlin asked for clarification of rates during the Assembly's deliberation.

Mary Jo McNally encouraged the Assembly to stop raising rates and instead make

cuts in the City budget.

Putz offered that costs to provide services were increasing. She also noted that switching utilities over to a private entity would not be cheaper. Hunter understood the public sentiment regarding rate increases. He reminded the public the City hadn't saved for what was needed over the last 20-30 years and it was necessary to set aside money that paid for operations as well as future infrastructure repairs. Eisenbeisz spoke in opposition to the ordinance stating he didn't feel the public was ready for the increase and wanted to ensure the public was informed.

Swanson wondered how soon another rate increase would be needed. Jay Sweeney, Chief Finance and Administrative Officer, stated a rate increase would be needed each year to pay for identified infrastructure needs. Sweeney stated staff was recommending a 4.9% increase in wastewater rates for FY16 and a 10% fee increase in water rates.

A motion was made by Putz that this Ordinance be APPROVED on first reading. The motion PASSED by the following vote.

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

No: 2 - Swanson, and Eisenbeisz

K ORD 15-35

Repealing Sitka General Code Chapter 4.09 "Sales Tax" Section 4.09.100Y. "Exemption for Persons Who Have Reached the Age of Sixty-Five" and establishing section 4.09.130 "Rebate of a portion of Sales Tax for Certain Persons Who Have Reached the Age of Sixty-Five and are Experiencing Financial Hardship"

Matt Hunter, one of the ordinance sponsors, offered a summary of the ordinance which would repeal the exemption and instead institute a rebate program where any senior that currently qualified for the tax exemption would qualify for a rebate. As part of the application process the individual would need to identify themselves as experiencing a financial hardship.

Valorie Nelson, former Assembly member and Mayor, felt past Assemblies were being blamed for not raising rates.

Ann Wilkinson, Debbie Brettsfield, Matt Donohoe, Lawrence SpottedBird, William Kanosh, Robert Carlson, Shirley Robards, Michael Baines, Volney Smith, Mary Jo McNally, Patricia Steadlack, Linda Marlin, Alene Henning, and Amanda Roberts spoke in opposition to the ordinance.

Cindy Litman spoke in support of the ordinance.

Assembly members offered their opinions and ideas on how the ordinance might be edited. Ultimately, members decided to form a three person working group (Hunter, Eisenbeisz, Guevin) and work with staff to bring a substitute ordinance back before the Assembly on June 23, 2015.

A motion was made by Putz that this Ordinance be POSTPONED to June 23, 2015. The motion PASSED by the following vote.

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

L ORD 15-36

Placing a Ballot Question on the Regular Election on October 6, 2015 to amend the Home Rule Charter of the City and Borough of Sitka at Article

13.03 entitled "Property Tax Limit" to increase the millage rate limit by one tenth of one percent (.001), which would be seven tenths of one percent (.007), or seven (7.0) mills to be used to support the Sitka School District

Mary Wagner, Superintendent of the Sitka School District, spoke to the District's success and thanked the community for their support.

Ann Wilkinson expressed the need for future planning.

Jennifer McNichol spoke in support of the ordinance.

Putz offered that a one mill increase was short-sighted and unrealistic. Putz wished to see an increase of more than one mill with one mill going to the schools and one mill for general purposes.

Assessor, Wendy Lawrence, provided a brief summary of material covered in the worksession on taxation. Lawrence recommended a budget driven mill rate or a revenue capped mill rate.

Administrator, Mark Gorman, stated the City needed to be looking at comprehensive tax reform.

Guevin reminded the Assembly and the public the average mill rate for Alaska was 11.33% - double from Sitka's rate. He encouraged the Assembly and the public to take some time and engage in a more comprehensive approach.

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

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

No: 2 - Swanson, and Putz

A motion was made by Hunter to extend the meeting to 11pm. The motion PASSED by the following vote.

Yes: 7 - Guevin, Putz, McConnell, Eisenbeisz, Swanson, Hunter, Miyasato

M ORD 15-32

Adjusting the FY15 Budget

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

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

No: 1 - Eisenbeisz

N ORD 15-33

Adopting budgets for the Fiscal Year July 1, 2015 through June 30, 2016

Putz asked for clarification of the \$700,000 deficit. Administrator, Mark Gorman, confirmed the deficit and added the amount was approaching \$1 million given the recent news of the reduction in State funding for the jails.

Jay Sweeney, Chief Finance and Administrative Officer, explained the process and timeline for passing the budget.

Guevin expressed a desire to reduce the deficit prior to passing the budget.

Assembly members offered it would be worthwhile to put the proposed reduction list before the public and solicit comments.

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, Guevin, and Putz

No: 1 - Eisenbeisz

Additional New Business Items

- O** **15-081** Approve moving forward with a land swap concept between the City and Borough of Sitka and Sound Development, LLC above Emmons Street in the Whitcomb Heights Subdivision

Gorman clarified the highlighted lots in the packet were those the City needed for infrastructure. The land selected for the swap would go before the Planning Commission for discussion and then ultimately come before the Assembly for final approval.

Jeremy Twaddle of Sound Development, LLC explained they were trying to swap the land the City needed for infrastructure back for a comparable amount of land.

Eisenbeisz wondered if a right of way could be placed on the land. Municipal Attorney, Robin Koutchak, said there could be but that the City was trying to come to a mutual agreement between all parties involved. She added this was a very equitable solution.

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

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

- P** **15-082** Approve a final subdivision plat for a Planned Unit Development Subdivision at 100 Indian River Road filed by the Baranof Island Housing Authority

Putz thanked Baranof Island Housing Authority for their work to make affordable housing available to Sitkans.

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

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

- Q** **15-084** Approve the formation of a Citizens' Revenue Taskforce and select members

No action was taken on this item. After further discussion, Assembly members directed the Municipal Administrator to come back to the Assembly with a revised framework for the taskforce.

XIII. PERSONS TO BE HEARD:

None.

XIV. EXECUTIVE SESSION

None.

XV. ADJOURNMENT

A motion was made by Miyasato to ADJOURN. Hearing no objection the meeting ADJOURNED at 10:53pm.

ATTEST: _____
Sara Peterson, CMC
Municipal Clerk



CITY AND BOROUGH OF SITKA

ASSEMBLY CHAMBERS
330 Harbor Drive
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Minutes - Draft City and Borough Assembly

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*Municipal Administrator: Mark Gorman
Municipal Attorney: Robin L. Koutchak
Municipal Clerk: Sara Peterson, CMC*

Thursday, May 28, 2015

5:00 PM

Assembly Chambers

SPECIAL MEETING

I. CALL TO ORDER

II. FLAG SALUTE

III. ROLL CALL

Present: 5 - McConnell, Miyasato, Eisenbeisz, Guevin, and Putz

Absent: 2 - Hunter, and Swanson

IV. PERSONS TO BE HEARD

None.

V. NEW BUSINESS:

A 15-086

Board of Adjustment: Approve a conditional use permit filed by James Harrigan for an accessory dwelling unit at 1610 Davidoff Street

A motion was made by Miyasato to CONVENE as the Board of Adjustment. The motion PASSED by a unanimous voice vote.

Planning and Community Development Director, Maegan Bosak, provided an overview of the request and applicant, James Harrigan, gave a brief summary of the property.

Guevin noted the request was consistent and compatible with the Comprehensive Plan.

A motion was made by Miyasato to APPROVE a conditional use permit filed by James Harrigan for an accessory dwelling unit at 1610 Davidoff Street, and further, adopt the conditions and findings as recommended by the Planning Commission and request that they are listed in their entirety as part of the

official record.

Required Findings

1. The city may use design standards and other elements in this code to modify the proposal. A conditional use permit may be approved only if all of the following findings can be made regarding the proposal and are supported by the record that the granting of the proposed conditional use permit will not:
 - a. Be detrimental to the public health, safety, and general welfare;
 - b. Adversely affect the established character of the surrounding vicinity; nor
 - c. Be injurious to the uses, property, or improvements adjacent to, and in the vicinity of, the site upon which the proposed use is to be located.
2. The granting of the proposed conditional use permit is consistent and compatible with the intent of the goals, objectives and policies of the comprehensive plan and any implementing regulation, specifically, to seek out ways to make housing more affordable for all Sitkans through various measures including: A. Developing more affordable housing opportunities, including single family homes and multi-family homes and multi-family dwellings.
3. All conditions necessary to lessen any impacts of the proposed use are conditions that can be monitored and enforced.
4. The proposed use will not introduce hazardous conditions at the site that cannot be mitigated to protect adjacent properties, the vicinity, and the public health, safety and welfare of the community from such hazard.
5. The conditional use will be supported by, and not adversely affect, adequate public facilities and services; or that conditions can be imposed to lessen any adverse impacts on such facilities and services.
6. Burden of Proof. The applicant has the burden of proving that the proposed conditional use meets all of the criteria in subsection B of this section.

General approval criteria are as follows:

1. Site topography, slope and soil stability, geophysical hazards such as flooding, surface and subsurface drainage and water quality, and the possible or probable effects of the proposed conditional use upon these factors;
2. Utilities and service requirements of the proposed use, including sewers, storm drainage, water, fire protection, access and electrical power; the assembly and planning commission may enlist the aid of the relevant public utility officials with specialized knowledge in evaluating the probable effects of the proposed use and may consider the costs of enlarging, upgrading or extending public utilities in establishing conditions under which the conditional use may be permitted;
3. Lot or tract characteristics, including lot size, yard requirements, lot coverage and height of structures;
4. Use characteristics of the proposed conditional use that affect adjacent uses and districts, including hours of operation, number of persons, traffic volumes, off-street parking and loading characteristics, trash and litter removal, exterior lighting, noise, vibration, dust, smoke, heat and humidity, recreation and open space requirements;
5. Community appearance such as landscaping, fencing and screening, dependent upon the specific use and its visual impacts.

Conditions

- 1. The facility shall be operated consistent with the application and plans that were submitted with the request.
- 2. The Planning Commission, at its discretion, may schedule a public hearing at any time following the first year of operation for the purpose of resolving issues with the request and mitigating adverse impacts on nearby properties.
- 3. Failure to comply with any of the conditions may result in revocation of the conditional use permit.

The motion PASSED by the following vote.

Yes: 5 - McConnell, Miyasato, Eisenbeisz, Guevin, and Putz

Absent: 2 - Hunter, and Swanson

B 15-087

Board of Adjustment: Approve a conditional use permit filed by the Greater Sitka Arts Council for an extension of a nonconforming use at 304 Baranof Street

Maegan Bosak, Planning and Community Development Director, provided a summary of the request. Bosak explained the two story building had been leased to professional offices in the past and explained the applicant was planning to use the building for office, exhibit and storage space. In addition, Bosak explained there was a dwelling unit above which the applicant planned to rent.

Assembly members noted the request was in conformance with the Comprehensive Plan.

A motion was made by Miyasato to APPROVE a conditional use permit filed by the Greater Sitka Arts Council for an extension of a nonconforming use at 304 Baranof Street, and further, adopt the conditions and findings as recommended by the Planning Commission and request that they are listed in their entirety as part of the official record.

Required Findings

- 1. The city may use design standards and other elements in this code to modify the proposal. A conditional use permit may be approved only if all of the following findings can be made regarding the proposal and are supported by the record that the granting of the proposed conditional use permit will not:
 - a. Be detrimental to the public health, safety, and general welfare;
 - b. Adversely affect the established character of the surrounding vicinity; nor
 - c. Be injurious to the uses, property, or improvements adjacent to, and in the vicinity of, the site upon which the proposed use is to be located.
- 2. The granting of the proposed conditional use permit is consistent and compatible with the intent of the goals, objectives and policies of the comprehensive plan and any implementing regulation; specifically: To encourage commercial and industrial developments of a quality that does not adversely impact any adjacent recreational and residential areas.
- 3. All conditions necessary to lessen any impacts of the proposed use are conditions that can be monitored and enforced.
- 4. The proposed use will not introduce hazardous conditions at the site that cannot be mitigated to protect adjacent properties, the vicinity, and the public health, safety and welfare of the community from such hazard.
- 5. The conditional use will be supported by, and not adversely affect,

adequate public facilities and services; or that conditions can be imposed to lessen any adverse impacts on such facilities and services.

6. **Burden of Proof.** The applicant has the burden of proving that the proposed conditional use meets all of the criteria in subsection B of this section.

General approval criteria are as follows:

1. Site topography, slope and soil stability, geophysical hazards such as flooding, surface and subsurface drainage and water quality, and the possible or probable effects of the proposed conditional use upon these factors;
2. Utilities and service requirements of the proposed use, including sewers, storm drainage, water, fire protection, access and electrical power; the assembly and planning commission may enlist the aid of the relevant public utility officials with specialized knowledge in evaluating the probable effects of the proposed use and may consider the costs of enlarging, upgrading or extending public utilities in establishing conditions under which the conditional use may be permitted;
3. Lot or tract characteristics, including lot size, yard requirements, lot coverage and height of structures;
4. Use characteristics of the proposed conditional use that affect adjacent uses and districts, including hours of operation, number of persons, traffic volumes, off-street parking and loading characteristics, trash and litter removal, exterior lighting, noise, vibration, dust, smoke, heat and humidity, recreation and open space requirements;
5. Community appearance such as landscaping, fencing and screening, dependent upon the specific use and its visual impacts.

Conditions

1. The facility shall be operated consistent with the application and plans that were submitted with the request.
2. The Planning Commission, at its discretion, may schedule a public hearing at any time following the first year of operation for the purpose of resolving issues with the request and mitigating adverse impacts on nearby properties.
3. Failure to comply with any of the conditions may result in revocation of the conditional use permit.
4. Applicant will submit a detailed parking plan.

The motion **PASSED** by the following vote.

Yes: 5 - McConnell, Miyasato, Eisenbeisz, Guevin, and Putz

Absent: 2 - Hunter, and Swanson

A motion was made by Miyasato to **RECONVENE** as the Assembly in regular session. The motion **PASSED** by unanimous voice vote.

VI. ADJOURNMENT

A motion was made by Miyasato to **ADJOURN**. Hearing no objection the meeting **ADJOURNED** at 5:15pm.

ATTEST: _____
Sara Peterson, CMC
Municipal Clerk