



CITY AND BOROUGH OF SITKA

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

Minutes - Draft City and Borough Assembly

Mayor Mim McConnell
Deputy Mayor Matt Hunter
Vice-Deputy Mayor Phyllis Hackett, Pete Esquiro, Mike Reif,
Benjamin Miyasato and Aaron Swanson

Municipal Administrator: Mark Gorman
Municipal Attorney: Robin L. Koutchak
Municipal Clerk: Colleen Ingman, MMC

Tuesday, December 10, 2013

6:00 PM

Assembly Chambers

WORKSESSION

REGULAR MEETING

I. CALL TO ORDER

Present: 7 - Esquiro, Reif, Hunter, McConnell, Hackett, Swanson, and Miyasato

II. FLAG SALUTE

III. ROLL CALL

IV. CORRESPONDENCE/AGENDA CHANGES

13-231 Correspondence for December 10, 2013

V. CEREMONIAL MATTERS

A citation was mentioned posthumously honoring Mark Jacobs Jr. and Harvey Jacobs for serving as Code Talkers in World War II.

VI. SPECIAL REPORTS

Sitka Tribe of Alaska (STA) Ben Miyasto informed that November 30 there will be a Native Awareness parade. They met with the USFS for their Government-to-Government meeting on December 6. Yesterday held their STA Christmas party with over 200 children in attendance.

Sitka School Board Clerk Tim Fulton announced there are lots of happenings going on within the School District right now with concerts and extracurricular events. He spoke to necessary budget revisions generated from state and federal mandates. They are adopting new standards and making policy revisions. They updated their

alcohol and drug policy to add prohibitive drugs; removed some of the services that the district can no longer afford, and "Cyber Bullying" was added.

Director of Sawmill Cove Industrial Park Garry White relayed that the park entered into an agreement with Northern Economics' for a Facility Study. The first phase is informational gathering that includes looking at the feasibility of a Marine Services Center. Surveys are on sitka.net or sawmillcove.com; you can also pick up a form at the Troutte Center.

VII. PERSONS TO BE HEARD

None.

VIII. REPORTS

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

Administrator - Gorman hopes to get a Compensation Study Report through a consultant perhaps Fox Lawson to come forward with a proposal and present to the Assembly. Gorman met with Cruise Line Agency representative Fred Reeder for a preview of next cruise ship season - current estimates are down about 10,000 visitors. Reeder is optimistic and recommends serious thought to hiring a cruise ship line consultant that is based in Miami; something that can be further discussed at the strategic planning session.

He has been working with staff on the possibility of float homes in our harbors; there is a window of opportunity to try this in conjunction with the ANB Harbor project. The Municipal Attorney, Finance Director and he met with a delegation of commercial fisherman who had good ideas on increasing the revenue streams into the harbor system with the possibility of organizing a Sitka Fish Summit, he is not sure of the logistics at this talking stage. ANB Harbor project has commenced there has been a delay in shipping but he doesn't think it will impact the project significantly.

Met with School Superintendent Bradshaw and because of the increased enrollment they were able to replenish their reserves. He is very impressed with the Blue Lake Partnering process. Project is on target it received a 4+ rating out of 5. Governor will announce his budget this week. Thanked the Assembly for their donations and \$750 has been provided thus far to the Philippine Red Cross.

Attorney - Koutchak met with Harbor Master Eliason and the Port Director for Bellingham about a lower rate for transient commercial fisherman because of the overall benefits to the community and their contributions to the fish tax. Bellingham was able to do this without any constitutional issues and over all it was beneficial. Last night presented the idea to Port and Harbors Commission to consider.

Liaisons - Hunter attended Port and Harbors meeting stating that finding funding for services is vital and it is ongoing challenge he thanked commission members.

Clerk - Ingman stated that Doug Osborne would like to know if they would consider starting the Strategic Planning Session scheduled for December 17 at 4:30 PM opposed to 6:00 PM. There is a concert that evening that he and staff would like to attend.

Other - Reif had questions with regard to a nine day delay and drainage. Brewton

replied that the contractor advanced their schedule in spite of the days they were behind and have nearly made all of those nine days up. Sitka had 4 inches of rain in a 24 hour period and in this particular case the costs were borne by the contractor. Brewton pointed out that there are photos of the dam project on a side table for the public to view.

McConnell questioned Harmon on the dates for Centennial Hall renovation. Harmon clarified that start dates differ from major construction dates. He envisions heavy construction to be taking place in the summer of 2015.

IX. CONSENT AGENDA

- A 13-222** Approve the minutes of the November 26, 2013 Assembly meeting
- This item was APPROVED ON THE CONSENT AGENDA.**
- B 13-223** Appointments: Appoint 1) Carin Farley to a three-year term on the Police and Fire Commission, and 2) Kevin Knox to an unexpired term on the Port and Harbors Commission
- C 13-224** Approve the list of Acting Administrators for 2013-2014
- E RES 13-19** Adopting an Alternative Allocation Method for the FY14 Shared Fisheries Business Tax Program and Certifying that this Allocation Method Fairly Represents the Distribution of Significant Effects of Fisheries Business Activity in FMA 18: Central Southeast
- A motion was made by Reif to ADOPT THE CONSENT AGENDA consisting of Items A, B, C, & E. The motion PASSED on the following vote.**
- D 13-225** Approve purchase of new ambulance as a replacement (previously budgeted and approved) utilizing the SEREMS Grant towards purchase -- \$175,000
- Because of SEREMS contribution Reif wanted to know if the city will use less of the vehicle sinking fund. Miller responded that is correct, that there is money available (especially to smaller communities) to go towards purchases of ambulances. Sitka's ambulance will not have much of resale value; so sometimes we choose to sell it cheaply to a community in need. Esquiro thinks it is great when you can help a community out; but he has a problem with giving it away.
- A motion was made by Hackett that this Item be APPROVED. The motion PASSED by the following vote.**
- Yes: 7 - Esquiro, Reif, Hunter, McConnell, Hackett, Swanson, and Miyasato**
- X. UNFINISHED BUSINESS:**
- F ORD 13-43** Adjusting the FY14 Budget for known changes

Sweeney suggested early September so that merchants could order earlier. The month was changed from October to September throughout the ordinance by request of the sponsors with no objections voiced by the Assembly. As a result the month was changed by sponsors to September.

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

Yes: 7 - Esquiro, Reif, Hunter, McConnell, Hackett, Swanson, and Miyasato

- G ORD 13-44** Amending Section 4.09.020 Collection of Tax of the SGC so that in October of each year the Assembly routinely and timely considers whether to authorize any Sales Tax Free Day(s) for certain sales that have historically followed the Thanksgiving Holiday

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

Yes: 7 - Esquiro, Reif, Hunter, McConnell, Hackett, Swanson, and Miyasato

XI. NEW BUSINESS:

New Business First Reading

- H ORD 13-45** Authorizing the Lease of Approximately 0.04 Acres of Tidelands in Alaska Tidelands Survey 1160 to Estate of Jack N. Parrish

Reif recalls when the city sold tidelands leases and wondered if this had been offered for sale. Williams explained that the city has not and we are not able to. The state has a prohibition that the city can only release it and prevents us from selling it. There are other leases that originated with the city and those we are able to sell.

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

Yes: 7 - Esquiro, Reif, Hunter, McConnell, Hackett, Swanson, and Miyasato

- I ORD 13-46** Amending Sitka General Code 13.06.010 entitled "Moorage Charges and Fees"

Municipal staff Michael Harmon, Jay Sweeney and Stan Eliason reviewed the harbor rate recommendations; it included goals, background, comparisons, and adjusted proposed rates.

Matt Donahue questioned why the neighboring communities of Craig and Pelican were not included in the survey and criticized listing comparisons from Kodiak, Valdez, Homer and Seward. He doesn't believe they represent a close enough geographic location. He stressed that it is getting very hard for a small boat fisherman to maintain their boat in Sitka. He fears it could get to a point where you will drive the fishing fleet away.

Miyasato cautioned the element of state funding. Harmon responded that the original Harbor Master Plan took into consideration no or little state funding. Municipal

Administrator Gorman mentioned that the city is very cognizant of the squeeze on the fisherman with plans to look into the ramifications further. He alluded to other opportunities where harbor revenues could possibly be generated.

Sweeney explained that he used a couple of assumptions regarding borrowing and inflation factors, and the city may have the ability to dial those increases back in the future, if the borrowing rate is less than the 6.15%.

Hackett extended her gratitude to the Port and Harbor Commission and staff who has been working diligently on this. She is keenly aware of the contributions Sitka receives from the fishing fleet. She recalls that this year there was a Harbormaster Convention and they were envious that Sitka already had a master plan. Adding that Sitka is out in the lead and we are suffering because of that. Every individual has their own list of priorities and all those services add up.

Reif would like to know what the plans are for the infrastructure that has been extracted out of this Harbor Master Plan such as the lightering and float plane facilities. It is conceivable that staff can address those over the next nine months. Assemblymembers would like for those items to be self sustaining. Miyasato inquired about other communities that plan to raise moorage rates. Harmon responded that the Haines has plans to raise rates \$1.00 a foot for the next six years and Juneau's rates automatically raise annually with Anchorage's CPI.

Sweeney predicted there is no silver bullet to address the magnitude of raising costs. What happens if we don't address the cost deficient; then nothing gets done. The harbor staff would continue to do what they could until something fails, which could be minor or catastrophic. He submitted this is really a risk mitigation question. Reif thinks these rates are artificially low and not sustainable for our harbors. Gorman was confident that we will be responsive and review this on an annual basis. Esquiro believes that at some point we need to make a decision - do we stay status quo or do we let part of the system go. He has talked to a lot of fisherman and he hasn't had many people complain. Most of them respond that they would like to keep the rates as low as possible while we look at alternatives. Obviously, things are not going to remain as they are today, we live in a dynamic world.

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

Yes: 7 - Esquiro, Reif, Hunter, McConnell, Hackett, Swanson, and Miyasato

Additional New Business Items

- J 13-229** Approve the concept design for Kettleson Memorial Library Expansion Project
- A worksession was held prior to the regular meeting that reviewed this item in detail.
- A motion was made by Hunter that this Item be APPROVED. The motion PASSED by the following vote.**
- Yes:** 7 - Esquiro, Reif, Hunter, McConnell, Hackett, Swanson, and Miyasato
- K 13-226** Authorize a letter accepting a proposal for project funding for a second

modular building to expand Mountainside Family Clinic

Ann Wilkinson president of the Community Hospital Foundation and secretary for the Sitka Community Hospital (SCH) Board called attention that the hospital services have more than doubled forcing us to look at expanding our services. A lot of rural hospitals are struggling, while Sitka is growing and doing well financially. We need the room to grow.

Esquiro pointed to the chair of the SCH memo implied that we are loaning \$650,000 but that is not his understanding and wants clarification. Hospital Administrator, Hugh Hallgren answered that they are asking for a letter of support to go forward with the project; and no you are not making a permanent commitment. If this was to move forward the hospital would be back for a loan. Reif remarked what if your grants don't come true, what is the plan. Hallgren shared they would try other places for grants. There are other foundations out there, plus our initial responses have said that they are favorably considering our requests. Equipment and furnishings is included in their estimate. Esquiro recognizes that they have done a tremendous job at turning things around and his only worry he has is growing too fast; that may not be a good thing. Particularly if grants don't come through and he would hate to see some of their progress eaten up.

Mayor mentioned the demographics on an aging population and the need for health care in this community and wondered if that had played a part in the decision to add space. Hallgren brought up that there is a very well used ground floor of the hospital but there is not ease in access; this building gives patients ease in access.

Reif brought up the letter to the Mayor from SEARHC for him it may affect how he votes on this. Mayor offered that correspondence would be taken up on a future agenda and wasn't being considered tonight. Hackett added, that if the grants do come through for this, the hospital would be back for a loan and at that time we would know more about SEARHC's latest correspondence; that she envisions as a "long, long, long conversation."

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

Yes: 6 - Reif, Hunter, McConnell, Hackett, Swanson, and Miyasato

No: 1 - Esquiro

L 13-227**Adopting a Stormwater Management Plan and providing \$10,000 in funding from the proceeds of the Benchlands property sale to develop a Stormwater Ordinance**

Esquiro asked for further explanation of the \$10,000. Harmon replied it is to put together a stormwater ordinance that will go through a public process to see how far we want to take our stormwater standards. It will address lower development and future growth currently our code does not address that. The bulk of the work would be done by consultants.

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

Yes: 7 - Esquiro, Reif, Hunter, McConnell, Hackett, Swanson, and Miyasato

M 13-228**Appointments: Appoint one to a unexpired term on the Sawmill Cove**

Industrial Park 1) Pfarmica McConnell or 2) Steven Eisenbeisz

Mayor McConnell recused herself because she is related to one of the candidates. Both candidates were nominated. Steven Eisenbeisz received the most votes and was appointed to fill the unexpired term .

N 13-230

Appoint an Assembly Liaison to the Health Needs and Community Services Commission

Phyllis Hackett volunteered to serve as the liaison mentioning that the meeting times conflict with her other schedule so she would appreciate having an alternate. Mayor McConnell volunteered to serve as alternate.

XII. PERSONS TO BE HEARD:

XIII. EXECUTIVE SESSION

XIV. ADJOURNMENT

A motion was made by Miyasato to ADJOURN. Hearing no objection the meeting ADJOURNED at 8:25 PM.

ATTEST

Colleen Ingman, MMC
Municipal Clerk