



# 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: Colleen Ingman, MMC*

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Tuesday, April 14, 2015

6:00 PM

Assembly Chambers

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### WORK SESSION 5:00 PM

15-051

Public Works offers an update

An update on the Harrigan Centennial Hall Renewal Project was provided by the Public Works Department and consultant, McCool Carlson Green.

### REGULAR MEETING

#### I. CALL TO ORDER

#### II. FLAG SALUTE

#### III. ROLL CALL

**Present:** 6 - Hunter, Swanson, Miyasato, Eisenbeisz, Guevin, and Putz

**Absent:** 1 - McConnell

#### IV. CORRESPONDENCE/AGENDA CHANGES

Putz wondered if staff had responded to the DOT letter regarding the CBS wish list. Municipal Administrator, Mark Gorman, stated staff was working on this.

#### A 15-047

Calendars and proposed and general correspondence including PW Update

#### V. CEREMONIAL MATTERS

Deputy Mayor Hunter read a proclamation proclaiming 2015 The Year of Community Health and Wellness. Melissa Marconoi-Wentzel of the Sitka Health Summit accepted the proclamation.

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

Lawrence SpottedBird, General Manager of Sitka Tribe of Alaska, provided an update on activities at the Tribe. SpottedBird wished to have it noted the Tribe sent the City and Borough of Sitka a letter opposing the proposed increase in electric rates. Urged the Assembly to support the RIDE.

Rob Allen, CEO of Sitka Community Hospital, reported the Hospital was working on their budget and was in the initial stages of starting their strategic planning process.

**VII. PERSONS TO BE HEARD**

John Stein, thanked the Public Works Department for their work at Pioneer Park and maintenance of the Sea Walk.

Chris Brewton, Utility Director, introduced interim Utility Director, Dale Goerner.

**VIII. REPORTS**

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

Administrator - Announced an Art Walk would be held at City Hall on May 1 from 5-7pm, met with DOT earlier this month and learned work would be done to improve the safety of DOT crosswalks in Sitka, visited with Senator Stedman to discuss the State budget, toured Sitka Sound with Tim Ryan, and reported the Finance Department was getting more aggressive with collections.

Attorney - Reminded the Assembly Attorney Michael Gatti would be in Sitka on April 28 to conduct a worksession with the Assembly on municipal taxation.

Liaisons - Miyasato invited Library Director, Robb Farmer, to speak. Farmer noted it was National Library Week and praised his staff for their dedication and hard work. Miyasato reported on the Library Commission and Parks and Recreation Committee events. Putz attended the recent Investment Committee meeting. Guevin reminded the public there would be a School Board worksession on April 15, attended the Health Needs and Human Services Commission meeting and noted the Commission would be bringing forward goals.

15-050

e. Clerk - moving 2nd regular Assembly meeting in May

The Assembly decided to move the second regular meeting in May to Wednesday, May 27th due to a conflict with Sitka High School Graduation on May 26th.

**IX. CONSENT AGENDA**

**A** 15-042 Approve the minutes of the March 24, 2015 Assembly meeting

This item was APPROVED on the Consent Agenda.

**B** 15-043 Reappoint Hans von Rekowski to a term on the Parks and Recreation

Committee.

Miyasato thanked Hans von Rekowski for his many years of service on the Committee.

**A motion was made by Miyasato to APPROVE this appointment. The motion PASSED by the following vote.**

**C**     [15-044](#)

Approve liquor license renewal for Van Winkle and Sons

**This item was APPROVED on the Consent Agenda.**

**D**     [15-041](#)

Approve reappropriating all unspent harbor bond proceeds to the Sitka Transient Float Project - \$197,662.64 + accrued interest

Putz applauded staff for their work on the ANB Harbor project.

Eisenbeisz reminded the Assembly of the options associated with this request and encouraged the Assembly to explore other options.

Jay Sweeney, Chief Finance and Administrative Officer, stated there was the possibility of bonding in the future for Crescent Harbor. Sweeney said the money in question could be used for debt service, however, the amount of money available to put toward municipal contributions down the road would require more of the fund balance to be spent.

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

**Yes:** 5 - Hunter, Swanson, Miyasato, Guevin, and Putz

**No:** 1 - Eisenbeisz

**Absent:** 1 - McConnell

**E**     [15-039](#)

Award issuing Troy's Excavation a contract/purchase order, plus contingency for Boomer Property Solid Waste Disposal - \$77,600.00

Mitch McGraw stated his displeasure at the steps involved in awarding the contract.

Deputy Mayor Hunter asked Municipal Administrator Gorman to provide clarification of the process for sole source procurement. Chris Brewton, Utility Director, came forward to provide further explanation of the process, the USFS permitting process, and timeline to date.

Municipal Attorney, Robin Koutchak, offered that one of the reasons for the interagency exception exists because the process was often arduous when governmental agencies were dealing with one another.

Eisenbeisz asked Hal Spackman of the Sitka Historical Society if the Society would be interested in artifacts to which Spackman replied yes.

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

**Yes:** 5 - Hunter, Miyasato, Eisenbeisz, Guevin, and Putz

**No:** 1 - Swanson

Absent: 1 - McConnell

- F [15-038](#) Authorize the procurement to Worthington Products to supply boom for Green Lake Containment, plus shipping and contingency - \$99,665.60

**This item was APPROVED on the Consent Agenda.**

- G [15-040](#) Authorize the disposal of surplus equipment and material remaining from the Blue Lake Hydroelectric Expansion Project

Eisenbeisz asked Utility Director, Chris Brewton, to explain the process for disposing of the materials. Brewton reported several companies on the west coast had been contacted and stated the Electric Department would go out to bid for disposal of the equipment.

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

**Yes:** 6 - Hunter, Swanson, Miyasato, Eisenbeisz, Guevin, and Putz

Absent: 1 - McConnell

- H [15-045](#) Authorize the Municipal Administrator to execute a lease agreement with Aggregate Construction, Inc. for Lease Site #7, located at Granite Creek, encompassing 100,700 sf

**This item was APPROVED on the Consent Agenda.**

- I [ORD 15-14](#) Proposing to clarify the SGC by Amending Title 10 Public Safety and Morals, under Chapter 10.88 Firearms at Section 10.88.020 Prohibitions, Title 13 Port and Harbors, under Chapter 13.13 at Section 13.13.025 Emission of Soot from an Oil Stove In a Vessel, Title 4 Streets and Sidewalks, under Chapter 14.04, at Section 14.04.020 Ice and Snow Removal, Title 15 Public Utilities, under Chapter 15.05 Water System at Section 15.05.400 Cross-Connections, Title 18 Property Acquisition and Disposal, under Chapter 18.08 Personal Property Acquisition and Disposal at Sections 18.04.010 (I) Personal Property Definition and Title 18 Footnote 2 to Correct Statute References, Title 19 Building and Construction, under Chapter 19.01 Building Code at Section 19.01.013 Adoption of Excavation and Grading Standards, Section 19.01.020 Building Permit Fees, Section 19.08.040 Definition of Islands, Title 22 Zoning, Chapter 22.08 Definitions at Section 22.08.585 Manufactured Home, and Section 22.08.590 Mobile Home

**This item was APPROVED on the Consent Agenda.**

- J [ORD 15-15](#) Proposing to clarify the Sitka General Code by Amending Title 1

General Provisions, at Sections 1.01.010 Adoption, and 1.01.030 Codification Authority to update Alaska Statute References, Amending Title 2, at Sections 2.04.010 Agenda Testimony Time, 2.04.170, Assembly Meeting Time, 02.12.010 Clarifying Physician Members on Hospital Board, 2.40.100 Acceptance of Nomination, 2.40.290 Election Supplies and Equipment, 2.40.300 Instructions to Voters, 2.40.410 Preservation of Ballot After Counting, Title 3, Procurement at Sections 3.16.030 Open Market Procedures, 3.16.060 Exceptions to Competitive Bidding Requirements, 3.16.080 Procurement Monitoring, Title 4, Revenue and Finance in Sections 4.26.165 (A) and 4.26.165 (E) to clarify Alaska Appellate Court Name, in Section 4.28.040 (C) to update the best practices recommendation, in Section 4.44a.010 (B) to remove an incorrectly placed word, and Title 6, Section 6.19.030 (E) Commercial Operations Permit to clarify fee expense

**This item was APPROVED on the Consent Agenda.**

**X. UNFINISHED BUSINESS:**

- K**     [ORD 15-16](#)     Proposing to clarify the SGC by amending Sections 8.04.020 Licensing (Animals), 8.04.080 Objectionable Animals, and 10.52.010 Unlawful Acts (Dangerous Dog)
- Putz stated the obvious intent was to get dogs licensed. She asked for clarification on line 42 noting that people who move here may already have a dog. Municipal Attorney, Robin Koutchak, offered language as an amendment that would not be substantive and require the ordinance to come back before the Assembly for an additional reading.
- A motion was made by Miyasato that this Ordinance be APPROVED on second and final reading as amended. Line 42 was amended to read, "...animal control officer within ninety days after the arrival of the dog." The motion as amended PASSED by the following vote.**
- Yes:** 6 - Hunter, Swanson, Miyasato, Eisenbeisz, Guevin, and Putz
- Absent:** 1 - McConnell
- L**     [ORD 15-18](#)     Proposing to clarify the SGC by amending Chapter 10.40 Gambling, Section 10.40.010 Prohibited and Loitering Sections, 10.76.020 Definition, and 10.76.030 Prohibited Operations
- A motion was made by Swanson that this Ordinance be APPROVED on second and final reading. The motion PASSED by the following vote.**
- Yes:** 6 - Hunter, Swanson, Miyasato, Eisenbeisz, Guevin, and Putz
- Absent:** 1 - McConnell
- M**     [ORD 15-19](#)     Proposing to clarify the SGC by amending Title 10 Public Peace Safety and Morals, Chapter 10.84 Liquor Regulations, at Sections 10.44.010 Liquor Regulations Definition A., 10.44.020 Scopes of Provisions, 10.44.030 License Required, 10.44.060 Persons

Forbidden to Have Liquor, and 10.84.010 Definitions

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

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

Absent: 1 - McConnell

N [ORD 15-20](#)

Proposing to clarify the SGC by Amending Sections 11.17.25.010 Prohibited Vehicles and Loads, Section 11.17.25.020 Width of Vehicles, Section 11.28.010 Traffic Code-Adoption of State Traffic Laws, and Sections 15.05.590 and 15.05.600 Fire Protection Services and Systems

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

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

Absent: 1 - McConnell

O [15-023](#)

\$25,000 was authorized to be placed into the FY16 Municipal Budget for consideration. It was further requested to bring back the request for any additional funding considerations for "the RIDE" through its coordinating agency Center for Community on April 14

Ben Miyasato stated he was on the Transportation Committee and recused himself.

A motion was made by Guevin that this Item be POSTPONED to the April 28 Assembly meeting. The motion PASSED by the following vote.

Yes: 5 - Hunter, Swanson, Eisenbeisz, Guevin, and Putz

Absent: 1 - McConnell

Recused: 1 - Miyasato

XI. NEW BUSINESS:

New Business First Reading

P [ORD 15-21](#)

Amending SGC that Title 4 Revenue and Finance, at Chapter 4.44 Southeast Alaska Economic Development Fund, under Sections 4.44.010 Establishment and 4.44.050 Procedure for deciding upon applications for loan guarantees

Jay Brauch spoke in opposition to the ordinance.

Eisenbeisz asked about the Building Maintenance Fund portion of the FY16 budget letter, its reference to the interest earned on the balance of the Southeast Economic Development Fund and how that played a role in funding the Building Maintenance Fund. Jay Sweeney, Chief Finance and Administrative Officer, stated the amount of money coming into the Fund was approximately 6% of the total revenue. Sweeney added the revenue would not be a substantial loss to the Fund.

Guevin, Putz, and Hunter spoke in support of the ordinance.

Gorman stated after the \$2.5 million transfer approximately \$1 million would remain in the fund. He reminded that passage of this ordinance would take the City and Borough of Sitka out of the private sector loan business.

**A motion was made by Guevin that this Ordinance be APPROVED on first reading. The motion FAILED by the following vote.**

**No:** 6 - Hunter, Swanson, Miyasato, Eisenbeisz, Guevin, and Putz

**Absent:** 1 - McConnell

**A motion was made by Eisenbeisz earlier in the meeting to amend line 39 to allow for private sector loans. The amendment PASSED by the following vote.**

**Yes:** 4 - Swanson, Miyasato, Eisenbeisz, and Guevin

**No:** 2 - Hunter, and Putz

**Absent:** 1 - McConnell

Final direction to staff after the **main motion as amended FAILED** was to direct staff to create an ordinance that would: 1) allow for private sector loans and 2) work with a lending institution to issue the loans.

**Q**     [ORD 15-23](#)

Amending the SGC in Title 15 Public Utilities, under Chapter 15.01 Electric Utility Policies, at Section 15.01.020 Electrical Rates, by increasing Electric Rates to fund approved Electrical Utility Capital Projects including the Blue Lake Hydroelectric Expansion Project and establishing an Energy Assistance Fund and an Electric Vehicle Incentive

Matt Donohoe spoke in opposition to the ordinance. Jay Brauch spoke to the rate structures as defined in the ordinance.

**A motion was made by Eisenbeisz to POSTPONE this ordinance to a special meeting on April 23rd. The motion PASSED by the following vote.**

**Yes:** 6 - Hunter, Swanson, Miyasato, Eisenbeisz, Guevin, and Putz

**Absent:** 1 - McConnell

**R**     [ORD 15-17](#)

RECONSIDERATION: Amending Subsection 15.01.020 of SGC Electrical Rates by increasing electric rates to fund approved Electrical Utility Capital Projects including the Blue Lake Hydroelectric Expansion Project and establishing an Energy Assistance Fund

**A motion was made by Swanson to POSTPONE this item to the April 23rd special assembly meeting. The motion PASSED by the following vote.**

**Yes:** 6 - Hunter, Swanson, Miyasato, Eisenbeisz, Guevin, and Putz

**Absent:** 1 - McConnell

**S**     ORD 15-22

Temporarily Instituting All-Mail-Ballot for Municipal Elections in 2015 and 2016 while Sitka's polling place of Harrigan Centennial Hall undergoes renovation and is inaccessible for voting

Jay Brauch stated using the high school auditorium might be a preferable alternative.

Lindsay Evans spoke in opposition to the ordinance. She would like to see the City use Grace Harbor Church, the Trooper Academy or the Senior Center.

Sarah Ferrency and John Stein spoke in support of the ordinance.

Putz felt it was a good opportunity worth trying stating it had been proven to be successful in communities. Hunter agreed.

Guevin clarified there would still be absentee or advanced balloting. Deputy Clerk, Sara Peterson, verified absentee or advanced balloting would still be available at City Hall prior to the election. The Clerk's Office suspects the costs would be cost neutral.

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

**Yes:** 6 - Hunter, Swanson, Miyasato, Eisenbeisz, Guevin, and Putz

**Absent:** 1 - McConnell

**Additional New Business Items**

**T**     15-037

Approve advertising for bids to construct the Harrigan Centennial Hall Renewal Project in accordance with the project funding outlined in the April 6, 2015 attached memorandum

Matt Donohoe wondered if it was possible for the City to back out of this project.

John Stein spoke in support of the Harrigan Centennial Hall project and noted the project was grant funded.

Kristy Crews wondered why there couldn't be exceptions made to local bidders for this project. Kelli Cropper, Project Manager, clarified the bid before the Assembly was for the construction award.

Putz spoke in support of the project. Miyasato echoed her comments and reminded the public funding was coming from cruise ship passenger monies.

Michael Harmon, Public Works Director, and Dan Tadic, Municipal Engineer, reviewed the project scope and funding.

Guevin thanked the Public Works Department and staff for their work.

**A motion was made by Swanson that this Item be APPROVED. The motion**



**PASSED by the following vote.**

**Yes:** 6 - Hunter, Swanson, Miyasato, Eisenbeisz, Guevin, and Putz

**Absent:** 1 - McConnell

**U**     15-049

**CONVENE** as the Board of Adjustment: Approve a conditional use permit submitted by Kristopher and Erica Pearson at Lot 15, Block 1, Middle Island Subdivision year round short-term rental with conditions

**A motion was made by Miyasato to CONVENE as the Board of Adjustment. The motion PASSED by unanimous consent.**

Planning and Community Development Director, Maegan Bosak, provided an overview of the permit request.

Assembly members thanked the Planning Commission and Planning Department for their work.

**A motion was made by Miyasato to APPROVE a conditional use permit filed by Kristopher and Erica Pearson for operation of a year-round, short-term rental at Lot 15, Block 1 Middle Island Subdivision, and further, adopt the conditions and finding as recommended by the Planning Commission and list them in their entirety into the official record. The motion PASSED by the following vote.**

**Required Findings:**

**1. 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 2.8 Outlying Areas and Islands Goals and Policies specifically 2.8.2 D. While commercial and resort development may be appropriate in outlying areas, efforts shall be taken to ensure that they are well planned and have minimal impacts on nearby residential properties;**

**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.**

The city may consider any or all criteria listed and may base conditions or safeguards upon them. The assembly may require the applicant to submit whatever reasonable evidence may be needed to protect the public interest.

The 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.

**F. Evaluation and Approval or Denial of Conditional use Applications for Island Properties.** It is the intent of this code to recognize the unique qualities of islands within Sitka Sound and the substantial differences that exist between individual islands and island groups.

1. Items to be considered in evaluating island conditional use permits include, but are not limited to, the following:
- a. Location on the lot or island.
  - b. Generation of noise.
  - c. Numbers of guests and employees.
  - d. Visibility from adjacent uses including waterborne traffic.
  - e. Use of common access easements.
  - f. Availability of necessary moorage.
  - g. Use of natural or manmade screening or buffers.
  - h. Availability of municipal power.
  - i. Distance from adjacent parcels or islands.
  - j. Removal of excessive amounts of vegetation.

**CONDITIONS:**

1. Applicant will maintain a DEC approved wastewater system.
2. There will be a one-year review before the Planning Commission.
3. Applicant will obtain a satisfactory Fire and Life Safety inspection from the Building Department prior to use as a rental.

**Yes:** 8 - Hunter, Swanson, Miyasato, Eisenbeisz, Guevin, and Putz

**Absent:** 1 - McConnell

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

**V**     [15-048](#)

Discussion/Direction on the methods of publishing Assembly and other municipal agendas

Deputy Clerk, Sara Peterson, read the proposal brought forward by Municipal Clerk,

Colleen Ingman.

Thad Poulson, owner of the Daily Sitka Sentinel, spoke against the proposal and was upset that he hadn't been notified.

Matt Donohoe spoke in support of keeping the current advertising practice.

After discussion, the Assembly decided not to pursue this option.

**W**     [15-046](#)

**Discussion/Direction on the City and Borough of Sitka Budget Balancing Options**

Municipal Administrator, Mark Gorman, reported word had been received that Secure Rural Schools had been funded for two years.

Gorman asked the Assembly if they were supportive of \$1,000,000 going to the School District and what possible increased revenue streams and expenditure reductions were of interest.

There was consensus among Assembly members to support the School District with \$1,000,000. Assembly members discussed the possible increased revenue streams and possible expenditure reductions.

Staff was directed to bring back ordinances to: 1) increase the taxable transaction limit from \$1500 to \$3000, 2) eliminate the long term rental sales tax exemption, 3) double tobacco tax, and 4) increase sales tax to 7% during the months of May through September and maintain 5% October through April.

**XII. PERSONS TO BE HEARD:**

Matt Donohoe expressed confusion with proposed School Budget cuts. Wondered if CBS non-represented employees pay could be frozen.

Ken Buxton cautioned the Assembly against making cuts at the expense of safety. He referenced the proposal of eliminating snow plowing and road treatment outside of major snow events.

Shirley Robards spoke to some of the previously mentioned increased revenue streams and expenditure reductions, in particular the sales tax cap, the senior citizen sales tax exemption, and tobacco tax.

**XIII. EXECUTIVE SESSION**

**XIV. ADJOURNMENT**

**A motion was made by Miyasato to ADJOURN. Hearing no objection the meeting ADJOURNED at 10:14pm.**

**ATTEST:** \_\_\_\_\_  
**Sara Peterson, CMC**  
**Deputy Clerk**