



CITY AND BOROUGH OF SITKA

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

Minutes - Final City Assembly

MAYOR Scott McAdams

Deputy Mayor - Reber Stein, **Vice Deputy Mayor**

Cheryl Westover - Mim McConnell

Phyllis Hackett - Larry Crews

MUNICIPAL ADMINISTRATOR: Jim Dinley

MUNICIPAL ATTORNEY: Theresa Hillhouse

MUNICIPAL CLERK: Colleen Ingman, MMC

Tuesday, June 8, 2010

6:00 PM

Assembly Chambers

REGULAR MEETING

I. CALL TO ORDER

II. FLAG SALUTE

III. ROLL CALL

Present: 6 - McAdams, Ozment, Westover, Crews, Hackett, and McConnell

Telephonic: 1 - Stein

IV. CORRESPONDENCE/AGENDA CHANGES

MOTION by Stein to move Item V to appear after Item I in tonight's agenda.

Yes: 7 - McAdams, Ozment, Stein, Westover, Crews, Hackett, and McConnell

V. PERSONS TO BE HEARD

Duck Didrickson spoke about vehicles speeding in the village. He went before the Police and Fire Commission requesting 5 mph signs. He said the road has signage. He was most upset about an exchange of words between a police officer and his wife and he wanted an apology.

Kenneth Rear has been looking at the Visitor Plan and he recommend that the assembly not adopt that plan. He expressed concern about building infrastructure so that we stop losing the market share of visitors. Rear is primarily interested in infrastructure that supports cruise ships and visitors.

Garry White and Andrew Thoms introduced Haley Sample who is working on Sustainable Capital Flow and Finance for Sitka Economic Development Association and Sitka Conservation Society and Zia Burcala Sitka Conservation Society's Transition Policy Intern.

Jay Stelzenmuller announced a Causeway cleanup on June 12. Allen Marine leaves

Crescent Harbor at 8:30 AM. It is to support Gerald Gangle's recently orphaned five year old grandson. He urged the public to participate and talked about the many contributions Gerald Gangle has made through his involvement in Search and Rescue.

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

Reports were deferred due to the length of tonight's agenda.

VII. CONSENT AGENDA

- A 10-100** Approve the minutes of the May 25, 2010 Assembly meeting.
This matter was APPROVED ON THE CONSENT AGENDA
- B 10-101** Appoint Alexander Allison to a term on the Port and Harbors Commission and Chris Dearborn to a term on the Local Emergency Planning Committee.
This matter was APPROVED ON THE CONSENT AGENDA
- C RES 10-16** Setting the millage rates for the fiscal year July 1, 2010 through June 30, 2011.
This matter was APPROVED ON THE CONSENT AGENDA
- D ORD 10-16** Adjusting the FY2010 budget for changes identified during the third quarter FY 2010 formal budget execution review.
This matter was APPROVED ON THE CONSENT AGENDA
- E 10-102** Authorize the Administrator to enter into a Professional Service Contract with Germano & Associates to provide services for Phase I of the Long Term Benthic Monitoring and Bioaccumulation Survey at Sawmill Cove Industrial Park for their proposed "not to exceed" amount of \$34,272.
A motion was made by Stein that the Consent Agenda consisting of Items A, B, C, D, & E be APPROVED. The motion PASSED on a 7-0 roll call vote.

VIII. UNFINISHED BUSINESS:

- F ORD 10-09** Amending SGC at Chapter 9.20 entitled "Smoking in Public Places and Places of Employment" to prohibit smoking in bars and in private clubs licensed to sell food or alcoholic beverages, set a minimum reasonable distance for non-smoking outside public places, provide for additional violation consequences, and make clarifying amendments, and containing a ballot measure for the October 5, 2010 Municipal Regular Election.

Andrea Thomas spoke to the successes of other communities on passing these nonsmoking laws. JoAnn Clyde glad this is going to the ballot. Protection of people is important to government. Ryan Kauffman supports passage.

A motion was made by McConnell that this Ordinance be APPROVED. The

motion PASSED by the following vote:

Yes: 5 - McAdams, Ozment, Stein, Hackett, and McConnell

No: 2 - Westover, and Crews

G ORD 10-11

Authorizing the sale of Lot 1B of the Little Critter Subdivision to Burgess Bauder and Victoria Vosburg for the purpose of constructing and operating a Veterinary Clinic.

Hunt said if the Assembly passes this tonight he will ask for better terms on his lease agreement.

Tori O'Connell and Dave Vastola both spoke to how invaluable Bauder has been and really supports this. This is a good investment in the community resources. He never refuses anybody and delivers tens of thousands of dollars in free care.

Burgess Bauder stated that he has been practicing in this community for 37 years. He was asked by a prior administration to build the clinic. He would like to finish the project. Vicky Vosberg related that they have been working on purchasing the property since 1997. She contends it will save the city money and a fair definition of nominal fees has been added to the Deed.

Ryan Kauffman supports Burgess the service he provides to this community goes far beyond the dollars in question.

Westover is concerned with the city caring mortgages and could support the funds coming out of the Economic Development Fund. Hackett contends it has little to do with Bauder. It has to do with a previous Assembly allowing him to build on this property and saying that he could purchase whenever he is ready, that time has come. City is obligated to sell. She does not believe this is precedent setting. Mayor pointed out that this is the final push in a deal that has been long standing.

Moved by Ozment to approve on second out of three readings. Motion PASSED by the following vote:

Yes: 6 - McAdams, Ozment, Stein, Crews, Hackett, and McConnell

No: 1 - Westover

Motion by Crews to have Vickie Vosberg and Burgess Bauder acquire their loan from the Sitka Economic Development Revolving Loan fund versus the Sitka Permanent Fund at a rate of 5%. The motion FAILED by the following vote:

Yes: 2 - Westover, and Crews

No: 5 - McAdams, Ozment, Stein, Hackett, and McConnell

H ORD 10-10

Amending SGC Chapter 6.12 by amending the title from "Mobile Homes and Mobile Home Parks" to "Mobile and Manufactured Homes and Mobile and Manufactured Home Parks," and making other amendments.

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

Yes: 7 - McAdams, Ozment, Stein, Westover, Crews, Hackett, and McConnell

I ORD 10-12

Amending SGC Title 22 Zoning to 1) Revise the definitions of manufactured home and mobile home, and 2) Replace the use mobile homes on individual lots with

manufactured homes on individual lots in SGC Table 22.16.015 - 1 Residential Land Uses, 3) Make the use "Single Manufactured Home on an Individual Lot" a permitted use in the WD Waterfront District, and, 4) Make related changes in the names and intent language of the affected residential zoning districts.

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

Yes: 7 - McAdams, Ozment, Stein, Westover, Crews, Hackett, and McConnell

V 10-111

Discussion/Direction to Sitka Convention and Visitor's Bureau Board transferring \$40K from reserves (derived from unspent previous City and Borough of Sitka support) to the Sitka Historical Society and Museum.

MOTION By Stein to direct the Sitka Convention and Visitor's Bureau Board transfer \$40K from reserves (derived from unspent previous City and Borough of Sitka support) to the Sitka Historical Society and Museum. The motion FAILED on the following vote:

Yes: 3 - McAdams, Ozment, and Stein

No: 3 - Westover, Crews, and Hackett

Recused: 1 - McConnell

J ORD 10-14

Adopting Budgets for Fiscal Year July 1, 2010 through June 30, 2011.

A motion was made by Ozment that this Ordinance be PASSED ON SECOND READING. The School Budget portion was not included in this vote and will be voted on separately. The motion PASSED by the following vote:

Yes: 4 - McAdams, Stein, Hackett, and McConnell

No: 3 - Ozment, Westover, and Crews

A motion was made by Hackett that the School District portion of budget be severed. The motion PASSED by the following vote:

Yes: 7 - McAdams, Ozment, Stein, Westover, Crews, Hackett, and McConnell

Hackett thanked the School superintendent and school board for working so hard.

A motion was made by Ozment that the School District portion of the Budget Ordinance be PASSED ON SECOND READING. The motion PASSED by the following vote:

Yes: 4 - Ozment, Stein, Hackett, and McConnell

No: 2 - Westover, and Crews

Recused: 1 - McAdams

Ernestine Massey, Sitka Historical Society board member, stated that if we are not funded beyond the \$70K we cannot retain a curator and without a curator we cannot keep the Rasmuson Grant. The only option they have left is to sell some of the collection. We are hopeful that something will pass tonight.

Hackett said nonprofits cannot get grants if we don't contribute to them. They are an important economic engine. Mayor asked if their budget could be reorganized. Massey related that they have been through the budget "with a fine tooth comb"

including reducing the director's hours.

Motion by Crews to move \$35K from the Nonprofit Grants line item to the Sitka Historical Society and Museum. The motion FAILED on the following vote.

Yes: 3 - Ozment, Westover, and Crews

No: 3 - McAdams, Stein, and Hackett

Recused: 1 - McConnell

Sherry Aitken is not associated with SCVB but believes that it is very notable what they have accomplished. We are in an incredibly crowded market place. She feels the Assembly should fully fund them with all the bed tax receipts to promote this community. "We are about to fall completely off the map. You are going to see a drop in sales tax like you have never seen before." Aitken does not believe that the historical society is concurrent with the SCVB. She applauds that the SCVB have been building up reserves.

Stein disagrees with reducing what we send to the SCVB. Hackett supports the SCVB and by giving them less this year we are asking them to share in the burden the rest of the community is experiencing. Crews does not favor this method, he thinks the dollars should come from nonprofits. Ozment has done some research and found nothing in the Charter that the bed tax was ever directed solely to the SCVB. Westover agreed, but brought up however if you read the minutes it is implied.

Motion by Hackett to transfer \$30K from SCVB appropriation and move it to the Sitka Historical Society appropriation. Motion to amend FAILED by the following vote:

Yes: 2 - Ozment, and Hackett

No: 4 - McAdams, Stein, Westover, and Crews

Recused: 1 - McConnell

Mr. Harmon testified that this would propose a problem for him since we just filled this position and it is an essential position in any city.

Motion by Ozment to AMEND by eliminating the position of Municipal Engineer on page 15 from the budget. The motion to amend FAILED by the following vote:

No: 7 - McAdams, Ozment, Stein, Westover, Crews, Hackett, and McConnell

MOTION by Hackett to pull \$15K from the SCVB and \$15K from roads and transfer those funds to the Sitka Historical Society. The motion FAILED by the following vote:

Yes: 2 - Ozment, and Hackett

No: 4 - McAdams, Stein, Westover, and Crews

Recused: 1 - McConnell

K ORD 10-15 Amending SGC to adjust the rates for sewer service.

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

Yes: 7 - McAdams, Ozment, Stein, Westover, Crews, Hackett, and McConnell

IX. NEW BUSINESS:

New Business First Reading

L ORD 10-13S Amending the SGC to adjust the rates for water service.

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

Yes: 7 - McAdams, Ozment, Stein, Westover, Crews, Hackett, and McConnell

M ORD 10-17 Amending Sitka General Code Section 2.58.030 entitled Meetings, Organization and Officers to include paid agents depending on available funding.

Westover questioned why we would fund an agent when we can't fund other things such as the Sitka Historical Society. She also pointed out that we do provide contractual secretarial support that at times runs over \$500 a month to this commission. Hackett responded that this is an incredibly time consuming job. It is so far above that of a volunteer. Juneau has three similar positions and they do not have as much history as Sitka does. In Hackett's and McConnell's opinion this option is a compromise; in lieu of adding a staff position. Williams described the current role of agent. If a project is near a potential historical site we forward it to the Historic Preservation Commission. If they feel they shouldn't hear it we go through the normal process. McAdams wondered what our liability would be if we no longer had a HPC. Anne Pollnow offered that the HPC falls under the City and Borough of Sitka, a Certified Local Government. They are asked to not only perform reviews on local projects, but also for some federal and state ones. Crews pointed out that the only time there is a liability is if the item is on the historical register. Crews asked over last year how many projects have been sent to the HPC? Williams responded that he has consulted HPC on between 25-30 this past year. Sometimes we talk 3 times a week, other times we don't talk for 3 weeks. Westover expressed concern has to how the agent would get funded. Crews is concerned with other commissions coming forward and asking for members to be paid.

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

NOTE: Assemblyman Stein's telephonic participation ceased around 9:15 PM.

Yes: 4 - McAdams, Ozment, Hackett, and McConnell

No: 2 - Westover, and Crews

Absent: 1 - Stein

Additional New Business Items

N 10-110 Board of Adjustment: Conditional Use Permit request, submitted by Burgess Bauder, for a seafood processing facility on a dock seaward of 4509 Halibut Point Road.
Reconvene

A motion was made by Ozment to convene as the Board of Adjustment. The

motion PASSED by the following vote:

Yes: 6 - McAdams, Ozment, Westover, Crews, Hackett, and McConnell

Absent: 1 - Stein

Bauder offered that he had built a fully compliant floating goeey duck facility and that we are now building a shore based one to expand our services to fishermen and fish processors. In the dive fishery alone, if we process them ourselves, we can get \$1 more a pound, which is significant.

Crews complimented the Planning and Zoning Commission for the good job they did on this.

McConnell moved to approve a conditional use permit request, submitted by Burgess Bauder, for a seafood processing facility seaward of 4509 Halibut Point Road with the conditions recommended by the Planning Commission. The motion PASSED on the following vote.

Yes: 6 - McAdams, Ozment, Westover, Crews, Hackett, and McConnell

Absent: 1 - Stein

Westover moved to reconvene as the Assembly in regular session. Motion PASSED by a unanimous voice vote.

O 10-104

Appoint three to the Sawmill Cove Industrial Park Board: 1) Charles Horan (incumbent), 2) Grant Miller (incumbent), 3) Richard Guhl, 4) Allen Turner.

All four candidates were nominated Charles Horan, Grant Miller, Richard Guhl, and Allen Turner.

Horan, Miller and Turner Received the majority of votes and were appointed to the open seats.

P 10-103

Authorize the Municipal Administrator to sign a Professional Services Agreement with Wolfe Outdoor Services to provide professional services for the Blue Lake Hydroelectric Expansion and Takatz Lake Feasibility Projects; and execute the Agreement on behalf of the Assembly of the City and Borough of Sitka.

Hackett recused herself because she is the landlord of the award recipient.

Ozment had several questions for Brewton. Ozment expressed concern there were no specifications. Brewton explained in the FERC process that there are 27 different plans/studies and that they are all dynamic and changing and we don't know what the projects are yet.

Moved by Westover to authorize the Municipal Administrator to sign a Professional Services Agreement with Wolfe Outdoor Services to provide professional services for the Blue Lake Hydroelectric Expansion and Takatz Lake Feasibility Projects; and execute the Agreement on behalf of the Assembly of the City and Borough of Sitka.

Yes: 4 - McAdams, Westover, Crews, and McConnell

No: 1 - Ozment

Absent: 1 - Stein

Recused: 1 - Hackett

- Q 10-107** Approve the transfer of \$140,000 from CIP #90587, Streets Paving FY08, to a project entitled Viking and Valhalla Street Repairs.
- Ozment questioned the dollar amount of \$140K. Harmon suspects we could very well be into the 2011 paving funds to pay for this. We don't have an estimate yet. This is fund transfer not an appropriation.*
- A motion was made by McConnell that this Item be APPROVED. The motion PASSED by the following vote:**
- Yes:** 6 - McAdams, Ozment, Westover, Crews, Hackett, and McConnell
- Absent:** 1 - Stein
- R 10-108** Approve a \$225,000 funds transfer from the Electric Department Marine Street Substation Voltage Regulator Capital Project No. 90627 to fund replacement of the Medvejie Hatchery service transformer.
- A motion was made by Westover that this Item be APPROVED. The motion PASSED by the following vote:**
- Yes:** 6 - McAdams, Ozment, Westover, Crews, Hackett, and McConnell
- Absent:** 1 - Stein
- S 10-109** Approve award of the Keet Gooshi Heen Elementary School electrical upgrades contract in the amount of \$668,400 to Sitka Electric Company.
- This item was pulled by the Administrator and Mayor prior to the meeting and was not taken up.*
- T 10-105** Direct the Municipal Attorney to bring back two ordinances for bonding ballot propositions this fall regarding Blatchley Middle School major maintenance.
- Steve Bradshaw relayed that the School Board passed this unanimously.*
- Wolff said the bonding impacts are unknown at this time.*
- Ozment was curious what had changed to double the costs. Harmon responded that the original request was pretty broad. When we consulted the professionals it became very apparent that the building needs a lot of maintenance and costs have accelerated.*
- Hackett wondered why we don't ask the voters to take money from the permanent fund to pay for this? Wolff explained that we do tap into Sitka's Permanent Fund ever year at 6% to help fund the General Fund. The real downside to this option is that if we use Sitka's Permanent Fund the state won't contribute their 70%.*
- A motion was made by Hackett that this Item be APPROVED. The motion PASSED by the following vote:**
- NOTE: Assemblyman Stein rejoined the meeting via teleconference.**
- Yes:** 7 - McAdams, Ozment, Stein, Westover, Crews, Hackett, and McConnell
- U 10-106** Direct the Municipal Attorney to bring back an ordinance for a ballot proposition to use proceeds from 1% sales tax revenue to be used to match 65% grant from the State of Alaska for the \$2.67 million Pacific High School Major Maintenance project.

Steve Bradshaw asked for support. This building is probably in the worst shape of all the municipal school buildings. Westover recalled conversations regarding moving Pacific High into the Southeast Vocational Education Training Center (SVETC) and giving us back the building. Bradshaw responded that that is still a possibility, but for now he has been asked by the School Board to put this out to the voters. Stein questioned enrollment trends. Bradshaw informed that the school district would need to lose another 200 students before we would consider combining any schools. Even then there would be other issues to face. For example if we were able to get Baranof over to Keet Gooshi Heen then we would need to move the district offices somewhere. I know people look at the fact we have lost over 500 students, but keep in mind that reduction is spread out over K-12. If we are not able to recondition the Pacific High building, then we will look at moving them to the SVETC.

Hackett asked if this could be put out a year. Bradshaw believed so but then you run into the cost factor.

Crews recalled when the building was condemned and found it strange that we are looking at renovating it now. Harmon said a number of things could have changed. It boils down to the structural integrity of the building. Bradshaw advised that the state does not match funds for tearing down and rebuilding. The 65% grant is for remodel only.

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

Yes: 4 - Ozment, Stein, Hackett, and McConnell

No: 2 - Westover, and Crews

Recused: 1 - McAdams

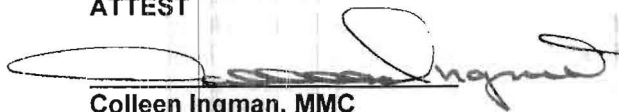
X. PERSONS TO BE HEARD:

None.

XI. ADJOURNMENT

Motion by Westover to adjourn the meeting. Hearing no objection the meeting adjourned at 10:20 PM.

ATTEST



**Colleen Ingman, MMC
Municipal Clerk**