

CONSENT AGENDA

POSSIBLE MOTION

**I MOVE TO APPROVE THE CONSENT AGENDA
CONSISTING OF ITEMS**

A, B & C

or

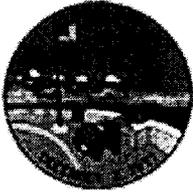
I wish to remove Item(s) ____,

for discussion purposes.

If this item is pulled from the consent agenda the following motion would be in order:

POSSIBLE MOTION

I MOVE TO approve the minutes of the February 28, and March 13, 2012 Assembly meetings.



CITY AND BOROUGH OF SITKA

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

Minutes - Draft 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, February 28, 2012

6:00 PM

Assembly Chambers

REGULAR MEETING

I. CALL TO ORDER

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

Excused: 1 - Blake (Excused on February 28, 2012, Present on March 6, 2012 when meeting reconvened)

II. FLAG SALUTE

III. ROLL CALL

IV. CEREMONIAL MATTERS

Mayor Westover read a proclamation proclaiming March 10-18 as AmericCorps Week and recognized the AmericCorp volunteers.

V. CORRESPONDENCE/AGENDA CHANGES

School Board liaison Tim Fulton thanked the Assembly for sponsoring the School Meals Program Resolution. They are still working on their 501 C(3) status and asked community members to join them in that effort.

VI. PERSONS TO BE HEARD

Michelle Putz mentioned the energy conservation level was still "red" and urged citizens to conserve.

The Interim Director for Sitka's Against Family Violence announced over the next few months citizens may receive calls to participate in a confidential survey.

Norm Campbell, representing Recycle Sitka, recently expanded the program to add #5 plastics. Mayor Westover added yogurt containers and almost all food containers were #5.

Jeff Budd spoke to the percentage given by the City to the non-profits and noted it really helped.

Linda Wilson with Sitka Local Foods Network expressed concern with the loss of numbers of tourists traveling to Sitka.

VII. REPORTS

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

Mayor - Reported they met with the Department of Fish and Game while in Juneau and spoke about the invasive species over at Whiting Harbor. Tonya Rioux, Director of SCVB, would be traveling to a Tourism Trade Show and hoped to get cruise ship representatives to speak with us to see what it would take to get more cruise ships coming to Sitka. Westover spoke as the Liaison for the Sitka Community Hospital Board. In January the Hospital incurred \$300,000 in charity cases. They still need to fix the roof and install an air conditioning unit for the surgical unit.

Administrator – Currently working hard on the budget, which was generating a lot of rumors. He clarified the budget was still in pencil.

Liaisons - McConnell attended a library staff meeting where they talked about the impacts of reducing the library design by a different percentile to learn what the priorities are. She attended the Pacific High design meeting and more meetings are to be held. Reif had been attending the Museum Predevelopment meetings. Foraker Group and the Rasmussen Foundation work was coming together nicely. Other - Westover, along with former City Managers, met with Paul Brown who was doing a biography of Senator Ted Stevens.

VIII. CONSENT AGENDA

- A 12-27** Approve the following appointments: 1) Doris Bailey - Employee Relations Board and 2) William Peters - Local Emergency Planning Commission
This item was APPROVED on the Consent Agenda.
- B 12-26** Approve Liquor License Application for Dove Island Lodge
Christianson disclosed he was a friend of the Lambeths and neighbor to Dove Island. Mayor ruled there was no conflict.
This item was APPROVED on the Consent Agenda.
- C ORD 12-11** Authorizing a Five-Year Lease of property at Griffin Island with Joan Berg for 4-J's Coffee
Christianson mentioned it was determined a survey was not necessary. Westover questioned the amount of liability insurance required. Hillhouse responded the \$1,000,000 amount was standard policy carried by local insurance brokers.
A motion was made by Reif that this Ordinance be PASSED ON FIRST READING. The motion PASSED by the following vote.
Yes: 6 - Westover, McConnell, Christianson, Esquiro, Reif, and Hackett
- D ORD 12-12** Amending Sections of SGC Chapters 19.02, 19.03, 19.09, to update the reference to the Uniform Plumbing Codes and National Electric Code

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

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

No: 1 - Christianson

- E ORD 12-13** Amending SGC Subsection 13.06.010 L entitled "Launch Ramp Fees" to be consistent with Alaska State Park Boat Launch Fees

A motion was made by Christianson to amend by adding an Item d. Launch ramp fees are not applicable to current harbor users paying moorage. This item was AMENDED on the following vote.

Yes: 5 - Westover, McConnell, Christianson, Esquiro, and Hackett

No: 1 - Reif

Christianson remembered when launch fees were first instituted and it was purposely written to not charge this fee to someone who was already paying moorage in the harbor system. There was a question as to whether the State would honor this waiver. Harbormaster, Stan Eliason, said minimal enforcement was taking place.

This item was PASSED ON FIRST READING AS AMENDED.

IX. UNFINISHED BUSINESS:

- F 12-22** Discussion/Decision regarding the draft policy of Harrigan Centennial Hall and rates.

Don Kluting, manager of Harrigan Centennial Hall (HCH), explained the HCH budget was around \$400,000. HCH brought in \$60,000 last year. The draft fees came about through discussions with Administrator Dinley and a need to bring in additional revenue. There were 440 meetings or events that did not pay last year. Dinley clarified this agenda item was an Assembly initiative. T

Public Testimony

Jeff Budd representing Sitka Summer Music Festival believed they brought in about \$90,000 in taxes. He contended if the City insisted on raising the rates the City would lose this event. Budd also spoke on behalf of the Greater Sitka Arts Council (GSAC) and noted if the Wearable Art Show were required to pay for rehearsals etc., they would not be able to afford it. Grace Brooks stated anytime there was a issue with money, the City wanted to charge nonprofits. She suggested savings be made at the top of the hiring pyramid. John Stein, President of Sitka Historical Society Museum, asked that additional fees not be imposed. Stein said the museum had a 40 year relationship with the City. If these charges were imposed it would mean an additional cost of \$7,400 which they could not afford. Martina Kruzer of Sitkans Against Family Violence contended their organization provided essential services to the community. Faith Lee mentioned the Community Schools facilities were already at full capacity. She worried the building would not be used. Dirk White spoke to the annual graduating senior party that had historically been held at HCH; this year they wouldn't hold it at HCH if there were a charge. He predicted if the City imposed these charges they would end up losing instead of gaining. Angela McGraw, director of public relations for New Archangel Dancers (NAD's), stated the location of the building benefited their group and had been home to NAD's since 1969. With the cruise ship numbers being so low, NAD's had a short fall last year. She added she would be attending Sea Trade representing Old Sitka Dock and NAD's as an attraction to bring more ships to Sitka. Barbara Bingham, Baranof Arts and Crafts Association, echoed

previous comments. She urged the need to expand marketing to Sitka. Gerry Hope spoke on behalf of Alaska Native Brotherhood Building, which was also in high demand and had a similar situation - how to get enough revenue to stay in operation. They found when they charged the dance groups that they used the facility less. Annette Becker, Sitka Youth Advocates, used it around 20 times last year primarily for training and greatly appreciated it. Sabra Jenkins, Oceanwave Quilters, noted the group was planning their 30th Anniversary and wondered if it would be their last show. Pat Alexander spoke to the unintended consequences; this could cause less revenue. Pat Kehoe mentioned the number of organizations that use HCH and that it was a part of the heart of Sitka. Kehoe noted the City needed to do what they could to keep downtown vital and the Centennial Building was a big part of that. Fire Chief Dave Miller informed the Alaska State Firefighters used the building for free but brought in 300 people and a fair amount of money. He noted the EMS Symposium was also held at HCH every other year. He stated locals were able to attend for free. With 80 volunteers to train, it would mean additional travel dollars. He advocated for doubling the size of HCH. Alicia Olsen of the Sitka Seafood Festival relayed they had contracts out with the Food Network and Travel Channel. There was potential to grow in this arena. Ryan Kauffman emphasized the importance of the building to the community. He spoke against the fee change. Linda Wilson spoke to the quality of life in Sitka and the events held at HCH. Ron Field understood both sides; when people used the building to make a profit they should pay. Many of those testifying thanked and complimented the HCH staff for their work.

Assembly Deliberation:

In response to a question by Reif, Kluting estimated \$44,000 in additional revenue would be generated from the rate changes. Kluting believed the nonprofits would go elsewhere thereby reducing the estimated increase by half. Reif was willing to continue looking at the extended hours portion but not the rate increase. Christianson believed the rate changes would result in a loss of funds. He reminded of the economic activity that was generated from the building; there would not be enough money to make a difference to the City, but enough to make a difference to the users. McConnell, involved in many non-profits, did not favor changing the rate system but would be willing to discuss hours. Westover and Hackett wished to discuss the hours of operation. She asked for the Administrator's assistance in placing a survey on the City website regarding HCH hours. Esquiro hoped to get some recommendations on how to reduce the cost of operation for the building. He challenged citizens to come up with solutions.

X. NEW BUSINESS:

New Business First Reading

- G ORD 12-06** Amending the Sitka General Code by repealing the sales tax exemption provision currently at Sitka General Code subsection 4.09.100Y for "exemption for retired persons who have reached the age of sixty-five," and adding a new section 4.09.105 entitled "Sales Tax Exemption for Sitka Senior Residents or Members of their households"

Mayor Westover asked Administrator Dinley to explain the comment that former Finance Director Dave Wolff made at the last meeting with regard to the amount of money in reserves. Dinley explained the City had roughly \$9.7 m which the City had set aside for emergencies. The amount did not take into consideration scheduled accounts payable or future commitments that would be invoiced. He also reminded the City had no dedicated funding set aside for all of its infrastructure. For example; the City thought they had a healthy sinking fund for vehicles and learned they only had 40% of what they thought they had.

Eugene Solovyov suggested the idea of a deep water dock downtown to raise revenues. He contended passengers would spend more time in town and bigger ships could be accommodated. He said the current system took too long to off load passengers. Solovyov believed even with a downtown dock that Sitka would never get overrun by tourists. David Tjomsland supported leaving the rates the way they were or face the possibility of retail dollars leaving the community. He also supported the \$1,000 tax cap. If an increase passes he suggested to grandfather those already receiving the benefit. He reminded there was 100,000 acres out there of harvestable timber and he supported a steady flow of timber for manufacturing. Any road charge implemented should include bicycles. Don Jones spoke to the aggressive nature of sales tax. He questioned the need for two hospitals. Ron Field advocated taxing per axle to raise money; semis do the damage to the roads with the larger tonnage and should pay more. He spoke in support of the senior tax exemption to be income based. Jeff Budd believed the City needed another means test for young people as well. Budd also suggested farming out some of the city services to nonprofits. Budd also spoke to taxing online sales, merging the two hospitals, and raising the mill rate.

A motion was made by Reif that this Ordinance be AMENDED by deleting "and members of their household" throughout the ordinance. The motion to AMEND PASSED by the following vote.

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

Assembly Deliberation:

Christianson clarified Sitka Community Hospital did not receive general fund dollars. He noted the possibility of merging the two hospitals had been looked at but SEARHC could not guarantee non-native care. The main roads that were getting beat up by the large trucks were State roads. Hackett spoke to the Alaska Taxable Table as it compared to different communities. With regard to the senior exemption Hackett believed seniors should be able to support themselves better than younger folks. She liked the idea of a means test for those that were living on a poverty level and would like to see households defined.

The assumption was more than 50% of senior citizens would either not qualify because of income levels or would not want to take the steps necessary to apply.

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

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

H ORD 12-07

Amending the Sales Tax Exemption at Sitka General Code Subsection 4.09.100N entitled "Over One Thousand Dollars on Sales and Rents of Tangible Personal Property and on Sales of Services, and Over One Thousand Dollars in Rent or Lease of Real Property on a Monthly Basis"

A motion was made by Westover that this Ordinance be AMENDED by amending the effective date on Line 91 to September 1, 2012 and deleting Lines 92-94. The motion on this amendment PASSED by the following vote.

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

Public Testimony:

Eugene Solovyov appreciated the drop to \$1500 but would like to see it dropped further. Don Jones specifically spoke to tax on tobacco and alcohol products. He supported a 50 cent tax on plastic bags and increasing parking fees or having a nominal fee on parking lots at the harbors. Tam Fondell stated that discussions on cuts should have come before the discussions on taxes. Gerry Hope, president of

Sitka Chamber of Commerce, read a resolution that stated in part "they support increased marketing of our community as a visitor destination and increased support for economic development in order to provide long-term, sustainable revenue sources that benefit the community as a whole." The resolution also expressed concern with declining visitors and retail sales as well as onshore excursions. Further the Chamber opposed any tax increases or new taxes at present time. The Chamber had a Legislative Affairs Committee that included a wide breath of representation. One possible proposal would be to hold a community economic summit where the Chamber would be a strong participant.

Assembly Deliberation:

A discussion on the purpose of the restrictions on bundling took place. Reif asked Sweeney to explain tangible personal property. Sweeney responded that you are providing some physical substance altered or unaltered and that is different from service.

Direction:

Reif wanted any changes in interpretations to be redefined. It was decided to direct the attorney to rewrite the ordinance and bring forth a substitute ordinance along with this one.

A motion was made by Hackett that this Ordinance be POSTPOINED until April 10, 2012 and at which time one or two substitute ordinances will also be brought forward. The motion to POSTPONE passed on the following vote.

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

I ORD 12-08

Amending Sitka General Code Section 4.09.010 entitled "Levy of Sales Tax" to reallocate the percentages of the Fish Box Sales Tax.

Reif was recused; he stated he was an operator and had expressed bias.

Public Testimony:

David Tjomsland spoke in favor of a 60-20-20 split provided he saw parking enforcement officer's writing tickets. Theresa Weiser, Sitka Charter Operators Association, stated they strongly believed this tax should be rescinded. No other part of Alaska imposes such a tax. Weiser said it negatively impacted charter operators at sports shows; additionally, it targeted only a small portion of fish leaving Sitka.

Assembly:

Esquiro spoke to the safety element with the sea lions in the harbor. Christianson didn't think the City should lower the amount going to enhancement; the Fish Box Tax should benefit the people that paying for it. Hackett agreed.

A motion was made by Hackett that this Ordinance be PASSED ON FIRST READING. Though the ordinance only receives 2 yes votes it will move on to a SECOND READING in accordance with Sitka General Code there must be 4 votes to fail it on first reading.

Yes: 2 - Westover, and Esquiro

No: 4 - McConnell, Christianson, Reif, and Hackett

A motion was made by McConnell that the meeting be EXTENDED to 11:00 PM. The motion PASSED by unanimous vote.

Additional New Business Items

- J 12-25** BOA - Conditional Use Permit Menendez for a day care up to eight children in an R-1 Zone at 506 First Street with conditions
- Reif was the builder of this structure and also a fact witness and therefore could not serve in the role of a quasi judge.*
- Planning Director, Wells Williams, said the Planning Commission conducted a thorough review.*
- Corrie Bossman, attorney for the applicant, said two concerns were brought forward and both were mitigated - traffic and road maintenance. Things were going well at the facility. There was a 6 month trial period. The applicants were willing to abide by the restrictions. All neighbors were notified and objections were addressed. While this was a new type of zero lot line for Sitka it was not new for Alaska. The issues raised to the wall agreement were a private agreement.*
- Lolly Miller of SJC Child Care and Becky Workman of SEARHC Child Care state that there was a crisis for child care in Sitka. Dawn Menendez, the provider, did a good job. Other supporters spoke to the level of care she provided. The drop off and pick up times Dawn instituted were well understood and enforced. Peter Menendez said his wife had done all the due diligence and reiterated the many letters of support.*
- Municipal Attorney, Theresa Hillhouse, remarked Sitka laws did not exempt zero lot lines from this use and this was within the proper process.*
- Menendez said they put in additional restrictions to protect future owners and neighbors of the property.*

A motion was made by Christianson to convene as the Board of Adjustment. The motion PASSED by a unanimous vote.

A motion was made by Christianson to approve a Conditional Use Permit for a day care at 506 First Street filed by Peter Menendez and Dawn Mahoney-Menedez subject to the following conditions and findings adopted by the Planning Commission at their January 17, 2012 meeting:

- 1. The day care shall be operated consistent with the plans and the narrative submitted by the applicant.**
- 2. The number of clients is limited to eight children at any given time not including any children of the owner.**
- 3. There shall be no loading or off loading on the First Street municipal right of way by the owners or clients of Kids First Day Care.**
- 4. The owner shall maintain four unobstructed off street parking spaces at all times. Two off street parking spaces shall be available for clients during the periods of the day when the facility is in operation. The applicant shall submit a plan showing where the four nine feet by eighteen feet parking spaces will be located prior to Assembly review. The applicant shall construct the four off street parking spaces prior to any authorization of the conditional use permit.**
- 5. For the purposes of the conditional use permit, the parking spaces shall be a minimum of nine feet by eighteen feet and shall not be blocked in a way that prevents use as intended. Parking spaces shall be arranged to allow clients to drive straight in and clients shall not, at anytime be required to park in front of or behind one another.**
- 6. The clients shall adhere to a staggered drop off and pick up schedule so**

- that no more than two vehicles shall be dropping off or picking up at any one time.
7. At no time, shall driveways of any properties along First Street be blocked by the owners and clients of Kids First Day Care.
8. The owner shall submit a narrative updating the Planning Commission in relation to the conditional use permit within 5 months of the approval of the conditional use permit.
9. The Planning Commission shall review the conditional use permit within 6 months of its approval for the purpose of reviewing and resolving any potential parking issues. The Planning Commission may also review the request at any time for the same purposes by its own initiative. While an annual review may be elevated to the Assembly, as necessary, they are not a condition for approval.
10. The narrative, plans, and conditions for approval are binding on all current and future owners of the Kids First Day Care and any other day care operating at 506 First Street.
11. Owners shall permanently delineate the north and northwest corner of the property line to facilitate the understanding of the property lines.
12. The owners agree to contribute up to 25% of the annual maintenance of First Street in the amount that is agreed to by the owners along First Street.

The motion PASSED by the following vote:

Yes: 5 - Westover, McConnell, Christianson, Esquiro, and Hackett

Recused: 1 - Reif

Hackett believed the party wall was a separate issue and should not cloud this issue. Esquiro clarified if the permit was strictly for the day care. Planning Director, Wells Williams, explained the permit went with the property not the provider. Westover pictured herself as a zero lot line owner and expressed concern with the permit carrying over to the next owner.

A motion was made by Westover to amend by adding a thirteenth stipulation. 13. Subject to a review by the Planning Commission every two years. The motion PASSED by the following vote.

Yes: 5 - Westover, McConnell, Christianson, Esquiro, and Hackett

Recused: 1 - Reif

A motion was made by Christianson to RECONVENE as the Assembly in regular session. The motion PASSED on a unanimous vote.

K 12-29

Award Design Contract for Centennial Hall and Crescent Harbor Parking Lot to R&M Engineering not to exceed amount of \$160,635

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

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

The meeting RECESSED until 6:00 PM on Tuesday, March 6, 2012.

L 12-30

Authorize the Administrator to advertise a Request for Proposals (RFPs) for Transit Services between Old Sitka Dock and Centennial Hall or O'Connell Bridge parking areas

Mayor Westover asked about the applicability of the head tax and whether this was

even worth pursuing. Public Works Director, Michael Harmon, explained Holland America had developed a schedule where they didn't have to pay, resulting in a significant reduction of the head tax money. The way the RFP was written the City would still have to pay the contractor whether we collected enough head tax money or not. Administrator Dinley pointed out that Holland America brings in 86% of the head tax money to Sitka.

Harmon relayed he would make it clear in the cover language and advertisement that the RFP was subject to the approval of the Assembly and securing the funding.

A motion was made by Hackett that this Item be APPROVED. The motion PASSED by the following vote with Blake opposed.

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

M 1) 12-28

1) Discussion/Decision on forward funding or bridge funding to the Sitka School District on anticipated educational funding from state and federal sources for FY 2013.

A motion was made by Hackett to OVERRULE the Mayor's decision on recusing Mr. Christianson based on bias.

The motion FAILED by 2-3 vote with Hackett and McConnell voting Yes and Reif, Esquiro and Blake voting No. Westover and Christianson were Non-voting.

A motion was made by Reif to forward fund to the Sitka School District anticipated educational funding from state and federal sources for FY 2013 in the amount of \$300,000. That forward funding will be paid back by any increase in funding received from the State of Alaska for the Sitka School District or any funding received from Secured Rural Schools for the Sitka School District.

A motion was made by McConnell to amend the amount from \$300,000 to \$225,000.

Tim Fulton of the Sitka School Board read a letter from Board President Lon Garrison with regard to providing a level of additional funding for Sitka School District. It was noted the reauthorization of rural school funding was unknown. David Arp was present to answer questions.

Reif spoke in support of the School District especially since they did not have the power of taxation. In response to a question by Blake, Finance Director Jay Sweeney, reported the City currently contributed \$6,355,670 to the School District. Sweeney noted that amount did not include stumpage money. It was stated there was a reasonable chance that some legislation providing funding would take place, not likely but reasonable and may be significantly or moderately reduced from the past.

Reif mentioned the municipality had added additional school bond debt over recent years. The result was the school bond principal and interest had to be covered from other revenue sources. Westover brought up that there were other sources of funding the municipality provided the schools, such as snow plowing.

The Finance Director provided the minimum (\$3,517,543) and maximum (\$7,017,342) contribution amounts for schools. Hackett said it was critically important to fund our schools, however, she had a hard time forward funding in the hope of receiving Secure Rural Schools funding. She would like it separated out.

Westover and others addressed the need to look at the municipal budget first before funding additional money to the schools. Blake inquired what cuts the school had made and wondered what enrollment looked like. It was stated they were budgeting for

1295 students and anticipated taking \$500,000 out of their reserves. Their budget had been built on flat funding. Even if the municipal funding were approved they were still looking at cutting 3-4 FTE between teachers and clerical personnel. Last year the School District cut a special education teacher and a high school counseling secretary, cut \$50,000 from school activities and took out funds from their legal reserves. They were fortunate this year their enrollment came in at 1306 and they received 1 time funding from the state. Blake noted the City and School District needed to make difficult decisions. Hackett preferred to leave the discussion and pick it up again after she had seen the municipal budget.

Dinley recommended both sides budget without the Secure Rural Schools funding and if it came through it would be split 50/50.

A motion was made by Hackett that this item be POSTPONED until March 27, 2012. The motion PASSED by an unanimous vote of those present 6-0. Christianson was non-voting.

Discussion/Decision on Directing the Administrator to provide a list of viable budget cuts being considered:

Reif reviewed short falls of the City. He wanted to let the people know where we were making the cuts. He contended the public might support these revenue increases if they knew what the cuts were or had been.

Administrator Dinley suggested for the March 27 meeting that there be an executive session where he could discuss personnel cuts. Both Reif and Hackett were looking for a broader based, non-specific sense of cuts. Perhaps a look at payroll costs would be valuable. What they were seeking was not executive session material. They would like the information sooner than later. McConnell and Hackett expressed the need for transparency and for the public to see what had been cut.

Administrator Dinley explained the fluidness of the current process of balancing the budget and expressed he would like time to do it right. Reif planned to postpone final adoption of any revenue increases until he had seen the budget. Blake brought up the logistics and said to let Dinley do his due diligence. Westover thought the Assembly was handicapping the people building the budget. McConnell mentioned the interactive online budget for Calgary. No decisions or formal direction followed the discussion.

XI. PERSONS TO BE HEARD:

Randy Hughes, Assessor, announced that Property Valuations were completed and notices would be sent out.

Westover met with John Tillinghast and Deputy Mayor Esquiro on the Redoubt issue. The next document should be close to a final Management Agreement for the Assembly to consider. Heard from Holland America Ralph Samuels to see what Sitka could do to bring more ships to Sitka. Deputy Esquiro would be at SeaTrade next week and planned to listen and promote Sitka.

Esquiro thanked the Assembly for keeping the idea of a creating a fund for maintaining municipal infrastructure on the forefront. If he didn't do anything else as an elected official he would like to see that started. Esquiro may have a commitment in April that is yet to be determined.

Dinley expressed his passion to give the Assembly a good budget and they were working hard on it.

Westover advised she would be in Juneau March 12-15 attending Southeast Conference.

Reif would be unavailable for a period in April.

XII. ADJOURNMENT

A motion was made by Reif that this meeting be ADJOURNED. The motion PASSED without objections and the meeting ADJOURNED at 8:45 PM on Tuesday, March 6, 2012.

**ATTEST: _____
Colleen Ingman, MMC
Municipal Clerk**



CITY AND BOROUGH OF SITKA

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

Minutes - Draft 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, March 13, 2012

6:00 PM

Assembly Chambers

REGULAR MEETING

I. CALL TO ORDER

II. FLAG SALUTE

III. ROLL CALL

Present: 5 - McConnell, Blake, Christianson, Reif, and Hackett

Absent: 2 - Westover, and Esquiro

IV. CORRESPONDENCE/AGENDA CHANGES

Government-to-Government Update with Sitka Tribe of Alaska

Sitka Tribe of Alaska Council Member Dale Williams provided a report to the Assembly of current events at the Tribe.

V. SPECIAL MUNICIPAL/COMMITTEE/COMMISSION REPORTS:

12-12 Todays Classroom Sitka School District

School Board Member Tim Fulton; 2nd grade teachers, Cindy Duncan and Kelly Buxton; and Assistant Superintendent, Mary Wagner, gave a presentation to the Assembly on the use of interactive Promethium Boards and tools in the classroom.

A recess was taken from 6:50 to 6:55pm.

VI. PERSONS TO BE HEARD

Andrew Miller of Sitka Maritime Heritage Society noted the continued work with Delta Western regarding a fuel dock. He added Delta Western currently had some tanks at Samson Tug and Barge.

Don Jones spoke to DMV fee collection for municipalities. He suggested an increase in fees could be implemented to help with road maintenance costs.

VII. REPORTS

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

Vice-Deputy Mayor: Reported the Tourism Commission was moving forward with the signage project.

Acting Administrator: Noted Spring Clean Up would be held April 14-22. Harmon answered questions from Assembly member Reif regarding the alternative water source and the Swan Lake dock.

VIII. CONSENT AGENDA

- A 12-33** Approve the Assembly minutes of February 14, 2012.

This item was APPROVED ON THE CONSENT AGENDA.

- B 12-35** Appointments: B 1) Reappoint Trish White to a term on the Local Emergency Planning Commission, B 2) Appoint Mary Stephenson to the Tourism Commission, and B 3) Appoint Brian Bickar to a term on the Police and Fire Commission

The Assembly chose to divide the appointments into three motions.

A motion was made by Hackett to reappoint Trish White to a term on the Local Emergency Planning Commission. The motion passed by a unanimous voice vote.

A motion was made by McConnell to appoint Mary Stephenson to the Tourism Commission. The motion passed by a unanimous voice vote.

Reif called Brian Bickar forward and asked his interest in serving on the Commission. Bickar said he would like to become involved in the community.

A motion was made by Reif to appoint Bickar to a term on the Police and Fire Commission for one year. The motion FAILED by the following vote.

Yes: 1 - Reif

No: 4 - McConnell, Blake, Christianson, and Hackett

Absent: 2 - Westover, and Esquiro

Bickar stated he was devoted. Hackett added Bickar would bring a valuable perspective to the Commission because he had had interactions with the Police Department and was a parent.

A motion was made by McConnell to appoint Bickar to a three year term on the Police and Fire Commission. The motion PASSED by the following vote.

Yes: 5 - McConnell, Blake, Christianson, Reif, and Hackett

Absent: 2 - Westover, and Esquiro

IX. UNFINISHED BUSINESS:

- C** **ORD 12-11** Authorizing a Five-Year Lease of property at Griffin Island with Joan Berg for 4-J's Coffee
- Vice-Deputy Mayor Christianson read the title, purpose, and effective date.*
- A motion was made by Hackett that this Ordinance be PASSED ON SECOND READING. The motion PASSED by the following vote.**
- Yes:** 5 - McConnell, Blake, Christianson, Reif, and Hackett
- Absent:** 2 - Westover, and Esquiro
- D** **ORD 12-12** Amending Sections of SGC Chapters 19.02, 19.03, 19.09, to update the reference to the Uniform Plumbing Codes and National Electric Code
- A motion was made by McConnell that this Ordinance be PASSED ON SECOND READING. The motion PASSED by the following vote.**
- Yes:** 5 - McConnell, Blake, Christianson, Reif, and Hackett
- Absent:** 2 - Westover, and Esquiro
- E** **ORD 12-08** Amending Sitka General Code Section 4.09.010 entitled "Levy of Sales Tax" to reallocate the percentages of the Fish Box Sales Tax.
- A motion was made by McConnell that this Ordinance be POSTPONED to the March 27 Assembly meeting. The motion PASSED by the following vote.**
- Yes:** 4 - McConnell, Blake, Christianson, and Hackett
- Absent:** 2 - Westover, and Esquiro
- Recused:** 1 - Reif
- F** **ORD 12-06** Amending the Sitka General Code by repealing the sales tax exemption provision currently at Sitka General Code subsection 4.09.100Y for "exemption for retired persons who have reached the age of sixty-five," and adding a new section 4.09.105 entitled "Sales Tax Exemption for Sitka Senior Residents or Members of their households"
- Bob Schell wondered if adjusted gross income was a fair way to establish qualification for the exemption. He noted medical expenses would not be recognized in the figure.*
- David H. Tjomsland supported second reading of this ordinance be postponed until all Assembly members were present. He noted retail sales would suffer and would like to grandfather in and institute another age bracket so people could plan their retirement.*
- Kathy Kyle spoke in support of the ordinance. She noted the current exemption gave a benefit to many who didn't need it. Kyle said young people can't be expected to support the seniors when many seniors owned their own homes. A cleaner solution would be to exempt tax on food for everyone. Kyle spoke in support of raising the sales tax cap.*
- Ward Eldridge stated while he loved not having to pay City sales tax it bothered him that there were a lot of young people that had to subsidize seniors. He felt removing sales tax from food would make more sense.*

Tom Pratt believed the commitment to honor seniors needed to be upheld. He felt it was embarrassing and deserved a more thoughtful approach.

Pat Keho testified this was an exemption for people who were retired and felt this was unknown -nowhere on the application did it ask if someone was retired. She suggested whatever was decided needed to be implemented better than this program. Kehoe added medical costs needed to be factored in.

Ken Creamer spoke in support of keeping the current senior exemption. He stated there was a revenue problem and the best thing the City could do was pass a budget where expenses met revenues.

Don Jones agreed with delaying second reading. He suggested repealing taxes on food which would impact everyone. Jones stated the City should tax tobacco and alcohol.

Shirley Robards testified she brought this issue forward to the Assembly in 1975. She noted Juneau extended the sales tax exemption benefit to all Alaskan seniors. Robards had a 30 page petition of signatures she had collected saying to leave the exemption as is.

Assembly member Hackett said she had agreed to move forward with changing the senior tax exemption provisions because of Sitka's changing demographics and the aging population. She supported taking tax off of food but right now it would be difficult for the City to afford. Christianson's intention all along was to come up with a fairer way than the \$300 rebate.

A motion was made by Hackett that this Ordinance be POSTPONED to the March 27 Assembly meeting. The motion PASSED by a unanimous vote.

A recess was taken from 8:20 to 8:30pm.

G ORD 12-13

Amending SGC Subsection 13.06.010 L entitled "Launch Ramp Fees" to be consistent with Alaska State Park Boat Launch Fees

Ken Creamer, Vice Chairman of the Port and Harbors Commission, reported the Commission was unanimously rescinding their adoption of the ordinance because it no longer mirrored the statute of the State of Alaska. Creamer indicated it was initially recommended so the ordinance would correspond with the State of Alaska.

Harbormaster Stan Eliason explained the previous amendment would not allow for the reciprocal agreement with the State; the ability to partner would be lost. Reif supported the original ordinance and felt it better served the Harbor Department. Hackett stressed the importance of educating the public of a fee.

Mike Coleman testified he had 3 boats, 2 of which were on trailers. He stated just because he had one boat in the harbor didn't mean that his other two boats were covered. He contended he should have to pay for all three.

A motion was made by Reif that this Ordinance be POSTPONED to the March 27 Assembly meeting. The motion PASSED by the following vote.

Yes: 5 - McConnell, Blake, Christianson, Reif, and Hackett

Absent: 2 - Westover, and Esquirol

H 12-37

Reconsider the Assembly's decision sitting as the Board of Adjustment on February

28, 2012 granting a Conditional Use Permit filed by Dawn Mahoney-Menendez for a more than 4 children Day Care at 506 First Street, based on the recommendation of the Planning Commission at their January 17, 2012 meeting.

A motion was made by Blake to convene as the Board of Adjustment. The motion PASSED by a unanimous vote.

Vice-Deputy Mayor Christianson called the parties forward.

Nelson's preference was to postpone the item to the first meeting in April.

The Menendez' attorney, Corrie Bosman, requested a decision be made now because the owners and parents were waiting for a decision.

A motion was made by McConnell that this Item be POSTPONED to the April 10 Assembly meeting. The motion PASSED by the following vote.

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

Absent: 2 - Westover, and Esquiro

Recused: 1 - Reif

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

X. NEW BUSINESS:

New Business First Reading

- I RES 12-04** Approving the CBS's participation in a proposed refinancing by the Alaska Municipal Bond Bank of certain of its general obligation bonds and general obligation refunding bonds, which provided funds to purchase the CBS's General Obligation Bond 2004 and General Obligation Refunding Bond, 2005 under loan agreements between the CBS and the Bond Bank; and authorizing the CBS's Finance Director to approve a revised schedule of principal and interest payments on the CBS's 2004 and 2005 Bonds, in accordance with the loan agreements, if the Bond Bank successfully refinances its bonds

Vice-Deputy Mayor Christianson read the title.

Jay Sweeney, Finance Director, explained the Municipal Bond Bank approached the City with regard to combining bonds from other entities into a combined bond. The total savings would be \$740,000, the City's share would be approximately a third of that.

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

Yes: 5 - McConnell, Blake, Christianson, Reif, and Hackett

Absent: 2 - Westover, and Esquiro

Additional New Business Items

- J 12-38** Approve the award for a design contract for the Baranof Street Sewer/Water Replacement to DOWL HKM with a not to exceed amount of \$95,000.

Municipal Engineer, Stephen Weatherman, and Senior Engineer, Lance Henrie, came forward to explain the award and project.

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

Yes: 5 - McConnell, Blake, Christianson, Reif, and Hackett

Absent: 2 - Westover, and Esquiro

K 12-34

Approve award of a Professional Services Contract for the Sea Walk Part C to Tetra Tech Alaska, LLC. not to exceed \$171,100.

Municipal Engineer, Stephen Weatherman, and Senior Engineer, Dan Tadic, came forward to explain. Part 3 is the section from the basketball court to the Sitka National Historical Park. Acting Administrator and Public Works Director, Michael Harmon, noted the goal would be to finish the design and bring it back before the Assembly. Tadic indicated there would be public meetings in the future.

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

Yes: 5 - McConnell, Blake, Christianson, Reif, and Hackett

Absent: 2 - Westover, and Esquiro

L 12-39

Approve Southeast Economic Development Loan requested by Baranof Island Brewing Company for \$150,000. PULLED

This item was PULLED from the agenda prior to the meeting.

XI. PERSONS TO BE HEARD:

Mike Reif apologized to Thor Christianson and the public for his decision in agreeing with Mayor Westover's ruling to bar Christianson from taking part in school funding discussions at the last meeting.

Municipal Attorney, Theresa Hillhouse, stated at the next meeting Michael Gatti, the City's outside counsel, would be available to advise the Assembly on conflict of interest.

XII. ADJOURNMENT

A motion was made by Hackett to ADJOURN. The motion passed by unanimous vote.

ATTEST: _____

**Colleen Ingman, MMC
Municipal Clerk**