

CONSENT AGENDA

POSSIBLE MOTION

**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.**

Should this item be pulled from the Consent Agenda the following motion is suggested:

POSSIBLE MOTION

I MOVE TO approve the minutes of the April 6th Assembly meeting.



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: Mark Gorman
Municipal Attorney: Brian Hanson
Municipal Clerk: Sara Peterson

Thursday, April 6, 2017

6:00 PM

Assembly Chambers

SPECIAL MEETING

I. CALL TO ORDER

II. FLAG SALUTE

III. ROLL CALL

Present: 4 - Swanson, Potrzuski, Hunter, and Knox

Absent: 2 - Eisenbeisz, and Bean

Telephonic: 1 - Guevin

IV. CORRESPONDENCE/AGENDA CHANGES

None.

V. PERSONS TO BE HEARD

John Holst urged the Assembly to stop talking about electric rate increases and find an alternative funding source. He cautioned with seasonal rates, that once people started conserving, they wouldn't change their behavior and go back to using more electricity during a lower rate period.

VI. UNFINISHED BUSINESS:

A 17-040

Administrative report containing overview of long term fiscal and capital improvement plans, proposed capital expenditures, and resulting proposed user fee increases and changes in working capital for each of the eight Enterprise Funds (*continued discussion from March 16, 2017*)

Chief Finance and Administrative Officer, Jay Sweeney, noted the remaining three Enterprise Funds to be discussed were: Airport Terminal, Gary Paxton Industrial Park

and Marine Service Center. He provided an overview and answered questions from Assembly members on the Enterprise Funds.

B 17-042

Discussion/Direction/Decision on proposed Enterprise Fund operating outlays

The Assembly expressed satisfaction with the proposed Enterprise Fund operating outlays of \$20,066,733. No action was taken.

C 17-043

Discussion/Direction/Decision on proposed Enterprise Fund capital outlays

The Assembly expressed satisfaction with the proposed Enterprise Fund capital outlays of \$4,741,000. No action was taken.

D 17-044

Discussion/Direction/Decision on proposed Enterprise Fund user fee increases

The Assembly expressed satisfaction with the proposed Enterprise Fund user fee increases. No action was taken.

VII. NEW BUSINESS:**E 17-057**

Administrative report on the Internal Service, Special Revenue, and Trust Funds

Jay Sweeney, Chief Finance and Administrative Officer, provided an overview of and answered questions about the Internal Service Funds, Special Revenue Funds, and Permanent Funds consisting of twenty six separate funds: Information Technology, Central Garage, Building Maintenance, Permanent Fund, Pet Adoption, SEACAD Forfeiture, Sitka Forfeiture, Justice Assistance Grant, State Forfeiture, Homeland Security Grant, Library Building Fund, SE Alaska Economic Development Fund, GPIIP Contingency Fund, Tobacco Excise Tax Fund, Student Activities Fund, Fisheries Enhancement Fund, CPET Fund, Visitor Enhancement Fund, LID Revolving Fund, LID Guarantee Fund, Cemetary Fund, Rowe Trust Fund, Library Endowment Fund, Bulk Water Fund, Seasonal Sales Tax Fund, and the Public Infrastructure Sinking Fund.

F 17-058

Discussion/Direction/Decision on proposed Internal Service, Special Revenue, and Trust Funds operating outlays

The Assembly expressed satisfaction with the proposed Internal Service, Special Revenue, and Trust Funds operating outlays of \$6,333,547. No action was taken.

G 17-059

Discussion/Direction/Decision on proposed Internal Service, Special Revenue, and Trust Funds capital outlays

The Assembly expressed satisfaction with the proposed Internal Service, Special Revenue, and Trust Funds capital outlays of \$482,000. No action was taken.

H 17-045

Discussion/Direction/Decision of the FY2018 Enterprise Funds, Internal Service, Special Revenue, Trust Funds or General Fund and as they relate to other Funds, the School District, and the Sitka Community Hospital
(Assembly action may be taken)

Municipal Administrator, Mark Gorman, noted topics for discussion: restoring some level of funding for non-profits and exploring ideas to reduce the FY2018 General Fund budget deficit.

Assembly members Hunter and Potrzuski expressed concern with the additional revenue shortfall from the Assembly's recent decision to not increase the electric rates by a flat rate of 15%. Chief Finance and Administrative Officer, Jay Sweeney, projected that shortfall to be a minimum of \$450,000 and more likely to be upwards of \$650,000.

Sitka School Board Vice-President, Dr. Jennifer McNichol, reported on the School Board's recent lobbying trip to Juneau, the proposed State funding cuts and the potential ramifications of those cuts on the District's budget.

Assembly members discussed the list of proposed ideas to reduce the FY2018 General Fund deficit: 1) expand the contract for Alaska Permanent Capital Management to include management of the CBS operating investments yielding an additional \$25,500 per year in investment earnings for the General Fund, 2) clarify the applicability of the existing sales tax code to sales of tickets for entertainment events by non-profit entities, 3) eliminate Parks and Recreation seasonal temporary employees, 4) use the balance of unappropriated bed tax revenue in the Visitor Enhancement Fund to support visitor-related activities at Harrigan Centennial Hall yielding as much as \$50,000, 5) appropriate the remaining balance of \$25,685 in the Public Infrastructure Sinking Fund to help offset capital project funding, and 6) consider reducing the \$937,000 set-aside for assisting low income Sitkans with utility bills.

A motion was made by Guevin to direct the Municipal Administrator to reduce the electric utility subsidy to \$400,000 as a set aside for a needs based electric subsidy program.

Yes: 5 - Swanson, Guevin, Potrzuski, Hunter, and Knox

Absent: 2 - Eisenbeisz, and Bean

In addition, the Assembly provided general direction for the Administrator to move forward with: 1) expanding the contract for Alaska Permanent Capital Management to manage CBS operating investments, 2) use \$50,000 of unappropriated bed tax in the Visitor Enhancement Fund to support visitor-related activities at Harrigan Centennial Hall, 3) appropriate the remaining balance of \$25,685 in the Public Infrastructure Sinking Fund to help offset capital project funding, and, 4) restore funding of \$6,300 to the Southeast Economic Development Association - the amount to be taken from the Bulk Water Fund. Mayor Hunter and Assembly members Potrzuski and Knox also expressed a desire to explore the possibility of increasing the bed tax rate.

VIII. PERSONS TO BE HEARD:

None.

IX. EXECUTIVE SESSION

None.

X. ADJOURNMENT

A motion was made by Potrzuski to ADJOURN. Hearing no objections, the

meeting ADJOURNED at 8:33pm.

ATTEST: _____
Sara Peterson, CMC
Municipal Clerk