

# **CONSENT AGENDA**

## **POSSIBLE MOTION**

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**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.**



# 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: Keith Brady  
Municipal Attorney: Brian Hanson  
Municipal Clerk: Sara Peterson*

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Tuesday, September 12, 2017

6:00 PM

Assembly Chambers

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#### WORK SESSION 5:00 PM

**17-149** Smart Growth America - *Planning Department*

Staff of Smart Growth America presented to the Assembly.

#### REGULAR MEETING

I. CALL TO ORDER

II. FLAG SALUTE

III. ROLL CALL

**Present:** 6 - Swanson, Eisenbeisz, Potrzuski, Hunter, Knox, and Bean

**Absent:** 1 - Guevin

IV. CORRESPONDENCE/AGENDA CHANGES

Mayor Hunter welcomed Municipal Administrator, Keith Brady. He also extended thanks to Interim Administrator, Phil Messina.

**17-159** Reminders, Calendars and General Correspondence

V. CEREMONIAL MATTERS

None.

**VI. SPECIAL REPORTS: Government to Government, Municipal Boards/Commissions/Committees, Sitka Community Hospital, Municipal Departments, School District, Students and Guests (five minute time limit)****17-152** Recap of the August Healthcare Town Hall Meetings - Maegan Bosak

Community Affairs Director, Maegan Bosak, reported on the August Town Hall Meetings. She noted a written report would be included in the Correspondence section of the September 26 Assembly packet.

**VII. PERSONS TO BE HEARD**

Alene Henning thanked the Police Department for enforcement of the law prohibiting cell phone use while driving. Henning also noted the hardships, on businesses and citizens, created by the Lake Street improvement project.

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

Administrator - Brady thanked those who had assisted with the September 4 landslide and thanked Public Works staff for their response to a sewer line break on Japonski Island.

Attorney - Hanson thanked Interim Administrator Phil Messina for his service.

Liaison Representatives - Eisenbeisz reported on the recent Sitka Community Hospital Board meetings and work session.

Clerk - Peterson announced Absentee/Advanced Voting would be held weekdays from 9am to 5pm at City Hall beginning September 18 through October 2.

Other - Garry White, Director of the Gary Paxton Industrial Park, reported the dock had arrived and the project was on schedule.

**IX. CONSENT AGENDA**

**A motion was made by Swanson that the Consent Agenda consisting of items A & B be APPROVED.**

**Yes:** 6 - Swanson, Eisenbeisz, Potrzuski, Hunter, Knox, and Bean

**Absent:** 1 - Guevin

**A 17-153** Approve the minutes of the August 19 and 22 Assembly meetings

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

**B RES 17-19** Supporting the Sitka Trail Works, Inc. grant application to the State of Alaska

Recreational Trails Program for repairs to the Sea Lion Cove Trail

This item was APPROVED ON THE CONSENT AGENDA.

**X. BOARD, COMMISSION, COMMITTEE APPOINTMENTS**

- C 17-154** Appoint Ken Creamer to an unexpired term on the Port and Harbors Commission  
Knox thanked former Port and Harbor Commission member Ken Creamer for reapplying.

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

**Yes:** 6 - Swanson, Eisenbeisz, Potrzuski, Hunter, Knox, and Bean

**Absent:** 1 - Guevin

**XI. UNFINISHED BUSINESS:**

- D ORD 17-29S** Adjusting the FY18 Budget (*Sitka Airport Terminal Improvements Project*)

**A motion was made by Potrzuski that this Ordinance be APPROVED on SECOND AND FINAL READING. The motion PASSED by the following vote.**

**Yes:** 4 - Eisenbeisz, Potrzuski, Hunter, and Knox

**No:** 2 - Swanson, and Bean

**Absent:** 1 - Guevin

- E ORD 17-30** Adjusting the FY17/FY18 Budgets (*Solid Waste Fund, Harbor Fund, Management Information Systems Fund, Public Works - Recreation Department*)

Potrzuski and Bean explained there had been a budgeting error. With regards to the Harbor Fund, Hunter noted there had been a shift in solid waste collection costs from citizens to the Municipality. Bean reminded the cost of transporting garbage off the island was approximately \$2 million each year. To reduce off island transportation costs, he suggested exploring the idea of a modern incinerator at the Gary Paxton Industrial Park site.

**A motion was made by Potrzuski that this Ordinance be APPROVED on SECOND AND FINAL READING. The motion PASSED by the following vote.**

**Yes:** 6 - Swanson, Eisenbeisz, Potrzuski, Hunter, Knox, and Bean

**Absent:** 1 - Guevin

- F ORD 17-31** Adjusting the FY18 Budget (*O'Connell Lightering Facility Repair Project*)

Harbormaster, Stan Eliason, stated he was researching yacht rates to help determine what the market could bear. Eliason stated the dock was mobilized May through September. He estimated approximately 90 bookings were possible at a minimum of \$1,000 each booking.

**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, Potrzuski, Hunter, Knox, and Bean

**Absent:** 1 - Guevin

## **XII. NEW BUSINESS:**

### **G 17-155 Approve a 20-year purchase agreement between the City and Borough of Sitka and Eckert Fine Beverages for the export of bulk water**

Richard Wein wondered how the branding and Sitka would be protected. Helen Craig reminded of the importance of keeping the industries separated at the Industrial Park - e.g. marijuana, bulk water.

In answer to a question regarding a contract provision to protect Sitka from a drought, Garry White, Director of the Gary Paxton Industrial Park, reminded the Municipal Administrator could temporarily suspend raw water deliveries. While a contract term of 20 years was typical, White noted there were required benchmarks of Eckert Fine Beverages.

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

**Yes:** 6 - Swanson, Eisenbeisz, Potrzuski, Hunter, Knox, and Bean

**Absent:** 1 - Guevin

### **H 17-156 Approve a 20-year purchase agreement between the City and Borough of Sitka and Arctic Blue Waters Inc. for the export of bulk water**

Richard Wein spoke to the branding and protection of Sitka. Helen Craig thanked the Assembly for their work and keeping water in the dam.

Eisenbeisz expressed caution. He noted the City had been dealing with this company for quite some time and there hadn't been water shipments. Gary Paxton Industrial Park Director, Garry White, reminded bulk water was a tough business. He spoke to the tighter requirements of the contract. Fred Paley of Arctic Blue Waters, stated he had been in the business for over 20 years. He added the company may have been premature when they approached the City in 1995 for a bulk water license. At that time their focus was on China. Paley noted the company had a business partner in Fairbanks and the funding behind them to aggressively market bulk water.

In response to questions of risk to the City, Garry White stated he was confident the contract protected the City. Brian Hanson, Municipal Attorney, reiterated the goal of the contract was to reduce risk. He and White discouraged the Assembly from adding provisions related to branding. White added when water was exported, the City would take their own samples for testing.

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

**Yes:** 5 - Swanson, Potrzuski, Hunter, Knox, and Bean

**No:** 1 - Eisenbeisz

Absent: 1 - Guevin

I 17-157

Presentation by Alaska Department of Transportation and Public Facilities of the Sawmill Creek Road Resurfacing and Pedestrian Improvements Project followed by approval of Option 1 or Option 2 (Project website: [http://dot.alaska.gov/sereg/projects/sitka\\_sawmill\\_rd/index.shtml](http://dot.alaska.gov/sereg/projects/sitka_sawmill_rd/index.shtml))

Department of Transportation (DOT) officials presented an overview of the two options for the Sitka Sawmill Creek Road resurfacing and pedestrian improvements project and timeline. Option 1: work would remain within the limits of the existing ROW, relocate power poles out of the right of way (ROW) 13.5' driving lanes - widened for vehicle and bicycle use, 8' parking lanes on both sides of Sawmill Creek Road, and Americans with Disabilities Act (ADA) upgrades to the sidewalk and curb ramps. Option 2: work would remain within the limits of the existing ROW, relocate power poles out of the ROW, eliminate parking from the south side of Sawmill Creek Road, 5' wide bike lanes on each side of Sawmill Creek Road, 7.5' wide sidewalk on the south side of Samwill Creek Road, driving lane widths would be reduced from 12' to 11', and ADA upgrades to the sidewalk and curb ramps.

Some Assembly members expressed concern of reducing the driving lane from 12 feet to 11 feet. Swanson, a commercial truck driver, shared the road was already narrow on the corner by the Sitka National Cemetery. DOT said they would take that information into consideration and shared that wider traffic lanes often brought higher rates of speed. Regarding pole realignments, DOT stated the poles would need to be relocated outside of the right of way and easements would need to be obtained from private property owners. Hunter inquired about the possibility of adding rumble strips near the fog line for bicycle safety. Bean mentioned the reduction of parking along Sawmill Creek Road in the downtown area.

DOT noted they had received recommendations from the Public Works Department and looked forward to working with staff on the creative ideas offered.

Lynne Brandon and Doug Osborne spoke in support of Option 2.

**A motion was made by Potrzuski to APPROVE Option 2 of the Sitka Sawmill Creek Road Resurfacing and Pedestrian Improvements Project with consideration of the City and Borough of Sitka's recommendations. The motion PASSED by the following vote.**

**Yes:** 5 - Eisenbeisz, Potrzuski, Hunter, Knox, and Bean

**No:** 1 - Swanson

**Absent:** 1 - Guevin

J RES 17-18

Urging the US Government to utilize any and all powers under the Boundary Waters Treaty to ensure that Alaska resources are not harmed by upstream development in the Alaska/British Columbia (BC) Transboundary Region (*first and final reading*)

Cosponsors Knox and Bean spoke to the importance of the resolution. Jill Weitz of Salmon Beyond Borders, addressed the Assembly. Weitz stated Salmon Beyond Borders was a campaign driven by commercial and sport fishing groups, business owners, tour operators and concerned citizens. The campaign urged the US government to utilize powers under the boundary waters treaty to ensure that Alaska

resources were not harmed by upstream development in the Alaska/British Columbia transboundary region.

Pat Alexander spoke in support of the resolution noting mining, while important, did not belong next to fishing streams.

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

**Yes:** 6 - Swanson, Eisenbeisz, Potrzuski, Hunter, Knox, and Bean

**Absent:** 1 - Guevin

**K 17-158** Decision on whether to allow sales tax free day(s) following the Thanksgiving holiday and set date(s)

As a downtown business owner, Eisenbeisz wondered if he should be recused from the discussion. Mayor Hunter ruled he did not need to recuse himself.

Knox wondered of the reason for the fuel exclusion and offered other items that could be excluded. Hunter, while not opposed to excluding items, wondered where to ultimately draw the line. Attorney Hanson drew attention to section 4.09.020(B) of Sitka General Code. He reminded the code was written to exclude fuel sales and any sale which was a part of a continuing obligation of the buyer to pay the seller over time, from sales tax free days.

Assembly members commented that sales tax free days encouraged citizens to buy local.

Richard Wein spoke in support of the sales tax free days.

**A motion was made by Knox to authorize November 24 and November 25 as Sales Tax Free days for 2017 noting the sales tax free days will not be applicable to any sale of fuel, nor affect any sale which is part of a continuing obligation of the buyer to pay the seller over time. The motion PASSED by the following vote.**

**Yes:** 6 - Swanson, Eisenbeisz, Potrzuski, Hunter, Knox, and Bean

**Absent:** 1 - Guevin

**L ORD 17-32** Adjusting the FY18 Budget (*Solid Waste Fund - Operations*) 1st reading

Chief Finance and Administrative Officer, Jay Sweeney, stated the budget adjustment was needed in order to account for a budgeting error. He emphasized it was not an accounting error and no public funds were improperly spent. Sweeney noted operating expenses in the FY18 Budget were not adjusted to recognize the increased costs associated with the new solid waste contracts.

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

**Yes:** 6 - Swanson, Eisenbeisz, Potrzuski, Hunter, Knox, and Bean

**Absent:** 1 - Guevin

**XIII. PERSONS TO BE HEARD:**

None.

**XIV. EXECUTIVE SESSION**

**M 17-150** Update from legal counsel regarding the defense of the litigation arising out of the August 18, 2015 landslide events

**A motion was made by Potrzuski to go into Executive Session to receive and discuss an update from legal counsel, David Bruce, regarding the defense of the litigation arising out of the August 18, 2015 landslide events. The motion PASSED by a unanimous voice vote.**

The Assembly was in Executive Session from 9:15pm to 10:05pm.

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

**Mayor Hunter stated the Assembly had received an update from David Bruce regarding the defense of the litigation arising out of the August 18, 2015 landslide events.**

**XV. ADJOURNMENT**

**A motion was made by Swanson to ADJOURN. Hearing no objections, the meeting ADJOURNED at 10:09pm.**

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



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ASSEMBLY CHAMBERS  
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## Minutes - Draft

### City and Borough Assembly

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*Vice-Deputy Mayor Steven Eisenbeisz*  
*Tristan Guevin, Kevin Knox*  
*Aaron Bean, and Aaron Swanson*

*Municipal Administrator: Keith Brady*  
*Municipal Attorney: Brian Hanson*  
*Municipal Clerk: Sara Peterson*

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Thursday, September 14, 2017

6:00 PM

Assembly Chambers

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#### SPECIAL MEETING

I. CALL TO ORDER

II. FLAG SALUTE

III. ROLL CALL

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

Absent: 1 - Guevin

IV. CORRESPONDENCE/AGENDA CHANGES

None.

V. PERSONS TO BE HEARD

None.

VI. NEW BUSINESS:

A 17-151 Award FY18 General Fund Non-Profit Grants

A representative of the Sitka Maritime Heritage Society stated their grant had been placed in the incorrect category. It was clarified the grant had in fact been placed in the correct category - Cultural & Educational Services.

Auriella Hughes thanked the Assembly for the grant opportunity.

**A motion was made by Swanson to award the following FY18 General Fund Non-Profit Grants in the category of Human Services:**

- Brave Heart Volunteers \$9,729**
- Sitka Counseling and Prevention Services \$4,638**
- Southeast Alaska Independent Living \$7,529**
- Salvation Army Alaska Sitka Corp \$4,771**

**The motion PASSED by the following vote.**

**Yes:** 6 - Swanson, Eisenbeisz, Potrzuski, Hunter, Knox, and Bean

**Absent:** 1 - Guevin

**A motion was made by Potrzuski to award the following FY18 General Fund Non-Profit Grants in the category of Cultural & Educational Services:**

- Alaska Arts Southeast (Sitka Fine Arts Camp) \$2,250**
- Betty Eliason Child Care Center \$1,083**
- Greater Sitka Arts Council \$2,333**
- Sitka Maritime Heritage Society \$1,167**
- The Island Institute Inc. \$2,333**

**The motion PASSED by the following vote.**

**Yes:** 6 - Swanson, Eisenbeisz, Potrzuski, Hunter, Knox, and Bean

**Absent:** 1 - Guevin

It was mentioned the Sitka Community Land Trust (SCLT) had requested \$10,000; however, did not receive any funding. In order for an applicant to receive funding, a majority of the Assembly needed to recommend some level of funding. Only 3 members (Hunter, Potrzuski, and Bean) had allocated funding to the SCLT. Assembly members who had allocated funds to the SCLT would be allowed to redistribute their allocation to other applicants within the category. The reallocation could not result in any applicant receiving more funding that they had originally requested.

Potrzuski commented on the importance of the SCLT and the need for affordable housing in Sitka. Eisenbeisz offered that while affordable housing was important, the City had given (sale of \$1 - reference Ordinance 2015-56) the SCLT the land at the Old City Shops location to support their venture. Knox and Swanson agreed. Hunter stated local support would go a long way in helping the SCLT to receive outside funding - e.g. Rasmuson Foundation.

John Stein spoke in support of the SCLT.

**A motion was made by Bean to award the following FY18 General Fund Non-Profit Grants in the category of Community Development:**

- Sitka Trail Works \$6,250**

Swanson changed his allocation so that SCLT would have a majority recommending funding: SCLT \$3,000 and Sitka Trail Works \$7,000.

**A motion to AMEND was made by Potrzuski to change the allocation amounts to: \$3,417 SCLT and \$5,750 Sitka Trail Works. The motion to AMEND PASSED by**

the following vote.

**Yes:** 4 - Swanson, Potrzuski, Hunter, and Knox

**No:** 2 - Eisenbeisz, and Bean

**Absent:** 1 - Guevin

Bean changed his allocation amounts: SCLT \$0 and Sitka Trail Works \$10,000.

**A motion to AMEND was made by Eisenbeisz to change the allocation amounts to: \$0 SCLT and \$6,583 for Sitka Trail Works. The motion to AMEND PASSED by the following vote.**

**Yes:** 5 - Swanson, Eisenbeisz, Hunter, Knox, and Bean

**No:** 1 - Potrzuski

**Absent:** 1 - Guevin

Given that there was not a majority of members in favor of funding for the SCLT, Potrzuski chose to move a portion of his SCLT allocation to Sitka Trail Works to allow them to receive the maximum amount of their request; \$7,000.

**The main motion as amended (an award of \$7,000 to Sitka Trail Works) PASSED by the following vote.**

**Yes:** 6 - Swanson, Eisenbeisz, Potrzuski, Hunter, Knox, and Bean

**Absent:** 1 - Guevin

## VII. PERSONS TO BE HEARD:

Lynne Brandon thanked the Assembly for their support.

## VIII. EXECUTIVE SESSION

None.

## IX. ADJOURNMENT

**A motion was made by Swanson to ADJOURN. Hearing no objections, the meeting adjourned at 6:32pm.**

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