



CITY AND BOROUGH OF SITKA

ASSEMBLY CHAMBERS
330 Harbor Drive
Sitka, AK
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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*

*Interim Municipal Administrator: John P. Sweeney III
Municipal Attorney: Robin L. Koutchak
Municipal Clerk: Colleen Ingman, MMC*

Tuesday, September 24, 2013

6:00 PM

Assembly Chambers

WORKSESSION - 5:00 PM - Off the Grid Municipal Land Sales Discussion

REGULAR MEETING

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

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

IV. CORRESPONDENCE/AGENDA CHANGES

Agenda Changes

Interim Administrator Jay Sweeney recommended that Item K be removed from the agenda as requested by Mark Gorman. Sweeney went on to explain that the Mayor and him have a routine when reviewing the agenda and since they were both preoccupied with their attendance at Southeast Conference that formal review did not take place. Mr. Gorman was misled by staff giving incorrect information, and that Gorman is happy to come to work under the terms of the offer previously extended without a contract. Sweeney, the Attorney and Clerk were completely unaware that staff was negotiating a contract with Gorman. I am ultimately responsible and accept the blame. Gorman had nothing to do with the notion of a contract, and did not initiate it. Sweeney pledged to continue to improve staff communication and coordination so that these types of things do not re-occur.

13-185

Correspondence

RFQ for Solid Waste Management Plan has begun advertising. Putz asked if fire hydrant painting is allowed. Harmon replied "Yes" and for

interested persons to contact the Public Works office. Hackett mentioned the praise the Cavitt family had for the harbor department.

V. CEREMONIAL MATTERS

Mayor thanked Ed Ronco for his time in Sitka and wished him the best in his future endeavors.

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

Government-to-Government: STA vice Chair Benjamin Miyasato thanked Michelle Putz for serving as liaison to the Tribe and Thor Christianson for his service on the assembly.

VII. PERSONS TO BE HEARD

Executive Director of Chamber of Commerce thanked everyone for the warm welcome for Southeast Conference. They had over 200 attendees. ATIA Conference will be held October 7-10 with 400 attendees. The Chamber estimates they will spend nearly half million dollars. Seasons End Celebration is this Saturday sponsored by Chamber, Cruise Line agencies, Allen Marine and the local seafood processors. Assembly candidate forum is at tomorrow's Chamber luncheon; the Governor is speaking October 2 and Susan Bell with USDA will be the speaker for the following Wednesday.

Tonia Rioux, director of Sitka Convention and Visitors Bureau praised Centennial Hall staff for their responsiveness. The Alaska Travel Industry Convention bulk of sessions will be held at Sheldon Jackson College with all general sessions being held in the Hames gym. She invited all assemblymembers to the opening reception to be held at Harrigan Hall on Tuesday, October 8. The Governor will be here as well.

VIII. REPORTS

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

Mayor - Attended LEPC, Southeast Conference including the Mayor's meeting where she is now serving as the Chair. That group is working on some resolutions one on herbicides and another on ferry schedules. Did the welcome for Southeast Conference as well as attended. Sweeney, Campbell and her met with Weinstein from Senator Beigch's office; she attended the ATIA planning meeting.

Interim Administrator - Attended the entire Southeast Conference and met with Weinstein; attended with Harmon and Schmidt the STA Government-to-Government monthly meeting where there was a lengthy discussion of a permanent location for the Community Ride. This is his last assembly meeting as your interim administrator Harmon will be acting at your next meeting. Assembly members praised Sweeney and thanked him for serving during this time period.

Liaisons - Historic Preservation Commission is developing a handout for contractors. Putz appreciates the working relationship with the Tribe. Putz also attended Southeast Conference. Hunter attended the Ports and Harbors and Police and Fire Commission meetings the P&F had a presentation on hearing officer duties next meeting they plan to talk about the "Ride" additionally there will be a public meeting on October 3rd at 6:00 PM regarding Community Ride.

Clerk - Absentee voting has begun and is available on the 3rd floor of City Hall through Monday September 30 at 5:00 PM. She announced they are getting ready to order iPads and the question came up as to whether the assemblymembers would rather order their own accessories such as keyboards etc., and get reimbursed or if the desire is to standardize. During recesses a majority of assemblymembers wished to standardized and have the city order.

Other - Reif presented to Stanford University students while in town. He spoke to the ballot proposition that would free up around \$380,000 of general fund monies to be used for other things and extend the 6% sales tax two years. He hopes the community will support the proposition. He and Christianson sponsored the ordinance putting the question on the ballot.

IX. CONSENT AGENDA

- A 13-183** Approve the minutes of the September 10, 2013 Assembly meeting
- This item was APPROVED ON THE CONSENT AGENDA.**
- B 13-181** Reappoint Mary Stensvold to the Sitka Convention and Visitors Bureau
- This item was APPROVED ON THE CONSENT AGENDA.**
- C RES 13-16** Commenting on the Federal Subsistence Management Program's Rural Determination Process
- Putz asked Campbell about the 11,000 figure. Campbell responded the 11,000 would benefit Sitka as it is unlikely Sitka's population would surpass that figure and we wouldn't have to prove again and again we are a rural community. Additionally, the 11,000 was suggested by the

secretary of agriculture it is a guideline only. The Subsistence Board public hearing is a great addition to Sitka - Sitka was not one of the original considerations. Campbell believes it will be staffers from federal agencies coming opposed to the actual subsistence board. You have until November 1st to comment. A request was made to put this information on the city's web page.

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

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

X. UNFINISHED BUSINESS:

D ORD 13-37 Adjusting the FY13 and FY14 Budgets

This item was PASSED ON SECOND READING.

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

E ORD 13-38 Authorizing the issuance of junior lien electric revenue bonds of the City in the principal amount of not to exceed \$50,000,000 to finance a portion of the cost of expanding the Blue Lake hydroelectric project; providing for the issuance of the bonds in one or more series; and authorizing the sale of the bonds to the Alaska Municipal Bond Bank

Sweeney explained that the City is going ahead with \$27,000 million for now, even though the ordinance authorizes more. This way nothing will be required from the Assembly if the City needs to move forward with additional funding. Hackett asked whether there would be an opportunity for purchasing the bonds by Sitkans. The National Bond Bank sells its bonds. There are days for institutional sales and retail sales. They will try and sell as much as possible on an institutional basis say to insurance companies etc. on the next day they will be sold to brokerage firms; those firms could re-sell to investors. Individuals do not have an opportunity to buy directly.

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

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

F ORD 13-39 Amending Subsection 15.01.020 of the SGC Electrical rates by increasing rates for all customer classes to fund approved electrical utility capital projects including the Blue Lake hydroelectric expansion project - Effective July 2014

Putz shared an idea that perhaps the Tribe can get funding or a grant that would help tribal citizens with electrical costs.

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

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

G ORD 13-36

Amending the official Sitka Zoning Map to rezone a portion of Lot 5C Department of Public Safety Subdivision U.S. Survey 407 Tract B from R-2 MHP Multifamily and Mobile Home to I Industrial

Marlie Loomis is opposed. When we purchased the home we knew there was a rock quarry up there but there wasn't much rock left. Then BIHA expanded their operations. There are many families with kids that play in the area.

Beau Hedrick lives at 102 Thomas Young Circle, the last home before the gate; he purchased his home just over a year ago with the understanding that they will be moving rock out of there for a few more months. Semis are flying coming out of there. He would rather see hauling at night than during the day when his kids are playing.

Planner I Maegan Bosak and Cliff Richter with BIHA said there were four meetings of the Planning Commission our primary purpose when we acquired the project was to reclaim the site and develop for residential use in the future. BIHA created all of the existing neighborhoods in that area reasoning that they are in the home building business, not the rock business. The applicant asked for a 10 year permit but the Planning Commission changed it to 20 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: 2 - Christianson, and Hackett

H 13-175

Approve transfer(s) and/or designations from the General Fund FY'13 surplus reserves to the Public Infrastructure Sinking Fund

Putz and Hackett urged consideration of always holding back a percentage opposed to spending it all - defeats the purpose. Harmon reported that the city received some state funding for Edgecumbe Drive but it is vastly short for the project to be fully accomplished. Storm drains are at the end of their useful life and underground utilities are a big unknown. The sidewalks need to comply with ADA standards and we need to take care of sink holes. Pavers will be in town next summer which may give us an opportunity to get more competitive bids. If that is the case, then perhaps a little more funding will become available. This is the biggest piece of road we have in the city's inventory. It gets far more traffic than any other road in the city's inventory; it is a prime transportation coordinator. Esquiro wanted to know if we were to do the project at the \$3.5 million project cost what would we be giving up?

Harmon responded we would not be able to address the sidewalks, curbing and settlement areas. Harmon explained that it is difficult to come back and do sidewalks on a different lifecycle. ADA compliance puts us at liability if it doesn't get addressed when we are doing upgrades.

A motion was made by Hunter to approve designating \$653,219 for the Edgecumbe Drive Repaving project, and further move that \$827,325.85 be transferred from the Public Infrastructure Sinking Fund to the General Fund and appropriated and designated for Edgecumbe Drive Repaving Project as being in the interest of public welfare. The motion PASSED by the following vote.

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

No: 1 - Esquiro

I 13-174

Discussion/Direction on a compensation study for non-represented employees

Hackett believes the city should wait until Gorman is on board to get his input prior to any study.

A motion was made by Hackett that this item be POSTPONED until the second regular assembly meeting in November. The motion to POSTPONE FAILED by the following vote.

Yes: 3 - Christianson, Esquiro, and Hackett

No: 4 - Reif, Hunter, Putz, and McConnell

Sweeney gave a brief synopsis. The representative employees have collective bargaining. There is a feeling that the non-represented employees are neglected and not taken care of. The city needs a mechanism to address this. One thing that was central was "their compensation and employment blows like a leaf in the wind and is at the sole discretion of the administrator." Over the years they have fallen behind those benefits and increases of bargaining unit employees. Senior department heads are having a very difficult time convincing their bargaining unit employees to step up to management. They would receive a whole lot more work and less pay. Sweeney estimates the study would cost \$20,000 to \$25,000.

Mark Danielson, Human Resource Director spoke to 2/3 of work force. In his opinion you have wage compression. Our classification system is 15-20 years old. The classification for union employees gets regularly addressed through collective bargaining the non represented employees do not.

Sweeney reiterated that senior positions are under compensated. Another factor that the department head offered is all their afterhours and weekend work goes on without any compensation but if they were a collective bargaining employee they would be compensated. Hunter recalled when the water main broke he was called out as a volunteer and

he noted that many city employees that responded and worked through the night were salaried employees receiving no compensation.

A motion was made by Christianson to direct the Municipal Administrator to prepare a Request for Proposal (RFP) for a Compensation Philosophy Study that would include examining alternative ways of compensating non-representative employees and to bring the RFP back before the Assembly. The motion PASSED by the following vote.

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

XI. NEW BUSINESS:

J 13-182

Board of Adjustment - Approve a Natural Resource Extraction Conditional Use Permit submitted by Baranof Island Housing Authority and associated conditions and findings

Christianson recused himself as he is close friends with those offering testimony and felt he would be biased.

Staff Presentation - Planner I Maegan Bosak explained the entire expansion is for 20 years and this conditional use permit precedes all others. She added, the Planning Department wanted to make sure that the neighborhood knew of BIHA's application so they expanded the notice to ensure that the public was well informed. It was a lengthy process, including four public hearings. There is an annual review and that requirement can be extended for as many years as needed.

Applicant Presentation - BIHA estimates they would quarry somewhere between 10,000 - 20,000 cubic yards a year. He added that there is no guarantee that BIHA will be providing rock to the Trooper Academy project.

Public Testimony - Marlie Loomis brought up the need for reduced speed limits, adding it is a downhill grade and the trucks break all the way. She doesn't think 15 mph would be popular, she appreciates knowing that there won't be the amount of trucks transporting as they are currently experiencing.

Beau Hedrick questioned the need to haul on Saturdays and the times. He wondered if BIHA could accommodate by working around school bus pickup and delivery schedule. He would also like to see some advance notice to residents so they can give their children a heads-up. He supports a stop and speed sign being erected.

Clarifying Statements - Reif had a question for Harmon on Sitka's rock shortage. Harmon confirmed the need for rock in the community. He projects the community needs nearly 50,000 cubic yards a year to fulfill community wide needs. Harmon pointed out that load restrictions and safety checks really play into safety and wear and tear on our roads.

Rebuttal

Staff - Thinks the signage is a great idea and BIHA is willing to work on that, plus the Planning Commission is always willing to hear any complaints.

Applicant - Contractors usually want as many hours as possible. They had no issue with Putz's suggestion of putting a notice in the newspaper when there was going to be increased traffic. As far as their ability to build an alternate road they have looked at Sisters Lane but it was very costly. If they could find a partner it might be a possibility but not currently.

Deliberation - Members discussed different conditions and what was enforceable and what wasn't. Putz mentioned that we are pretty lucky to have a developer who really cares about how to do it. Two additional conditions numerated 18 & 19 were added.

A motion was made by Putz to convene as the Board of Adjustment. The motion PASSED unanimously.

A motion was made by Reif to approve a conditional use permit submitted by Baranof Island Housing Authority (BIHA) for expansion of natural resource extraction and mining support facilities located at the far end of Yaw Drive, and further support the conditions and findings recommended by the Planning Commission and request that they are listed in their entirety as part of the official record.

CONDITIONS:

1. The permit is contingent upon the passage of the rezoning ordinance involving 36 acres;
2. The quarry and rock crusher shall operate consistent with the plans and narrative submitted with the application or as modified by the following conditions;
3. The buffers shown on the development plan shall be maintained and vegetation shall remain in the buffers to the fullest extent possible. Any rock removal within the buffers shall be limited to the minimum amount necessary to insure the safety of the operations;
4. The permit is for 20 years with opportunities for one-year extensions;
5. The plan for the benches included in the submittal shall be followed;
6. Approval will be obtained by the U.S. Corps of Engineers of wetland issues;
7. The Municipality to sign off on the drainage plan;
8. The Planning Office may allow for minor modifications of the site and operational plan. Land owners in the subdivisions along Yaw Drive and Indian River Road have appeal rights to the Planning Commission and the Assembly;
9. The rock crusher shall be located on the site in a manner that minimizes its ability to be heard in the Indian River Valley. The crusher shall be relocated, with that goal in mind as the quarry activity expands;
10. Quarrying activities, rock sorting, and vehicular movements in the quarry are limited to Monday through Saturday from 7:00 am to 7:00 pm. Loading and

truck movements may occur on a limited basis on Sunday if necessary approved consistent with below;

11. The Planning Commission, following an advertised public hearing, may allow a short term expansion of quarry operations on Sunday between the hours of 10:00 am and 4:00 pm. That expansion of operations shall only be allowed for a 45 day period each year. Any expansion of the hours shall only be for a public project and shall only be made after a finding is made that nearby properties will not be adversely affected. Land owners in the subdivisions along Yaw Drive and Indian River Road may appeal any Planning Commission temporary extension to the Assembly within ten calendar days of the decision on the extension;

12. Truck traffic along Yaw Drive and Indian River Road is only allowed between the hours of 7:00 am and 6:00 pm Monday through Saturday;

13. The Planning Commission, following an advertised public hearing, may allow a short term expansion of truck traffic operations on Yaw Drive and Indian River Road on Sunday between the hours of 10:00 am and 4:00 pm. That expansion of operations shall only be allowed for a 45 day period each year. Any expansion of the hours shall only be for a public project and shall only be made after a finding is made that nearby properties will not be adversely affected. Land owners in the subdivisions along Yaw Drive and Indian River Road may appeal any Planning Commission temporary extension to the Assembly within ten calendar days of the decision on the extension;

14. The rock crusher shall only operate in the quarry between the hours of 8:00 am and 5:00 pm Monday through Friday;

15. The Planning Commission, following an advertised public hearing, may allow a short term expansion of crusher operations on Yaw Drive and Indian River Road on Sunday between the hours of 10:00 am and 4:00 pm. That expansion of operations shall only be allowed for a 45 day period each year. Any expansion of the hours shall only be for a public project and shall only be made after a finding is made that nearby properties will not be adversely affected. Land owners in the subdivisions along Yaw Drive and Indian River Road may appeal any Planning Commission temporary extension to the Assembly within ten calendar days of the decision on the extension;

16. The Planning Commission shall hold an advertised public hearing within 13 months of the expansion of operations, outside of the original 18.8 acres quarry approved in the earlier conditional use permit. The owner shall notify the Planning Office, in writing, within one month of the expansion of quarry operations and shall file a written narrative, describing operations, within 11 months of the expansion of operations onto the additional area. The Planning Commission, at its discretion, may require as many additional annual reviews as it deems necessary. The purpose of the review is to develop strategies to minimize impacts on nearby properties;

17. In the event complaints arise about the operations of the quarry that cannot be resolved between Municipal staff and the owner, the Planning Commission is tasked with working to resolve the concerns with appeal opportunities by nearby property owners to the Assembly;

18. Install a stop sign at the turn off at Thomas Young Circle on the downhill side coming from the quarry; and

19. Post speed signage on Yaw Drive trucks 20 MPH and cars 25 MPH.

FINDINGS:

1. The Planning Commission finds that 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 Sections 2.3.4, 2.3.6 and 2.5.2 of the comprehensive plan;
 3. All conditions necessary to lessen any impacts of the proposed use are conditions that can be monitored and enforced. Specifically the 19 conditions added to the conditional use permit;
 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 those conditions can be imposed to lessen any adverse impacts on such facilities and services. Specifically mitigate truck traffic on Yaw Drive; and
 6. Burden of Proof. The applicant has met the burden of proof.

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

Recused: 1 - Christianson

A motion was made by Hackett to add a stop sign at the turn off area at Thomas Young Circle. The amendment Passed unanimously.

A motion was made by Hunter to add condition 19. To add signage on Yaw Drive Trucks 20 MPH and Cars 25 MPH. The motion to AMEND PASSED by a unanimous voice vote.

Motion by Putz to reconvene as the Assembly in regular session. This motion PASSED unanimously on a voice vote.

K 13-177

Approve Employment Agreement between CBS and Municipal Administrator Mark Gorman

This item was pulled under Agenda Changes at the beginning of the meeting.

L 13-180

Approve transferring funds from FY'13 surplus reserves to achieve the intended 92% of actual bed tax revenue for Sitka Convention and Visitors Bureau

Director Tonia Rioux passed on that historically they have been funded at 80% of the actual bed tax. This proposed adjustment would allow us to do more marketing, and expand our web services. Jennifer Robinson reported that the Chamber of Commerce recognizes the substantial

impact of visitors to our economy and tax dollars to our municipality.

Christianson spoke to why we have the bed tax, believing that 8% is reasonable to manage the bed tax. He too believes we need to be very aggressive on our marketing which takes money. Reif is in support but suggested that should we over estimate then we would need to decrease the appropriation. Hackett opined that their budget process just doesn't seem right to her. Esquiro supports and hopes they are keeping a log of their expenses that they'll share at a later date.

Motion by Christianson to transfer \$45,778 from FY'13 surplus reserves to Sitka Convention and visitors Bureau in order to achieve the intended 92% of actual bed tax revenue. The motion PASSED by the following vote.

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

No: 1 - Putz

M 13-184

Discussion/Decision on a grading request for the Hames Parking lot before the ATIA Conference

Harmon estimated a quick fix would cost the city \$3,500 and would last about a month. To do it right and for it to last longer, the lot would need to be graded below the pot holes etc. that would cost \$14,000.

Director Roger Schmidt of Sitka Fine Arts Camp mentioned that they have some volunteers, buckets and shovels and even a small grader. But they need some help with the parking lot before the ATIA Conference.

Shelia Finkenbinder supports the Convention and Visitors Bureau. She commented that the campus is used by everyone and this is a community convention.

Jennifer Robinson asked the entire community to work together to make Sitka shine for this convention, reiterating this is a big convention for Sitka and we want them to see Sitka as amazing.

A motion was made by Christianson to approve the City to partner with Hames Wellness Center/Sitka Fine Arts Council to grade and compact the parking lot immediate adjacent to the Hames Wellness facility and latter in the meeting amended to take \$7,500 from the General Fund to accomplish this. The final motion as AMENDED PASSED by the following vote.

Yes: 4 - Christianson, Hunter, McConnell, and Hackett

No: 3 - Esquiro, Reif, and Putz

Hackett has a problem taking funding out of non-profits grants thinks that is the wrong funding source.

Motion to AMEND by Christianson to use \$7,500 of the unexpended non-profit funding. The amendment FAILED by the following vote.

Yes: 3 - Christianson, Hunter, and Putz

No: 4 - Esquiro, Reif, McConnell, and Hackett

Motion by Reif to EXTEND the meeting. The meeting to EXTEND FAILED on a 5-2 vote with Hunter and Esquiro opposed. To extend passed 10:30 PM with seven members present requires 6 members vote in favor.

Reif interjected what do you want from the city? Schmidt replied whatever the assembly would be willing to do. Sitka Fine Arts Camp have inherited a lot of public parking for things like the Health Summit, Health Fair and even harbor users etc., the more help we can get from the Assembly to maintain the better; it is a public space in his opinion. But the immediate need is put Sitka's best face forward for this conference. Reif queried why didn't this come to them in the form of a non-profit grant application? Schmidt didn't consider the parking lot as a responsibility of Sitka Fine Arts Camp at the time.

Hackett suggested that if the assembly were willing to consider the larger process is that something the Sitka Fine Arts Camp would and could be willing to share 50-50?

A motion was made by Christianson that \$7,500 be taken from the General Fund. The motion on this amendment PASSED by the following vote.

Yes: 4 - Christianson, Hunter, McConnell, and Hackett

No: 3 - Esquiro, Reif, and Putz

N 13-178 Discussion/Direction on "Buy Local" and Preferential Procurement Policies

This item was POSTPONED.

O 13-179 Climate Action Plan Status and Future

This item was POSTPONED.

XII. ADJOURNMENT

With no favorable motion to EXTEND the meeting automatically ADJOURNED at 10:30 PM. The two remaining items N & O will be brought up under Unfinished Business at the October 7, 2013 meeting.