



CITY AND BOROUGH OF SITKA

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

Minutes - Final

City and Borough Assembly

Mayor Gary Paxton
Deputy Mayor Steven Eisenbeisz,
Vice Deputy Mayor Valorie Nelson,
Aaron Bean, Kevin Knox, Dr. Richard Wein, Kevin Mosher

Interim Municipal Administrator: Dave Miller
Municipal Attorney: Brian Hanson
Municipal Clerk: Sara Peterson

Tuesday, August 27, 2019

6:00 PM

Assembly Chambers

REGULAR MEETING

I. CALL TO ORDER

II. FLAG SALUTE

III. ROLL CALL

Present: 6 - Knox, Bean, Wein, Paxton, Mosher, and Nelson

Absent: 1 - Eisenbeisz

IV. CORRESPONDENCE/AGENDA CHANGES

None.

V. CEREMONIAL MATTERS

[19-177](#)

Service Awards - Sitka Community Hospital Board Members and Library Commission Member, Alice Johnstone

Mayor Paxton read and presented service awards to former Sitka Community Hospital Board members Carin Adickes, Mary Ann Hall, David Lam, Robert Hattle, and Carolyn Evans. In addition, outgoing Library Commission member Alice Johnstone was presented a service award.

VI. **SPECIAL REPORTS: Government to Government, Municipal Boards/Commissions/Committees, Municipal Departments, School District, Students and Guests (five minute time limit)**

None.

VII. PERSONS TO BE HEARD

Leo Jimmy stated he was in the preliminary stages of creating an advisory board for a treatment facility in Sitka. He hoped to receive a letter of support from the Assembly.

VIII. REPORTS

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

Interim Administrator - Miller stated calls at the Fire Hall were up 85 calls over last year, reported Prothman was interviewing applicants for the Human Resources Director position to then provide a recommendation to the Administrator, Planning Director interviews had been conducted and the interview committee was in the process of deciding next steps, announced Southeast Conference was holding their annual meeting in Sitka mid-September, a new vet had arrived in town and was taking over the lease from Dr. Hunt, and told of a technology award the mechanical subcontractor for the Sitka Public Library project received.

Attorney - Hanson reported on his work product over the last two weeks.

Clerk - Peterson reviewed the upcoming meeting schedule and reminded Advanced / In-Person voting would begin at City Hall on September 16.

Other - Nelson reported she had attended the Alaska Municipal League Summer Conference and would share the information with the Assembly.

IX. CONSENT AGENDA

- A [19-178](#) Approve the minutes of the August 13 Assembly meeting

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

Yes: 6 - Knox, Bean, Wein, Paxton, Mosher, and Nelson

Absent: 1 - Eisenbeisz

X. BOARD, COMMISSION, COMMITTEE APPOINTMENTS

- B [19-180](#) Reappoint Joshua Thomas to a three-year term on the Library Commission

Wein thanked Thomas for his service.

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

Yes: 6 - Knox, Bean, Wein, Paxton, Mosher, and Nelson

Absent: 1 - Eisenbeisz

- C [19-187](#) Reappoint Charles Woodcock to a three-year term on the Health Needs and Human Services Commission

Wein thanked Woodcock for his service.

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

Yes: 6 - Knox, Bean, Wein, Paxton, Mosher, and Nelson

Absent: 1 - Eisenbeisz

D [19-179](#) Appoint Al Stevens and Mike Johnson to unexpired terms on the Gary Paxton Industrial Park Board of Directors

Wein thanked Stevens and Johnson for applying. Wein mentioned Stevens worked for Silver Bay Seafoods, Johnson worked for Delta Western, and noted both companies had a presence at the Gary Paxton Industrial Park.

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

Yes: 6 - Knox, Bean, Wein, Paxton, Mosher, and Nelson

Absent: 1 - Eisenbeisz

E [19-181](#) Appoint Stacy Mudry to a three-year term on the Planning Commission

Paxton and Nelson thanked Mudry for her willingness to serve.

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

Yes: 6 - Knox, Bean, Wein, Paxton, Mosher, and Nelson

Absent: 1 - Eisenbeisz

XI. UNFINISHED BUSINESS:

F [ORD 19-34](#) Making supplemental appropriations for FY2019 and FY2020

Controller Melissa Haley provided an overview noting the ordinance encompassed projects that were budgeted in FY19 however unable to be completed before the end of the fiscal year.

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

Yes: 6 - Knox, Bean, Wein, Paxton, Mosher, and Nelson

Absent: 1 - Eisenbeisz

XII. NEW BUSINESS:

G [19-167](#) Approve the term sheet for the utility dock transaction between the City and Borough of Sitka and Hanson Maritime Company (*executive session anticipated*)

Municipal Attorney Brian Hanson reminded the Assembly at some point they would need to hear from Lee Hanson - either before executive session or in executive session. If before executive session, the Attorney recommended the Assembly listen

to Lee Hanson's comments and then discuss the comments with counsel during executive session.

A motion was made by Nelson to SUSPEND THE RULES so the Assembly could determine how to best proceed. The motion PASSED by the following vote.

Yes: 6 - Paxton, Bean, Wein, Nelson, Knox, and Mosher

Absent: 1 - Eisenbeisz

Knox wished to ask questions of Lee Hanson and then determine how to proceed. Knox asked Lee Hanson if he had reservations about discussing the aspects of the term sheet in public. Lee Hanson stated he had a issue with a small section of the term sheet and didn't have an issue with it being discussed in public, however, if the Assembly chose to go into executive session he wished to be invited in. Wein expressed a desire to have Lee Hanson's commentary on the record. He stated discussing the terms would alleviate the need for executive session. Municipal Attorney Brian Hanson stated this item was like any other transaction that required negotiation and reminded the Assembly they were stewards of the city's assets and should have the ability to speak candidly and openly. He commented best practice was for the Assembly to go into executive session and then discuss with Lee Hanson. The Municipal Attorney discouraged the Assembly from negotiating in public.

A motion was made by Nelson to go into executive session with the Municipal Attorney, and outside legal counsel Clay Keene and Scott Brandt-Erichsen, to discuss communications regarding a legal matter affecting the municipality, specifically the contract negotiation of the term sheet for the utility dock transaction between the City and Borough of Sitka and Hanson Maritime Company, and invite in, if and when ready, Garry White and Lee Hanson.

Yes: 4 - Paxton, Bean, Knox, and Nelson

No: 2 - Mosher and Wein

Absent: 1 - Eisenbeisz

Shannon Haugland, of the Daily Sitka Sentinel, urged the discussions to be held in public and reminded efficiency was not a reason to go into executive session.

The Assembly was in executive session from 6:35 p.m. to 7:45 p.m. Lee Hanson and Garry White were invited in at 7:13 p.m. and excused at 7:35 p.m.

A motion was made by Knox to reconvene as the Assembly in regular session. The motion PASSED by the following vote.

Yes: 4 - Knox, Paxton, Wein, and Nelson

Not present for voting: 2 - Mosher and Bean

Absent: 1 - Eisenbeisz

A motion was made by Nelson to direct the Interim Administrator through legal counsel to prepare a final agreement to include amendments to the term sheet as discussed in executive session including but not limited to the deletion of the requirement of a preclosing inspection. The motion PASSED by the

following vote. Bean was not present for the vote.

Yes: 5 - Knox, Wein, Paxton, Mosher, and Nelson

Absent: 1 - Eisenbeisz

Non-voting: 1 - Bean

- H** [19-183](#) Authorize the Interim Municipal Administrator to execute all necessary documents to accept, execute, and administer a \$842,629 Airport Improvement Program Grant to complete the Environmental Assessment and Aviation Planning Services for the new Sitka Seaplane Base

Kevin Mulligan spoke in support of the Seaplane Base. Wein thanked Mulligan for speaking and encouraged the Administrator to seek Mulligan's input and invite him to participate in conversations regarding the Seaplane Base. Public Works Director, Michael Harmon, spoke to the environmental impact portion of the project. He stated this step was a standard and traditional process and the intent was to look at any impacts of the project. He reminded the FAA studies were based on international standards and therefore the noise generated, or impacts from the Seaplane Base, would most likely be minor in their view. Harmon noted the impacts would come down to the tidelands and mitigation would be required. He commented Sitka owned a lot of tidelands that could be used as mitigation. He stated the next phase after the environmental assessment would be design and land acquisition, then construction. Wein wondered of the 2024 completion date. Harmon reminded that while it was a long process, it was the process to be followed in order to be eligible for federal funding.

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

Yes: 6 - Knox, Bean, Wein, Paxton, Mosher, and Nelson

Absent: 1 - Eisenbeisz

- I** [ORD 19-37](#) Making supplemental appropriations for FY2020 (Seaplane Base Grant - Environmental Assessment and Aviation Planning)

Nelson wondered if there was a code or charter violation by approving the signing of the agreement before funding was approved. Controller Melissa Haley stated if second reading of the ordinance was not approved the grant would not be used. Mosher reminded of the quick turnaround for staff noting the grant offer had only been received on August 16. Municipal Attorney Brian Hanson said the question Nelson raised had been considered and was not an issue. He reminded it was the City's process of appropriating funds and if the ordinance wasn't approved on second reading, the City would not proceed with the grant.

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

Yes: 6 - Knox, Bean, Wein, Paxton, Mosher, and Nelson

Absent: 1 - Eisenbeisz

- J** [ORD 19-35](#) Making supplemental appropriations for FY2020 (FY2019 Encumbrances)

Wein requested Controller Melissa Haley provide an idea of what projects were

involved. Haley reviewed some of the purchase orders and reminded they were projects that were in process but not paid out: USGS (Electric Department), E911 system replacement, contract for furnishing street sand and pea gravel, vehicles in process for central garage, and labor negotiations.

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

Yes: 6 - Knox, Bean, Wein, Paxton, Mosher, and Nelson

Absent: 1 - Eisenbeisz

K [ORD 19-36](#) Making supplemental appropriations for FY2020 (electrical work at former Sitka Community Hospital facility)

Nelson wondered if there was a contract or if this was an estimate. Michael Harmon, Public Works Director, and Cliff Richter, Municipal Engineer, stated the former Sitka Community Hospital had entered into a contract with Sitka Electric for the work, however, the work was unable to be completed. Wein expressed disappointment that this request was not part of the SEARHC agreement.

A motion was made by Knox that this ordinance be APPROVED ON FIRST READING. The motion PASSED by the following vote. (Note: Section 3.02 of the Home Rule Charter states the only way an ordinance fails on first reading is if there are four votes in opposition.)

Yes: 3 - Knox, Paxton, and Mosher

No: 3 - Bean, Wein, and Nelson

Absent: 1 - Eisenbeisz

L [19-186](#) Approve the Assembly Position Subcommittee recommendation from the August 19 meeting for the Tax Specialist position

Wein stated the position was critical.

A motion was made by Mosher to APPROVE the recommendation of the Assembly Position Subcommittee as outlined in the draft meeting minutes of August 19, 2019 and forward to the Interim Municipal Administrator:

1) Recommend the Assembly fill the position of Tax Specialist

The motion PASSED by the following vote.

Yes: 6 - Knox, Bean, Wein, Paxton, Mosher, and Nelson

Absent: 1 - Eisenbeisz

Controller Melissa Haley explained the temporary employee performing the cross-training would be the individual who had resigned recently from the Tax Specialist position. She reminded the Tax Specialist position was currently vacant and that the cost would be minimal for approximately two days of training.

A motion was made by Mosher that a temporary position for cross-training purposes of the new Tax Specialist be APPROVED. The motion PASSED by the following vote.

Yes: 6 - Knox, Bean, Wein, Paxton, Mosher, and Nelson

Absent: 1 - Eisenbeisz

XIII. PERSONS TO BE HEARD:

None.

XIV. EXECUTIVE SESSION

M [19-185](#) Financial / Legal Matter - Silva vs. CBS

A motion was made by Knox to go into executive session to receive and discuss an update from the Municipal Attorney and outside legal counsel, Michael Gatti and Megan Sandone, regarding financial and legal matters affecting the Municipality as a result of the lawsuit filed by Ryan Silva on August 23, 2018. The motion PASSED by the following vote:

Yes: 6 - Bean, Wein, Nelson, Knox, Mosher, and Paxton

Absent: 1 - Eisenbeisz

The Assembly was in executive session from 8:15 p.m. to 8:29 p.m.

A motion was made by Knox to reconvene as the Assembly in regular session. The motion PASSED by the following vote.

Yes: 6 - Wein, Knox, Mosher, Paxton, Nelson, and Bean

Absent: 1 - Eisenbeisz

XV. ADJOURNMENT

A motion was made by Knox to ADJOURN. Hearing no objections, the meeting ADJOURNED at 8:32 p.m.

ATTEST: _____
Sara Peterson, MMC
Municipal Clerk