



CITY AND BOROUGH OF SITKA

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

Minutes - Final City and Borough Assembly

Mayor Cheryl Westover
Deputy Mayor Pete Esquiro, Vice-Deputy Mayor Thor
Christianson,
Terry Blake, Phyllis Hackett, Mim McConnell, and Mike Reif

Municipal Administrator: Jim Dinley
Municipal Attorney: Theresa Hillhouse
Municipal Clerk: Colleen Ingman, MMC

Tuesday, November 29, 2011

6:00 PM

Assembly Chambers

REGULAR MEETING

I. CALL TO ORDER

II. FLAG SALUTE

III. ROLL CALL

Present: 7 - Westover, McConnell, Blake, Christianson, Esquiro, Reif, and Hackett

IV. CORRESPONDENCE/AGENDA CHANGES

V. CEREMONIAL MATTERS

Mayor presented certificates of achievement to the Mt.Edgecumbe Ladies Volleyball Team and their coaches for achieving First Place in their division at state.

Sitka School District Update

Tim Fulton, liaison for the Sitka School Board, spoke regarding the number of students who participate in school activities. The District hopes to work together to address possible funding streams for activities.

VI. PERSONS TO BE HEARD

Sawmill Cove Industrial Park Director, Garry White, announced the Board would be updating their Strategic Plan and were looking to the community and the Assembly for ideas on how the Park should be managed etc.

Phyllis Hackett spoke regarding the icy sidewalk conditions. Citizens have been forced to walk in the road. She alerted motorists to be watchful and urged caution.

VII. REPORTS

Centennial Hall Feasibility Committee gave a report promoting their latest design,

"curb appeal" titled C7. Committee members and staff reviewed the process to date and clarified this was a starting point.

Assembly members expressed concern with the funding available for the design. Staff assured the Assembly there was funding available for this portion of the plan.

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

Mayor – Spoke to and distributed an email she received from Mayor Bruce Bothello with regard to port lecture companies.

Administrator – Reviewed Public Works projects.

Liaisons – McConnell reported the Tourism Commission met with staff regarding the signage project. Esquiro reported last Wednesday he attended the Sawmill Cove Industrial Park Board meeting.

Other – Mayor attended the Totem Pole Ceremony and congratulated Tommy Joseph for the restoration work he had done on the totem pole.

VIII. CONSENT AGENDA

- A** [11-223](#) Approve the minutes of the November 15, 2011 assembly meeting.

This item was APPROVED ON THE CONSENT AGENDA.

- B** [11-222](#) Award bid to Interior Works for \$79,429 for Base Bid + Additive Alternate 2 for the Airport Terminal Building replace carpet and flooring.
- Public Works Director, Michael Harmon, and Chris Wilbur, Building Maintenance Superintendent, spoke to the project. Harmon noted it was an enterprise fund set up to maintain the building. Wilbur explained a 20-year product would be installed and also noted it had become a safety issue; the walk-off mat had pulled away from the carpet.*

A motion was made by Hackett that this Contract/Agreement be APPROVED. The motion PASSED by the following vote.

Yes: 7 - Westover, McConnell, Blake, Christianson, Esquiro, Reif, and Hackett

- C** [RES 11-30](#) In support of House Bill No. 184 relating to increasing the share of Fisheries Business Tax and Fishery Resource Landing Tax to municipalities.
- Kim Elliott, secretary for the Alaska Harbor Masters Association, spoke in support of the resolution.*

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

Yes: 7 - Westover, McConnell, Blake, Christianson, Esquiro, Reif, and Hackett

- D** [RES 11-31](#) Urging full funding for the State of Alaska Municipal harbor Facility Grant Program in FY 2013 State Capital Budget.
- Kim Elliott spoke on behalf of the Alaska Harbor Masters Association and urged support. She informed statewide there are \$90 M in harbor projects that need*

funding. Public Works Director, Michael Harmon, added Sitka was at a disadvantage every year because it is on the Marine Highway System, has multiple harbors, and does not collect enough fees.

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

Yes: 7 - Westover, McConnell, Blake, Christianson, Esquiro, Reif, and Hackett

E [RES 11-32](#)

Adopting an alternative allocation method for the FY12 Fisheries Business Tax Program and certifying that this allocation method fairly represents the distribution of significant effects of fisheries business activity in Central Southeast Fisheries management Area.

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

Yes: 7 - Westover, McConnell, Blake, Christianson, Esquiro, Reif, and Hackett

IX. UNFINISHED BUSINESS:

F FY11 [11-218](#)

Consider and/or approve any or all Marine Passenger Fee Fund proposed projects for: 1) FY 2011 and 2) FY 2012.

Marine Passenger Fee Fund Committee member Fred Reeder believed FY11 #4 was an inappropriate use of funds and should come out of state highways. Christianson would like more detail as to why the decisions were made recommended or not recommended. Reif suggested holding off until the Centennial Hall parking lot was completed. Hackett expressed concern for the potential to authorize something there was not funding for. Finance Director, Jay Sweeney, informed \$2,874.02 was currently available and additional funding would be received in February.

Assembly members expressed displeasure with the process. Administrator Dinley pointed out the committee followed the process that the assembly set up.

Motion by Reif to accept proposals 4, 8 & 9 with a separate vote on each.

Provide \$65,000 for Lake and Lincoln Street intersection Pedestrian Improvements.

No: 7 - Westover, McConnell, Blake, Christianson, Esquiro, Reif, and Hackett

There was no dollar amount associated with this item. Hackett noted the Police and Fire Commission need to be involved. Blake felt it would be better to hold their moneys collectively and look at the larger project.

Create Summer Youth Work Crew. Motion by Hackett to POSTPONE until January 24, 2012 meeting so that local committees could comment.

Yes: 7 - Westover, McConnell, Blake, Christianson, Esquiro, Reif, and Hackett

Recycling Kiosks downtown. Motion by Reif to POSTPONE until the Tourism Commission can comment.

Yes: 7 - Westover, McConnell, Blake, Christianson, Esquiro, Reif, and Hackett

Reif moved to CONSIDER FY 12 Items 1, 2, 3 & 4, noting that each item will be taken up individually and voted on separately.

Yes: 7 - Westover, McConnell, Blake, Christianson, Esquiro, Reif, and Hackett

Sitka Convention and Visitor's Bureau Cruise Passenger Information Desk Worker. Motion by Christianson to AMEND to cap the project not to exceed \$6,000.

Yes: 7 - Westover, McConnell, Blake, Christianson, Esquiro, Reif, and Hackett

A motion was made by Reif that FY12 Item #1 be PASSED as AMENDED. The motion PASSED by the following vote.

Yes: 7 - Westover, McConnell, Blake, Christianson, Esquiro, Reif, and Hackett

Lincoln Street Crosswalk Enhancement. A motion was made by McConnell to POSTPONE FY 12 Item #2 until staff has had an opportunity to research and provide numbers.

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

No: 3 - Westover, Esquiro, and Reif

A motion was made by McConnell that FY 12 Item #3 be POSTPONED. The motion failed by the following vote.

Yes: 2 - McConnell, and Christianson

No: 5 - Westover, Blake, Esquiro, Reif, and Hackett

Sitka Sound Science Center and NSRAA would like to create a pier for saltwater fishing experiences and believe the project is applicable due in part to safety. Director of NSRAA and a board member of SEDA, Steve Reifenstuhl, believed this was a perfect example of a private/city partnership. Fred Reeder didn't believe a public pier and work float fit the cruise ship head tax fund criteria. Public Works Director, Michael Harmon, would prefer the project come off the proposed seawalk to be located on the breakwater.

Members thought it was a good idea but was the wrong funding source.

The Public Fishing Peir and Hatchery Work Float. FY12 Item #3 FAILED.

No: 7 - Westover, McConnell, Blake, Christianson, Esquiro, Reif, and Hackett

Chris McGraw representing Halibut Point Marine Services informed they are currently in negotiations with cruise ships. Their proposal would take \$3 of the \$5 passenger fee to transport passengers to and from their facility. They foresee CBS would submit an RFP for those interested in providing transportation. Chamber of Commerce Director, Jennifer Robinson, read a resolution in support of the allocation of head tax funds for transportation from the Old Sitka Dock. The resolution read in part, "ships will dock rather than lightering, thereby increasing revenues to the local economy by an estimated \$5,185,893 and tax revenues to the City and Borough by an estimated \$245,448 during the first year." Chuck Trieschield, a local business owner/operator, said business was down by 60% since 2008. He urged the assembly to support this use.

Hackett felt the project met the letter of intent and expressed concern on other entities such as Community Ride having an opportunity to bid. Esquiro spoke in support of the proposal. Reeder was highly supportive of this project; many ships do not have tenders so they don't even consider coming to Sitka.

Old Sitka Dock Improved Passenger Access. Project was APPROVED as AMENDED by the following vote.

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

No: 1 - Blake

Motion by Hackett to AMEND by taking out the word private.

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

No: 1 - Blake

A discussion ensued on the idea of using tokens, which potentially could open it up to all transport providers.

Motion by Reif to AMEND to refining the fee mechanism for implementation of the fee. The AMENDMENT PASSED on the following vote.

Yes: 7 - Westover, McConnell, Blake, Christianson, Esquiro, Reif, and Hackett

Extend the meeting.

Motion by McConnell to EXTEND the meeting until 11:30 PM. Motion FAILED 4-3 vote with Christianson, Blake and Hackett opposed.

Extend the meeting.

Moton by Reif to EXTEND the meeting until 11:00 PM. Motion PASSED on a 6-1 vote with Christianson opposed.

G [ORD 11-47](#)

Consenting to the Security Assignment of a Tidelands Lease to First Bank by Whitecap Properties, LLC. regarding Tideland Lease No. ADL 24391.

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

Yes: 7 - Westover, McConnell, Blake, Christianson, Esquiro, Reif, and Hackett

H [ORD 11-46 S](#)

Rezoning a 40.333 acre portion on the Northeasterly corner of the Remaining Portion of Lot 5 Sheldon Jackson College USS 407 Tract B.

Deputy Commissioner of the Department of Public Safety, Terry Vrabee, stated they love Sitka and want to grow here. It is not only important to Sitka but to the whole state. The immediate plans would be for a paved driving course and a storage structure.

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

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

No: 1 - Blake

L [11-215](#)

2) Liaison Appointment - Sitka School Board.

All members either had a conflict of interest or were already over committed, therefore no appointment was made.

X. NEW BUSINESS:

New Business First Reading

- M **ORD 11-49** Amending the payment period for purchases of Lots 1 through 9 in Whitcomb Heights II Subdivision along Jacobs Circle.
- A motion was made by Blake that this Ordinance be PASSED ON FIRST READING. The motion PASSED by the following vote.**
- Yes:** 7 - Westover, McConnell, Blake, Christianson, Esquiro, Reif, and Hackett

Additional New Business Items

- N **11-220** Board of Adjustment: Approve a conditional use permit filed by Linda Litten at 211 Crabapple Drive for a short-term rental.
- A motion was made by McConnell to convene as the Board of Adjustment. No objections were heard.**
- A motion was made by Christianson to approve a conditional use permit request, submitted by Linda Litten for a short-term rental at 211 Crabapple Drive as recommended by the Planning Commission and in accordance with the following findings:**
1. Will not be detrimental to the public health, safety and general welfare;
 2. Will not adversely affect the established character of the surrounding vicinity, since the rental is an existing apartment;
 3. Will not be injurious to uses of the properties in the immediate area;
 4. Will be consistent and compatible with the goals and objectives of the Comprehensive Plan, specifically 2.5.2.i,
 5. All conditions necessary to lessen the impacts of this conditional use permit will be taken and applicant will return to the Commission if conditions warrant;
 6. Will not introduce hazardous conditions;
 7. Will not adversely affect public facilities;
 8. Applicant has met the burden of proof;
 9. Planning Commission has considered the general approval criteria and has considered the criteria for determining impacts of conditional uses under 22.24.010.
- This motion passed by the following vote.**
- Yes:** 7 - Westover, McConnell, Blake, Christianson, Esquiro, Reif, and Hackett

Recess the meeting.

A motion was made by McConnell to reconvene as the assembly in regular session. No objections were heard.

The meeting was RECESSED until Thursday, December 1, 2011 at which time the following items will be taken up I, J, K & L.

- I **ORD 11-23** Amending SGC Chapter 4.12.025 entitled "Exemptions" to clarify mandatory and optional property tax exemptions and procedures.
- Hackett questioned if there was another level between the assessor and court to dispute. Municipal Attorney Hillhouse clarified the second review was often done by*

the State Assessor especially if it was controversial. Christianson shared Hackett's concern. Hillhouse noted in this case the mandatory exemptions were set by State Statute. Blake supported the State's process and available expertise and didn't see the need for assembly involvement.

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

Yes: 5 - Westover, McConnell, Blake, Esquiro, and Reif

No: 2 - Christianson, and Hackett

J **ORD 11-37**

Amending the SGC Chapter 15.01 Electrical Utility Policies at Section 15.01.020 Electrical Rates by amending Subsection G now entitled "Fuel Surcharge" to clarify how the fuel surcharge is now assessed in order to recover the Electric Department's costs of supplemental diesel operations.

Matt Donohoe inquired what the historic use of diesel generation was by month. He suggested a permanent fund or diesel fund that could be set aside to cover these expenses.

Utility Director, Chris Brewton, gave a short presentation.

Hackett would like to see the rate sheet on the back of utility bills and see a list of actions that citizens could take to conserve.

Brewton stated the winter peak is around 24 kw and we have only 12 kw available. He noted a .03 cent minimum that would carry forward for a full year to recover the revenue. Any shorter time would have a severe impact on the customer. It was noted that perhaps city buildings should invest in different energy sources such as salt water.

Tips: Drop your thermostat 2-4 degrees you could see a 10% reduction, turn your dry cycle off on your dishwasher, wash laundry in cold water.

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

Yes: 7 - Westover, McConnell, Blake, Christianson, Esquiro, Reif, and Hackett

K **ORD 11-48**

Regarding repayment of expenses and interest associated with purchase, development and sale of benchlands properties to the Sitka General Fund and other funds, and deposit net proceeds from sales into the Sitka Permanent Fund.

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

Yes: 7 - Westover, McConnell, Blake, Christianson, Esquiro, Reif, and Hackett

O **11-221**

Approve the recommended Option C7 Site Plan for Design Development for Centennial Hall and Crescent Harbor parking upgrades.

Garry White served on the Centennial Hall Feasibility Study Committee. He urged Assembly support.

Christianson would like to see the boat ramp remain where it is. Esquiro agreed. Reif also shared concerns. Hackett echoed the need for the boat ramp.

Public Works Director, Michael Harmon, stated the bottom line had not been defined;

decisions needed to be made as to what parts were to be phased through and what would require further discussion.

A discussion ensued regarding the boat ramp. Harmon defined "limited use" of the boat ramp: No vehicle access during cruise ships - no trailer access at any time. He added there could not be both green space and trailer use. Christianson said if the ramp was not part of the plan he would vote against it. He and Hackett wanted assurance there was still time to talk about if people wanted the ramp to stay. The Mayor clarified this was a concept plan and the ramp was still part of the dialogue; Harmon concurred.

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

Yes: 7 - Westover, McConnell, Blake, Christianson, Esquiro, Reif, and Hackett

XI. PERSONS TO BE HEARD:

Free flu vaccines at the Fire Hall December 10th from 10 AM – 2 PM.

Cheryl Westover spoke as a member of the public regarding the activity report recently received from the School District. She suggested young people needing funds for activities shovel snow and clear sidewalks.

Phyllis Hackett realized people were responsible for their sidewalks, however, there are some common places where little or no maintenance was done.

Chris Brewton, citizen, spoke to the potentials a driving facility could bring to Sitka.

Garry White offered an update on the slide adjacent Heart Lake on the USFS road. Some water did get into the first floor of the City Administration building at the Sawmill Cove. He complimented City crews for doing a fantastic job on clean up.

XIII. ADJOURNMENT

A motion was made by Christianson to ADJOURN. Hearing no objections the meeting ADJOURNED at 8:13 PM.

ATTEST:_____

**Colleen Ingman, MMC
Municipal Clerk**