

CONSENT AGENDA

POSSIBLE MOTION

**I MOVE TO APPROVE THE CONSENT AGENDA
CONSISTING OF ITEM A**

I wish to remove Item(s) _____

**REMINDER – Read aloud a portion of each item being
voted on that is included in the consent vote.**

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

POSSIBLE MOTION

I MOVE TO approve the minutes of the
December 13th Assembly meeting.



CITY AND BOROUGH OF SITKA

ASSEMBLY CHAMBERS
330 Harbor Drive
Sitka, AK
(907)747-1811

Minutes - Draft

City and Borough Assembly

Mayor Matthew Hunter
Deputy Mayor Bob Potrzuski
Vice-Deputy Mayor Steven Eisenbeisz
Tristan Guevin, Kevin Knox
Aaron Bean, and Aaron Swanson

Municipal Administrator: Mark Gorman
Municipal Attorney: Brian Hanson
Municipal Clerk: Sara Peterson

Tuesday, December 13, 2016

6:00 PM

Assembly Chambers

WORKSESSION 5:00 PM

16-213 Worksession materials

A worksession on property tax administrative changes was conducted by Assessor, Wendy Lawrence.

REGULAR MEETING

I. CALL TO ORDER

II. FLAG SALUTE

III. ROLL CALL

Present: 6 - Swanson, Eisenbeisz, Guevin, Hunter, Knox, and Bean

Absent: 1 - Potrzuski

IV. CORRESPONDENCE/AGENDA CHANGES

Assembly member Bean requested item H be moved to the end of the agenda after item L. There was no objection.

16-212 Reminders, Calendars and General Correspondence

V. CEREMONIAL MATTERS

16-207 Athletic Awards: 1) Mt. Edgecumbe High School Girls Volleyball Team and 2) Baranof Barracudas Swim Club

Mayor Hunter and Vice Deputy Mayor Eisenbeisz presented awards to the Mt. Edgecumbe High School Girls Volleyball Team for taking first place at the State

Volleyball Tournament in Anchorage. The two also presented awards to Baranof Barracuda Swim Club members Whitney McArthur, Skylar Moore, Jessica Davis, and Kyleigh McArthur for their accomplishment in breaking the Alaska Swimming 400 Medley Relay Race record.

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

16-208 Special Reports: 1) Alaskan Command: Gulf of Alaska Military Exercise, 2) Health Needs and Human Services Commission Update, 3) Rachel Roy: Wayfinding Status Report, 4) Rob Allen: Sitka Community Hospital Update

Colonel Reifel and Dr. Montague provided an overview of the military training exercise, Northern Edge. The Assembly, in November, had approved a resolution in opposition to the training. The two answered questions about the training.

Health Needs and Human Services Commission Chair, Doug Osborne, reported on the work of the Commission and policies it hoped to move forward: 1) raising the legal minimum age for the sale of all tobacco and nicotine products to age 21, 2) adding a tax on sugar sweetened beverages, and 3) addressing the problems associated with single use plastic bags.

Rachel Roy, Executive Director of the Chamber of Commerce, shared an update on the wayfinding signage project. Roy noted the signs were aimed at helping visitors navigate through the community. Project completion was scheduled for Summer/Fall 2017.

Sitka Community Hospital (SCH) CEO, Rob Allen, briefed the Assembly on the SCH/SEARHC Collaboration Project. He noted the SCH Board had approved a non binding letter of intent pending some issues to be addressed. Issues needing to be answered: 1) how Native preference hire would be handled, 2) how equal patient access would be guaranteed, and 3) how the governance would be structured to allow for local control. Allen reported once agreement was reached on these issues, he would report back to the Assembly on next steps.

Robb Farmer, Library Director, told of upcoming programs at the Library.

VII. PERSONS TO BE HEARD

Naomi Bargmann and Lindsay Evan spoke in opposition to the military training exercise, Northern Edge.

Amanda Roberts, representing the SEARHC Tobacco Program, spoke in support of the Tobacco 21 initiative.

Anthony Treas spoke in support of the Health Needs and Human Services Commission's work.

VIII. REPORTS

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

Administrator - Gorman thanked CBS staff involved in the Green Lake Dam repairs. Gorman reported he and Utility Director, Bryan Bertacchi, had participated in a live call-in show with KCAW reporter Emily Kwong answering questions on City finances, electric rates, and challenges the municipality faces.

Attorney - Hanson commended CBS staff involved in the recent landslide depositions and noted much of the outside counsel legal fees associated with the recent landslide litigation would be covered by insurance.

Liaisons - Assembly member Guevin reported on the Investment Committee and Assembly member Knox on the joint worksession between the Planning Commission and Port and Harbors Commission.

IX. CONSENT AGENDA

A motion was made by Swanson that the Consent Agenda consisting of items A, B & C be APPROVED. The motion PASSED by the following vote.

Yes: 6 - Swanson, Eisenbeisz, Guevin, Hunter, Knox, and Bean

Absent: 1 - Potrzuski

- A 16-206** Approve the minutes of the November 22 Assembly meeting

This item was APPROVED ON THE CONSENT AGENDA.

- B 16-210** Approve liquor license renewal applications for: 1) Ernie's Bar and 2) Pizza Express

This item was APPROVED ON THE CONSENT AGENDA.

- C 16-205** Approve the Acting Municipal Administrator list for 2017

This item was APPROVED ON THE CONSENT AGENDA.

X. BOARD, COMMISSION, COMMITTEE APPOINTMENTS

- D 16-209** Appoint Dave Gordon to a three-year term on the Port and Harbors Commission

Knox thanked Gordon for his willingness to serve.

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

Yes: 6 - Swanson, Eisenbeisz, Guevin, Hunter, Knox, and Bean

Absent: 1 - Potrzuski

XI. UNFINISHED BUSINESS:

- E ORD 16-42** Adjusting the FY17 Budget (Sitka Community Hospital, GPIP Multi-Purpose Dock Project, Homeland Security/Fire Department)
- A motion was made by Knox that this Ordinance be APPROVED on SECOND AND FINAL READING. The motion PASSED by the following vote.
- Yes: 5 - Swanson, Guevin, Hunter, Knox, and Bean
- No: 1 - Eisenbeisz
- Absent: 1 - Potrzuski
- F ORD 16-43** Authorizing the lease of 27,893 square feet of ATS 979 tidelands adjacent 4401 Halibut Point Road

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 - Swanson, Eisenbeisz, Guevin, Hunter, Knox, and Bean

Absent: 1 - Potrzuski

XII. NEW BUSINESS:

- G 16-201** Discussion/Direction on the recruitment process for Municipal Administrator
- Mark Danielson, Human Resources Director, provided an overview of the Administrator hiring process and noted Administrator Gorman's last day of service was scheduled for June 15, 2017. Assembly members discussed hiring options and agreed they would like Danielson to advertise within Alaska. Members did not express a desire to hire a recruiting agency. A salary range was discussed; members were reluctant to start higher than \$125,000, however, after discussion, agreed to a starting base of \$130,000.

A motion was made by Bean requesting Human Resources Director, Mark Danielson, to begin advertising, within Alaska, the position of Administrator at a salary base of \$130,000. The motion PASSED by the following vote.

Yes: 6 - Swanson, Eisenbeisz, Guevin, Hunter, Knox, and Bean

Absent: 1 - Potrzuski

- I ORD 16-47A** Amending Sitka General Code at Title 10 "Public Peace, Safety and Morals", Chapter 10.25 "Cellular Phone Use While Driving", by adding Section 10.25.040 entitled "Penalties" (first reading as amended)

Municipal Attorney, Brian Hanson, answered questions regarding the proposed fine schedule. Hanson stated his recommendations were based on conversations with the Police Department and thorough review of the Code and minor offense table. Without a penalty section, a mandatory court appearance was required which Hanson said was not the intent. He believed the fines to be fair and appropriate for this type of offense.

Assembly members spoke to the serious risks of using a cellphone while driving. Eisenbeisz stated when the cell phone ordinance was proposed earlier this spring, there was mention of the fines being dedicated to EMS. Hanson and Administrator Gorman did not recommend dedicating fees to a certain group as it set an awkward precedence and said fines should go into the General Fund. Eisenbeisz suggested the Assembly consider an alternative fee structure to allow for leniency if people were not aware of the new law: \$25 for the first offense, \$50 for the second offense, \$200 for the third offense and \$500 for a fourth offense.

A motion was made by Guevin that this Ordinance be APPROVED on FIRST READING AS AMENDED. The motion PASSED by the following vote.

Yes: 5 - Swanson, Guevin, Hunter, Knox, and Bean

No: 1 - Eisenbeisz

Absent: 1 - Potrzuski

A motion was made by Bean to AMEND line 60 to read, "...section, prior offenses must be within the previous five years." The amendment PASSED by the following vote.

Yes: 5 - Swanson, Eisenbeisz, Guevin, Knox, and Bean

No: 1 - Hunter

Absent: 1 - Potrzuski

J ORD 16-44 Adjusting the FY17 Budget (CAMA Project, Wayfinding Signage Project, Commercial Passenger Excise Tax Fund)

John Stein spoke in support of funding the wayfinding signage project.

Guevin spoke in support of the \$150,000 appropriation request for the Computer Assisted Mass Appraisal system stating the system would pay dividends by increasing accuracy and revenue. Knox agreed and noted it would create efficiencies and bring balance and equity.

Guevin thanked citizens involved in the wayfinding signage project. Eisenbeisz expressed a desire to see a maintenance plan for the signage.

A motion was made by Swanson that this Ordinance be APPROVED on FIRST READING. The motion PASSED by the following vote.

Yes: 6 - Swanson, Eisenbeisz, Guevin, Hunter, Knox, and Bean

Absent: 1 - Potrzuski

K ORD 16-45 Amending Sitka General Code Chapter 4.12 entitled "Property Tax" to exempt all personal property except business personal property, and non-light aircraft from personal property taxation

Knox voiced concern about losing \$130,000 in boat tax that currently funds Harbors. Hunter shared the same concern but noted the CAMA system would create greater efficiencies and increased revenue. The Assembly could then choose to allocate some of that revenue to Harbors or alternatively, increase Harbor rates. Assessor, Wendy Lawrence, clarified that all boats and light aircraft (weight of 12,500 pounds or less) would be exempt.

A motion was made by Swanson that this Ordinance be APPROVED on FIRST READING. The motion PASSED by the following vote.

Yes: 6 - Swanson, Eisenbeisz, Guevin, Hunter, Knox, and Bean

Absent: 1 - Potrzuski

L RES 16-25 Changing a property tax revaluation cycle from four to six years

Assessor, Wendy Lawrence, noted this was a formality and brought the City and Borough of Sitka into compliance.

A motion was made by Guevin that this Resolution be APPROVED of FIRST AND FINAL READING. The motion PASSED by the following vote.

Yes: 6 - Swanson, Eisenbeisz, Guevin, Hunter, Knox, and Bean

Absent: 1 - Potrzuski

H ORD 16-46 Amending Sitka General Code Chapter 15.01 "Electric Utility Policies", at Section 15.01.020 "Electrical Rates", by decreasing electrical rates, removing provisions to interruptible rates, and adding Section 15.01.015 "Construction Guidelines", Section 15.01.085 "Carrier Current" and Section 15.01.090 "Rebate Program for Electric Heat Pump Heating Systems" (first reading - repealing Ordinance 2016-38 that was approved by the Assembly on October 11, 2016)

Mayor Hunter informed this ordinance, if approved, would repeal ordinance 2016-38 approved by the Assembly on October 11, 2016.

Assembly member Bean stated he cosponsored this ordinance because of concerns with the way ordinance 2016-38 was advertised and the magnitude of its changes; specifically the interruptible rates. He voiced concern that the interruptible would provide electricity at below market rates to 10 percent of the customer base. Bean felt the public and Assembly didn't have enough time to consider the ramifications of ordinance 2016-38. Bean clarified that he wished for the recent rate increase to remain. Swanson, the second sponsor, said the Assembly was pressed at the time to make a decision on the ordinance, however, he now wished to see certain sections reworked.

Guevin spoke in support of interruptible service noting the interruptible sales would result in more revenue. He wished to see a safety net built into the ordinance to assist those who were unable to pay their utility bill. Hunter also spoke in support of interruptible service. Eisenbeisz said he was not in support of repealing a past Assembly action, however, suggested amending sections individually if desired. Knox and Guevin also agreed to amending sections individually.

A motion was made by Swanson that this Ordinance be APPROVED on FIRST READING. The motion FAILED by the following vote.

Yes: 2 - Swanson, and Bean

No: 4 - Eisenbeisz, Guevin, Hunter, and Knox

Absent: 1 - Potrzuski

Stan Johnson spoke in support of the amendment. He voiced opposition to a publicly operated utility offering interruptible rates to beat a competitive bid for fuel oil by 10 percent. Utility Director, Bryan Bertacchi, clarified the interruptible rate language was taken from Juneau's Alaska Light and Power Company, whose policies were approved by the Alaska Public Utility Commission.

A motion was made by Bean to AMEND the ordinance to retain all rate increases as proposed in Ordinance 2016-38. The amendment FAILED by the following vote.

Yes: 2 - Swanson, and Bean

No: 4 - Eisenbeisz, Guevin, Hunter, and Knox

Absent: 1 - Potrzuski

XIII. PERSONS TO BE HEARD:

None.

XIV. EXECUTIVE SESSION

M 16-211 CBS Procurement Procedures

A motion was made by Bean to convene in executive session to discuss the City and Borough of Sitka procurement policy and matters associated with the Gary Paxton Industrial Park with the immediate knowledge of which could clearly have adverse affect on the finances of the City and Borough of Sitka. The motion PASSED by the following vote.

Yes: 6 - Swanson, Eisenbeisz, Guevin, Hunter, Knox, and Bean

Absent: 1 - Potrzuski

Shannon Haugland, of the Daily Sitka Sentinel, requested the Assembly stay on topic when in executive session and return to public session when appropriate.

Administrator Gorman clarified that per the Charter (Sitka General Code) the Administrator, Attorney and Clerk were automatically included in executive session unless excluded in the motion to go into executive session. He stated it was also staff's recommendation that Michael Harmon, Public Works Director, be included in executive session.

A motion was made by Knox to AMEND the motion to invite in Michael Harmon as necessary. The motion to amend PASSED by the following vote.

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

No: 1 - Bean

Absent: 1 - Potrzuski

The Assembly was in Executive Session from approximately 9:50pm to 10:25pm.

A motion was made by Guevin to convene as the Assembly in regular session. The motion PASSED by a unanimous voice vote.

A motion was made by Eisenbeisz to EXTEND the meeting by 15 minutes to 10:45pm. The motion to EXTEND PASSED by the following vote.

Yes: 6 - Swanson, Eisenbeisz, Guevin, Hunter, Knox, and Bean

Absent: 1 - Potrzuski

The Assembly was in Executive Session from approximately 10:30pm to 10:37pm.

A motion was made by Knox to convene in Executive Session. The motion PASSED by a unanimous voice vote.

A motion was made by Eisenbeisz to reconvene as the Assembly in regular session. The motion PASSED by a unanimous voice vote.

A motion was made by Swanson to direct the Municipal Attorney to review the City and Borough of Sitka procurement policies and make recommendations as necessary. The motion PASSED by the following vote.

Yes: 6 - Swanson, Eisenbeisz, Guevin, Hunter, Knox, and Bean

Absent: 1 - Potrzuski

XV. ADJOURNMENT

A motion was made by Swanson to ADJOURN. Hearing no objections, the meeting ADJOURNED at 10:40pm.

ATTEST: _____
Sara Peterson, CMC
Municipal Clerk