

# 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*

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Tuesday, January 22, 2013

6:00 PM

Assembly Chambers

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Worksession: Harrigan Hall Renovation Project 5pm

### 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

The Mayor stated Item M had been pulled.

#### Government-to-Government Update with Sitka Tribe of Alaska

Ben Miyasato, Vice Chairman of the Sitka Tribal Council, provided an update.

#### Sitka School Board Update/Student Update

School Board Vice President, Tim Fulton, provided an update about the Sitka School District. Sitka High School student, Nick Weatherman, gave a report on recent events at the School.

### V. CEREMONIAL

The Mayor read a proclamation recognizing John J. and Eleanor A. Brust & Family for their recent donation to the Library.

**VI. PERSONS TO BE HEARD**

City Assessor, Randy Hughes, reminded folks of the upcoming exemption deadline February 15th.

Dan Stockel spoke against allowing short-term rentals in residential zones.

Michelle Putz noted her efforts to carpool, thanked High School students for their energy conservation efforts, and said she would be working on placing a permanent place holder on the agenda to address strategic planning.

Shaina Kilcoyne, Energy Efficiency Director with REAP (Renewable Energy Alaska Project) addressed the Assembly and shared ways in which REAP was promoting renewable energy and efficiency.

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

Mayor- Reported on the Government to Government Dinner and attended school service awards programs.

Administrator- Provided an update on Public Works projects, attended a health insurance meeting in which it was announced there could potentially be a 25% increase in health insurance rates.

Liaison Representatives - Assembly members Hunter, Putz, Reif, and Hackett shared information from the recent meetings they attended.

**VIII. CONSENT AGENDA****A 13-008 Approve the minutes of the January 8, 2013 Assembly meeting**

Assembly Member Putz noted an error in the vote on Item Q of the January 8 minutes. The correct vote was 6-1, with Putz opposed. The Clerk noted it was a clerical error and would make the correction.

**A motion was made by Putz that the Minutes be APPROVED with an amendment to Item Q. The motion PASSED by the following vote.**

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

**B 13-009 Authorize the Municipal Administrator to execute Joint Funding Agreement No. 13WAAK000000007 with the USGS for continued operation, maintenance and support for Takatz Lake Stream Gages**

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

**C 13-012 Award a bid to Yukon Equipment, Inc. to furnish a 2013 Elgin Pelican Mechanical Broom Sweeper for the amount of \$171,550.00, minus the**

trade-in value of \$10,000 for a total cost of \$161,550.00

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

**IX. UNFINISHED BUSINESS:**

- D ORD 13-01** Authorizing the issuance of harbor facilities revenue bonds in the principal amount of not to exceed \$4,600,000 to finance a portion of the cost of certain capital improvements to Sitka's harbor facilities; authorizing the sale of the bonds to the Alaska Municipal Bond Bank on the terms and conditions provided in this ordinance and in a loan agreement authorized to be entered into with the Bond Bank; and providing the terms and conditions for issuing additional harbor facilities revenue bonds on a parity with the bonds authorized by this ordinance

Hunter wondered if a future sale of the Marine Service bulkhead would pose a problem. Municipal Attorney Hillhouse noted the City's bond counsel stated it would not be an issue.

**A motion was made by Christianson 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

- E ORD 13-02** Authorizing the issuance of junior lien electric revenue bonds of the City in the principal amount of not to exceed \$45,000,000 to finance a portion of the cost of expanding the Blue Lake hydroelectric project; and authorizing the sale of the bonds to the Alaska Municipal Bond Bank on the terms and conditions provided in this ordinance

Rusty Sutton, Matt Donohoe, and Valorie Nelson spoke in opposition to the ordinance. Andrew Thoms spoke in favor of the ordinance. Vaughn Hazel voiced questions regarding the ordinance.

Utility Director, Chris Brewton, stated the Blue Lake Dam expansion project was a viable project and important to the future of Sitka.

Assembly members offered their comments.

**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

A recess was taken from 7:38pm to 7:45pm

- F ORD 12-46A** Amending Sitka General Code Title 4, Chapter 9 entitled "Sales Tax" and making corresponding changes in Sitka General Code Title 4, Chapter 24 entitled "Hotel, Motel and Bed and Breakfast Transient Room Tax"

Rusty Sutton wondered how this ordinance would affect tourism and taxes. The

Assembly stated this ordinance would not increase taxes; it was a housekeeping measure.

Hackett thanked the Finance Department for their work.

**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

- G      ORD 13-04**      Authorizing Amendment No. 1 to the Agreement for Material Sale from Municipally owned property with Southeast Earthmovers, Inc. at Site 5 of the Granite Creek Industrial Area

Connor Nelson spoke in opposition to the Ordinance.

Public Works Director, Michael Harmon, and Municipal Attorney, Theresa Hillhouse, explained the Ordinance; an authorization of a lease amendment with Southeast Earthmovers, Inc. for Granite Creek Site 5.

**A motion was made by Hunter 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

- H      ORD 13-03**      Consenting to the Assignment of Agreement for Material Sale from Municipally owned property to S&S General Contractors and Equipment Rentals, Inc. from Southeast Earthmovers, Inc.

Theresa Hillhouse, Municipal Attorney, explained this was an assignment of a current lease from Southeast Earthmovers to S&S General Contractors.

**A motion was made by Hackett 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

- I      ORD 12-47**      Authorizing Amendment No. 1 to the lease agreement with S&S General Contractors & Equipment Rentals Inc. regarding property at the Granite Creek Industrial Area, "Pit Run" Site

Connor Nelson spoke in opposition to the Ordinance.

Tim Eddy of S&S General Contractors came forward and explained the site was used for rock storage.

**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

A recess was taken from 8:23pm to 8:30pm

**X.      NEW BUSINESS:**

**New Business First Reading**

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

Reif explained his reason for cosponsoring. Reif asked Public Works Director, Michael Harmon, to come forward and give examples of when the sinking fund would be beneficial to have: transition of heating systems to heat pumps, parks, streets, and facilities.

A discussion ensued among Assembly members.

Connor Nelson stated the money in the sinking fund should be spent now while it was worth something.

Ryan Kauffman spoke in support of the Ordinance.

**A motion was made by Hackett to POSTPONE this Ordinance to the February 12th Assembly meeting. The motion FAILED by the following vote.**

**Yes:** 2 - Christianson, and Hackett

**No:** 5 - Esquiro, Reif, Hunter, Putz, and McConnell

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

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

**No:** 2 - Christianson, and Hackett

**K      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**

Valorie Nelson, Matt Donohoe, and Rusty Sutton spoke in opposition to the Ordinance.

Mayor McConnell noted this Ordinance, if passed, would go into effect July 1, 2013.

Utility Director, Chris Brewton, stated the 15% rate increase was required to meet the bond covenants.

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

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

**Additional New Business Items****L      13-011      Approve a contract for Attorney services of Theresa Hillhouse during transition before and immediately after new Municipal Attorney is selected; also discussion regarding new Municipal Attorney selection process**

Assembly members thanked Ms. Hillhouse for her service and willingness to help with the transition.

**A motion was made by Putz to APPROVE a contract for Attorney services of Theresa Hillhouse during transition before and immediately after a new Municipal Attorney is selected. The motion PASSED by the following vote.**

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

Human Resources Director, Mark Danielson, came forward to explain the proposed process for hiring a new Municipal Attorney.

The Assembly agreed to meet Wednesday, January 30th at 6pm to review the applicants.

**M 13-010      \*\* DELETED \*\* Discussion/Decision regarding notice to remove a member of a board/commission/committee - potential executive session**

This item was PULLED from the agenda at the beginning of the meeting.

**XI. PERSONS TO BE HEARD:**

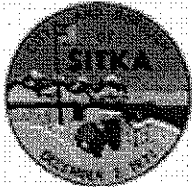
Mike Reif asked some clarifying questions of the Municipal Attorney on engaging members of the public in dialogue when they testify.

**XII. EXECUTIVE SESSION**

**XIII. ADJOURNMENT**

**A motion was made by Esquiro to ADJOURN. The meeting ADJOURNED at 10:06pm by unanimous voice vote.**

**ATTEST:** \_\_\_\_\_  
**Sara Peterson, CMC**  
**Acting Municipal Clerk**



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Wednesday, January 30, 2013

6:00 PM

Exhibit Room

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### SPECIAL - Municipal Attorney Hire

#### SPECIAL MEETING

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

- I. CALL TO ORDER
- II. FLAG SALUTE
- III. ROLL CALL
- IV. PERSONS TO BE HEARD
- V. NEW BUSINESS:

**13-013**

Discussion/Direction to select a Municipal Attorney applicant(s) for in-person and/or telephone interviews with the Assembly, and schedule interview dates(s), time(s) & location(s).

Mayor and Assembly members discussed how they wished to proceed. It was determined to hear from Ms. Hillhouse and Mr. Danielson and what they may have to offer on the candidates. First, they removed four candidates who did not meet the minimum qualifications. They then discussed whether to interview local candidates and decided to, only if the candidates were among the Assembly's top choices. Each Assembly member then offered up their top choices.

**A motion was made by Hunter to make arrangements to interview Allen Bell and Robin Koutchak. The motion PASSED by the following vote.**

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

Reif expressed his desire to have additional input on the applicants outside those at that the table. He suggested to involve either or both a previous Municipal Attorney and/or the Administrator.

**A motion was made by McConnell for former Municipal Attorney Cliff Groh to be contracted to analyze the qualified candidates - those numbered 2, 3, 4, 5 & 6 no later than next week. The contract is not to exceed \$2,000. The motion PASSED by the following vote.**

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

The Assembly clarified the position would be open until filled and that they would still consider all candidates and take applications.

**A motion was made by Reif to invite the Municipal Administrator into the discussion process as a nonvoting contributor similar to the Municipal Attorney and HR Director. The motion FAILED by the following vote.**

**Yes:** 1 - Reif

**No:** 6 - Christianson, Esquiro, Hunter, Putz, McConnell, and Hackett

**VI. PERSONS TO BE HEARD:**

**VII. ADJOURNMENT**

**A motion was made by Esquiro that this meeting be ADJOURNED. The motion PASSED by a unanimous vote. The meeting AJOURNED at 8:37 PM.**

**ATTEST:** \_\_\_\_\_  
Colleen Ingman, MMC  
Municipal Clerk