

CONSENT AGENDA

POSSIBLE MOTION

**I MOVE TO APPROVE THE CONSENT AGENDA
CONSISTING OF ITEMS, A, B, C, D, E, F, G, H & I**

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
July 28 Assembly meeting.



CITY AND BOROUGH OF SITKA

ASSEMBLY CHAMBERS
1332 Seward Ave.
Room 229
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*

Tuesday, July 28, 2015

6:00 PM

Assembly Chambers

REGULAR MEETING

I. CALL TO ORDER

II. FLAG SALUTE

III. ROLL CALL

Present: 6 - McConnell, Hunter, Swanson, Miyasato, Eisenbeisz, and Putz

Absent: 1 - Guevin

IV. CORRESPONDENCE/AGENDA CHANGES

15-135 Reminders and Calendars

V. CEREMONIAL MATTERS

15-120 Citation honoring U.S. Coast Guard Day, Service Awards for employees Jim DiGennaro and Dean Orbison

Mayor McConnell read a proclamation honoring U.S. Coast Guard Day, presented CBS employee, Dean Orbison with a Service Award for over 15 years of service and read a service award honoring Jim DiGennaro for over 20 years of service.

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

15-121 Alaska Joint Library Consortium - Robb Farmer, Library Director

Library Director, Robb Farmer, provided an overview of the online features of the Alaska Joint Library Consortium.

VII. PERSONS TO BE HEARD

Don Jones spoke to the senior citizen tax exemption.

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

Mayor - McConnell noted she had attended the Sitka Tribe of Alaska Community Picnic and exchanged inaugural plaques recently with the Captain of the L'Austral.

Administrator - Gorman reported on the recent visit to Baranof Warm Springs to discuss management plans for the boardwalk and dock, announced the first meeting of the Citizens' Taskforce would be held August 18, and alerted the Assembly the Finance Department was closing out FY15, in particular the Blue Lake Project. Gorman stated while there was a cost overrun on the Jarvis Street project of about \$500,000, overall with regards to the Blue Lake Project, CBS had underspent the bonds by approximately 7 million.

Liaisons - Putz reported on the July 21 Tree and Landscape Committee meeting and thanked staff for landscaping efforts throughout Sitka.

Clerk - Peterson announced the candidate filing period for the upcoming Municipal Election was open through August 7.

Other - Mayor McConnell reported their had been positive feedback from staff and citizens regarding the 5pm start time of the July 14 Assembly meeting and wondered how Assembly members might feel about permanently changing the start time of meetings to 5pm. The consensus among Assembly members was to keep the start time at 6pm.

IX. CONSENT AGENDA

A 15-119 Approve the minutes of the July 14 Assembly meeting

This item was APPROVED ON THE CONSENT AGENDA.

B ORD 15-40 Adjusting the FY15 and FY16 Budgets (first reading)

This item was APPROVED ON THE CONSENT AGENDA.

C RES 15-14 Approving submittal and execution of a municipal harbor facility grant application to the State of Alaska, Department of Transportation and Public Facilities (ADOT&PF) in the amount of \$5,000,000 for the project entitled Crescent Harbor Float Replacement - Phase I

Putz wondered how the harbors could be downsized if funding was not received. Gorman noted if funding was not received adjustments would need to be made to the Master Plan.

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

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

Absent: 1 - Guevin

- D 15-122** Electric Department requests: 1) Approve the use of funds from Blue Lake proceeds in the amount of \$516,286.26 for Capital Project #90672 to complete replacement of Medvejie Substation and 2) Authorize the Municipal Administrator to execute a purchase order to ABB Inc. in the amount of \$82,500 for purchase and installation of a circuit breaker for the Medvejie Substation Project

This item was APPROVED ON THE CONSENT AGENDA.

- E 15-123** Authorize the Municipal Administrator to execute a purchase order for a time and equipment contract not to exceed \$750,000 to Chatham Electric, Inc. to assist in Electric Department infrastructure improvement work on approved capital projects

Gorman clarified the request was in accordance with Sitka General Code 3.16.060 (D) and (I). Jeff Wheeler, Acting Utility Director, spoke to the technical complexities of the Contract and prior working relationship with Chatham Electric, Inc.

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

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

Absent: 1 - Guevin

- F 15-129** Authorize the Municipal Administrator to enter into an 8 year contract with ACS to provide the City and Borough of Sitka with campus network infrastructure

Ron Duvall, IT Director, explained his recommendation on the 8 year contract was based on the price reduction the City and Borough of Sitka would receive over time.

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

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

No: 1 - Eisenbeisz

Absent: 1 - Guevin

- G 15-125** Approve the transfer of \$36,854 from the Bulk Water Fund to the Gary Paxton Industrial Park Fund for reimbursement of City and Borough of Sitka staff hours spent on raw water sales

This item was APPROVED ON THE CONSENT AGENDA.

X. BOARD, COMMISSION, COMMITTEE APPOINTMENTS**H 15-130** Appoint Gayle Hammons to a three-year term on the Local Emergency Planning Committee

The Assembly thanked Hammons for her willingness to serve.

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

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

Absent: 1 - Guevin

XI. UNFINISHED BUSINESS:**I 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

Putz and Eisenbeisz spoke in opposition to the ordinance and expressed a desire to see what recommendations came forward from the Citizens' Taskforce.

A motion was made by Putz to APPROVE this Ordinance on second and final reading. The motion FAILED by the following vote.

Yes: 1 - Miyasato

No: 5 - McConnell, Hunter, Swanson, Eisenbeisz, and Putz

Absent: 1 - Guevin

J ORD 15-37A Amending Section 2.12.010 City and Borough of Sitka Hospital Board and Section 2.12.070 Organization, formally dissolving the existing Sitka Community Hospital Board (SCH) and its framework and re-establishing and reorganizing membership under new criteria by decreasing voting membership from seven to five with the goal of providing financial welfare and economic financial stability to Sitka Community Hospital. The new membership will include one CBS standing seat (and alternate) appointed by the Municipal Administrator.

Ann Wilkinson, current Hospital Board member, expressed her frustration with the process.

Gary Oines wondered what the reasoning was for reducing the number of Board members from seven to five.

Lee Bennett, former Chief Financial Officer of Sitka Community Hospital (SCH), provided past history and suggestions for improved communication between SCH and the City and Borough of Sitka.

Board member, Dr. Bahna, offered opinions on restructuring of the Hospital Board.

Speaking on the motion to postpone, Rob Allen, CEO of SCH, stated the Hospital hoped to begin their strategic planning process soon. Delaying action of the proposed ordinance would in turn delay the planning process.

Hunter reiterated this ordinance was not to be seen as a removal for cause and thanked current Board members for their work.

A motion was made by Eisenbeisz that this Ordinance be POSTPONED to the August 11 Assembly meeting for second and final reading. The motion PASSED by the following vote.

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

Absent: 1 - Guevin

- K ORD 15-39 Amending Sitka General Code Title 22 Zoning to allow Bed and Breakfast operations in owner-occupied single family or owner-occupied side of a two-family dwelling unit**

Putz thanked staff and the Planning Commission for their work.

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

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

Absent: 1 - Guevin

XII. NEW BUSINESS:

- L 15-124 Hearing of an appeal filed by Shirley Burkhart for a zoning violation at 101 Lance Drive**

Mayor McConnell recused herself due to her involvement with the Sitka Community Development Corporation (SCDC) and a dispute SCDC had with the applicant.

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

Maegan Bosak, Planning and Community Development Director, provided a summary of the zoning violation at 101 Lance Drive and reviewed a timeline of events. Bosak stated fabricated metal products, industrial and commercial machinery and heavy machinery and equipment all require a conditional use permit. Bosak reported the Planning Department had received numerous complaints from neighbors regarding noise, smells, and increased traffic. Bosak noted staff's end goal was for the owner to be able to use her property to the greatest extent possible, in line with Code, while protecting the residential nature of the surrounding area.

Shirley Burkhart, owner of the property, addressed the Assembly. Burkhart indicated metal fabrication was not occurring on the property and that work stopped by 6pm each day. She further added, that she, too, wished to have the property cleaned up but didn't have the means to do so.

Todd Gebler of 104 Lance Drive, spoke in support of the zoning violation at 101 Lance Drive. Gebler noted an increase in traffic, noise and smell. He further suggested that whatever use occurred on the property was done so within the

guidelines of the City.

Mary Jane Messinger, living at 100 Lance Drive, also spoke in support of the zoning violation. She noted an increase in noise, toxic smells, and traffic.

Assembly deliberation:

Eisenbeisz believed a violation had occurred and encouraged the property owner to apply for the necessary permits. He added a fence surrounding the perimeter of the property would address safety concerns. Putz stated the process was clearly outlined, however, not followed by the property owner. Hunter noted the zoning violation could be addressed through the conditional use permit process. Swanson expressed a desire for the conditional use permit process to be followed and if not, a fine be implemented.

A motion was made by Eisenbeisz that the Assembly finds the appellant has violated SGC 20.16.015 by using the property in a way not consistent with the zoned area in ways that are detrimental to the health, safety, and welfare of the neighborhood and take appropriate action. The motion PASSED by the following vote.

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

Absent: 1 - Guevin

Discussion regarding non-punitive fine:

Eisenbeisz desired for the property owner to go through the conditional use permit process. Swanson suggested the Assembly give the property owner 30 days to initiate the conditional use process and if she failed to do so a fine would be implemented. Putz felt it appropriate for a fine to be implemented that would cover a fence and staff time.

Bosak estimated 40 hours of staff time had been put into this case. She estimated fence costs to be approximately \$3,000.

A motion was made by Putz to levy a fine of \$6000, with \$5500 suspended, as long as the applicant files for a conditional use permit(s) within 30 days and follows the conditions and recommendations of the Planning Commission and Planning Director to secure a conditional use permit(s). The motion PASSED by the following vote.

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

Absent: 1 - Guevin

Deputy Mayor Hunter informed the property owner a fine of \$6,000 had been assessed, of which \$5,500 would be suspended if the conditional use process was initiated within the next 30 days. Hunter also added the property owner could ask for reconsideration of the Assembly's decision if done so in writing within 14 days. Hunter further noted, the appellant had 30 days to pay the \$500 fine.

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

- M 15-127** Discussion/Direction on an Advisory Committee for commercial marijuana regulation in Sitka
- Scott Brylinsky, interim Planner, summarized the formation of an Advisory Committee and the motion before the Assembly. Brylinsky noted a local regulatory authority would be created at a later time.
- A motion was made by Miyasato that an Advisory Committee be formed to study, and make recommendations for, policy and local regulation development pertaining to commercial cannabis legalization. Areas to be considered include, but are not limited to: zoning, public safety, public health, and taxation. Membership of the nine member committee could include: two Assembly members, one Planning Commission member, one Police and Fire Commission member, one Health Needs and Human Services Commission member, one School Board member or representative of the Superintendent's staff, and three members of the public. Other details to include are: staff support will be provided by the Legal Department, the Committee will select a Chair, and the Committee will sunset on February 24, 2016 unless the Assembly moves to extend its term. The motion PASSED by the following vote.**
- Yes:** 6 - McConnell, Hunter, Swanson, Miyasato, Eisenbeisz, and Putz
- Absent:** 1 - Guevin
- N 15-131** Discussion/Direction on potential City and Borough of Sitka management of the Halibut Point Recreation Area
- Gorman shared his thoughts for possible management of Halibut Point Recreation Area and offered the State had expressed interest in the City and Borough of Sitka (CBS) taking over management of the Park. It was noted the State was willing to entertain discussions on transferring title to the City and possibly provide start up funding of \$40,000 to CBS. Gorman believed there was the possibility for collaboration with local entities in assisting with management - e.g. Sitka Conservation Society and Sitka Trail Works.
- Miyasato offered the Parks and Recreation Committee had discussed this idea at a past meeting and asked that the Committee be included in the process. Given recent budget cuts before the Assembly, Miyasato expressed frustration with the State for "walking away" from their property, in turn costing the CBS money. Eisenbeisz agreed and offered that if CBS was going to be putting money into the Park then he would like to see obtaining the title pursued. Putz also expressed her displeasure with the State's actions and appreciated Gorman's creativeness for keeping the Park open. Mayor McConnell stated she would like to see a public meeting held.
- Direction was given to the Municipal Administrator to enter into conditional discussions with DNR for management authority, pursue title to the Park, and hold a public meeting in the future.
- O 15-132** Discussion/Direction on inflation proofing the Permanent Fund
- Gorman explained it was felt that the Permanent Fund had not been adequately inflation proofed. The Investment Committee had been discussing the issue and hoped to have a ballot proposition prepared for the 2016 Municipal Election.

A motion was made by Miyasato to direct the Administrator to place a high priority on using any FY16 general fund budget surplus for inflation proofing the Sitka Permanent Fund. The motion PASSED by the following vote.

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

Absent: 1 - Guevin

P 15-126 Discussion/Direction on extending an invitation to President Barack Obama to visit Sitka in August

Putz offered comments on her reasons for bringing this forward.

Consensus among the Assembly was to send the invite to President Obama.

Q 15-133 Appoint an Assembly Liaison for the Citizens' Taskforce

Although absent, Guevin had contacted the Municipal Clerk and Assembly Member Eisenbeisz noting he was interested in serving as liaison to the Taskforce.

The Assembly selected Guevin to be the primary liaison and Eisenbeisz as the alternate.

R 15-128 Discussion of the Mayor's upcoming travel plans to 1) attend the transboundary water quality meeting in Juneau on August 6 and 2) meet with the Mayor of Victoria BC and other officials in September

Assembly members agreed it was important for the City and Borough of Sitka to be represented at the meeting on transboundary water and environmental integrity issues in Juneau and approved of her travel. McConnell also shared that she would be attending Southeast Conference in Prince Rupert BC in September and as a side trip would be meeting with the Mayor of Victoria BC and other officials. The Mayor stated she would use her Mayor's Contingency Fund to cover the Juneau and Victoria BC travel costs.

XIII. PERSONS TO BE HEARD:

None.

XIV. EXECUTIVE SESSION

S 15-134 Legal matter - potential lease dispute claim

A motion was made by Hunter to go into executive session with the Municipal Attorney under the category of discussing communications with the Municipal Attorney concerning a legal matter affecting the Municipality in a potential lease dispute claim. The motion PASSED by a unanimous voice vote.

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

Mayor McConnell indicated the Assembly had advised the Municipal Attorney on how to move forward on a legal matter affecting the municipality in a

potential lease dispute claim.

XV. ADJOURNMENT

A motion was made by Hunter to ADJOURN. Hearing no objection, the meeting ADJOURNED at 10:15pm.

ATTEST: _____

Sara Peterson, CMC
Municipal Clerk