



# CITY AND BOROUGH OF SITKA

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

## Minutes - Final City and Borough Assembly

*Mayor Mim McConnell  
Deputy Mayor Matt Hunter  
Vice-Deputy Mayor Benjamin Miyasato  
Aaron Swanson, Steven Eisenbeisz  
Tristan Guevin, and Michelle Putz*

*Municipal Administrator: Mark Gorman  
Municipal Attorney: Robin L. Koutchak  
Municipal Clerk: Sara Peterson, CMC*

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Tuesday, June 9, 2015

6:00 PM

Assembly Chambers

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### REGULAR MEETING

I. CALL TO ORDER

II. FLAG SALUTE

III. ROLL CALL

**Present:** 7 - McConnell, Hunter, Swanson, Miyasato, Eisenbeisz, Guevin, and Putz

IV. CORRESPONDENCE/AGENDA CHANGES

[15-096](#) 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 (time limits apply)

None.

VII. PERSONS TO BE HEARD

Max Rule encouraged a public collaborative process and strategic approach with regards to the budget revenue increases.

VIII. REPORTS

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

Mayor - Attended the sesquicentennial meeting, attended two hours of the North Pacific Marine Fisheries Council to read the Assembly resolution adopted in February for Halibut bycatch reduction, attended the dedication to Odess Theater, congratulated the Sitka High Lady Wolves Softball Team for winning the state championship for small schools and their supporters.

Administrator - Told of mooring anchors being placed at the Gary Paxton Industrial Park dock, will be in Washington D.C. for a few days to encourage California delegation to purchase water, commended Sitka Fine Arts Camp on the Odess Theater open house and dedication, recognized Penny Brown on her volunteerism of planting at many places including the roundabout. Michael Harmon, Public Works Director gave an update on the library project.

Liaison Representatives - Miyasato attended the Library Commission meeting and the graduation for the Public Safety Academy; Guevin attended the Health Needs and Human Services Commission, a slight change was made in the language for their 2015 goals that will come back before the Assembly on June 23; Putz reported that the Tree and Landscape Committee would have a volunteer day at Baranof Elementary School on June 20,

Other - Putz informed that there were two ordinances coming forward at the next meeting one involving non-profit entities and a ballot prop to raise property tax to 8 mills.

## IX. CONSENT AGENDA

- A**     [15-088](#)            Approve the minutes of the May 27 and May 28 Assembly meetings
- This item was APPROVED on the Consent Agenda. The motion PASSED by a unanimous voice vote.**
- B**     [15-094](#)            Approve the Health Needs and Human Services Commission goals for 2015
- This item was PULLED from the agenda. No action was taken.**
- C**     [15-089](#)            Approve the Tree and Brush Clearing service contract to Marshall Albertson dba Absolute Tree Care not to exceed \$175,000 for FY2016
- This item was APPROVED on the Consent Agenda. The motion PASSED by a unanimous voice vote.**
- D**     [15-090](#)            Approve the transfer of \$8,500 from the Electric Department Operating Fund to the Jarvis Control Building Re-Roof project and authorize the expenditure of these funds
- This item was APPROVED on the Consent Agenda. The motion PASSED by a unanimous voice vote.**
- E**     [15-092](#)            Approve the award of the base bid construction contract for the Harrigan

Centennial Hall (HCH) Renewal Project to MCG Constructors, Inc./Dawson Construction, Inc. - Joint Venture in the amount of \$12,717,000

Jay Sweeney, Chief Finance and Administrative Officer told that the Historical Society would fund the extension. Michael Harmon, Public Works Director told of the top priorities as funds become available, that the basics for this project were there, and confirmed the funding came from head tax dollars. Don Kluting, Harrigan Centennial Hall Manager stated that he was in negotiations for the furniture, fixtures, and equipment.

**A motion was made by Hunter to APPROVE this item. The motion PASSED by the following vote.**

**Yes:** 7 - McConnell, Hunter, Swanson, Miyasato, Eisenbeisz, Guevin, and Putz

**F**     [15-091](#)

Discussion/Direction/Decision of the Municipal Administrator's recommended reductions to achieve a FY2016 balanced budget

Gorman answered Putz's questions regarding snow removal stating that staff would prioritize, animal shelter roof could hold off for a year, that travel/training budget reductions would be distributed equally, and talked to inflation proofing the Permanent Fund. Gorman was confident that the advertising budget could be reduced and encouraged the public to sign up on the City's GovDelivery system. Hunter talked to adding cuts of The RIDE, the Senior Planner position, and roads reduction.

**A motion was made by Hunter to APPROVE the Municipal Administrator's recommended reductions to achieve a FY2016 balanced budget with the exception of the Non-Profit Grants which will be considered seperately. The motion PASSED by the following vote.**

**Yes:** 7 - McConnell, Hunter, Swanson, Miyasato, Eisenbeisz, Guevin, and Putz

Michael Harmon, Public Works Director told staff would cut back on minor snow events. Gorman stated with his commitment to have a balanced budget, if this was removed, he would find the amount elsewhere. Hunter was in favor of a balanced budget. Eisenbeisz was not in support of a policy that affected public safety. Gorman stated this would be accomplished without compromising public safety. Sheldon Schmitt, Police Cheif stated he was comfortable with the decision.

**A motion was made by Eisenbeisz to AMEND the item to remove Snow Removal Services from the list. The motion FAILED by the following vote.**

**Yes:** 1 - Eisenbeisz

**No:** 6 - McConnell, Hunter, Swanson, Miyasato, Guevin, and Putz

Lon Garrison advised the Assembly to not consider this. Steven Morse spoke against the amendment. Ben Miyasato came forward as a member of the public and urged the Assembly to not take up this matter as STA representatives were not present. Miyasato spoke in favor of funding The RIDE. Putz told of the previous commitment to fund this and the Assembly should uphold that. Eisenbeisz stated that he did not support funding as after July 1 there was no funding. Swanson suggested looking at this under the non-profit grants portion.

**A motion was made by Swanson to AMEND this item by adding \$25,000 to the budgeted reduction list for The RIDE. The motion FAILED by the following vote.**

**Yes:** 3 - Hunter, Swanson, and Eisenbeisz

**No:** 3 - McConnell, Guevin, and Putz

**Recused:** 1 - Miyasato

Randy Hughey and Lon Garrison spoke in support of Sitka Community Development Corporation and the needs for city support. Garrison advised the Assembly to determine the long term effects of this. Cindy Litman spoke in support of non-profit entities.

Miyasato spoke in opposition as grant funding for many of these entities required city support. Hunter stated non-profit grants were money well spent and used for leveraging.

**A motion was made by Hunter to APPROVE the Municipal Administrator's recommendation to eliminate Non-Profit Grants from the FY2016 budget in order to achieve a balanced budget. The main motion as AMENDED PASSED by the following vote.**

**Yes:** 4 - Hunter, Swanson, Miyasato, and Eisenbeisz

**Recused:** 3 - McConnell, Guevin, and Putz

Lon Garrison stated that he thought this was a reasonable compromise. Doug Osborne thought it was too drastic of a cut. Richard Wein spoke in support of non-profits.

Miyasato agreed with Osborne. Gorman listed the awarded funds from the previous year. Eisenbeisz suggested modifying the award process. Gorman clarified that if a non-profit was awarded an outside grant they could receive funding. Once the city funding was spent, awards could not be given.

**A motion was made by Hunter to AMEND the item that the FY2016 budget be funded at \$50,000 to support non-profit grant applications that demonstrate a requirement in order to receive City and Borough of Sitka funding and are approved by the Assembly. Further move that funds will only be disbursed to approved non-profit grant applicants upon award of the grant for which the City and Borough of Sitka has committed financial support. The motion to AMEND PASSED by the following vote.**

**Yes:** 4 - Hunter, Swanson, Miyasato, and Eisenbeisz

**Recused:** 3 - McConnell, Guevin, and Putz

**A motion was made by Miyasato to AMEND the amount of \$50,000 to \$75,000. The motion to AMEND PASSED by the following vote.**

**Yes:** 4 - Hunter, Swanson, Miyasato, and Eisenbeisz

**Recused:** 3 - McConnell, Guevin, and Putz

**A motion was made by Eisenbeisz to AMEND the motion to direct staff to develop specific policies to be approved by the Assembly. The motion PASSED by the following vote.**

**Yes:** 4 - Hunter, Swanson, Miyasato, and Eisenbeisz

**Recused:** 3 - McConnell, Guevin, and Putz

**X. UNFINISHED BUSINESS:**

- G**     [ORD 15-25](#)     Amending Title 4 Revenue and Finance, at Chapter 4.26 Excise Tax on Cigarettes and Tobacco Products, under Sections 4.26.010 Applicability of Chapter; 4.26.020 Tax on Cigarettes; and 4.26.030 Tax on other Tobacco Products

Ann Wilkinson, Doug Osborne and Rob Allen spoke in support.

Hunter spoke in support. Allen, CEO of Sitka Community Hospital clarified that excess for this tax could be used to pay down the line of credit to the City. Guevin had concerns regarding where the funds would go and expressed a desire for it to go back before the Health Needs and Human Services Commission. Eisenbeisz questioned the purpose. Allen answered the yearly cost of the cessation program was approximately \$31,000. He reminded the Assembly that the voters approved a tobacco tax years ago.

**A motion was made by Putz that this Ordinance be APPROVED on second and final reading. The motion PASSED by the following vote.**

**Yes:** 5 - McConnell, Hunter, Swanson, Miyasato, and Putz

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

- H**     [ORD 15-36](#)     Placing a Ballot Question on the Regular Election on October 6, 2015 to amend the Home Rule Charter of the City and Borough of Sitka at Article 13.03 entitled "Property Tax Limit" to increase the millage rate limit by one tenth of one percent (.001), which would be seven tenths of one percent (.007), or seven (7.0) mills to be used to support the Sitka School District

Lon Garrison, Sitka School Board President pledged support to advocate to raising revenue that would displace the million dollars that the Assembly had allocated to the School District.

Putz felt that this is not enough of an increase. Eisenbeisz liked the idea of this option. Hunter and Guevin were in support of this to be placed on the ballot.

Richard Wein spoke against postponing and encouraged the Assembly to reduce rather than raise costs. Lon Garrison spoke against postponing.

Putz and McConnell wished to see more public comment. McConnell was in favor of postponing to look at a homestead exemption and to see other ideas come forward. Guevin supported postponement in order for a more comprehensive process to take place. Hunter did not support postponing. Eisenbeisz asked the Assembly to consider voting this down. Miyasato supported postponement.

**A motion was made by Putz that this Ordinance be POSTPONED to July 28, 2015. The motion PASSED by the following vote.**

**Yes:** 7 - McConnell, Hunter, Swanson, Miyasato, Eisenbeisz, Guevin, and Putz

- I**     [ORD 15-24A](#)     Amending SGC Section 4.09.100 N entitled Over One Thousand Five Hundred Dollars on Sales and Rents of Tangible Personal Property and on Sales and Services to increase the taxable transaction limit from \$1,500 to \$3,000 (*third and final reading - effective date October 1, 2015*)

Ann Wilkinson supported the October 1, 2015 effective date.

Hunter stated the date was a fair compromise.

**A motion was made by Miyasato that this Ordinance be APPROVED on third and final reading. The motion PASSED by the following vote.**

**Yes:** 7 - McConnell, Hunter, Swanson, Miyasato, Eisenbeisz, Guevin, and Putz

**J**     [ORD 15-33](#)     Adopting budgets for the Fiscal Year July 1, 2015 through June 30, 2016

Eisenbeisz confirmed with Gorman the two processes for approving the budget. McConnell was in favor of an amendment at a later date rather than amending and having a special meeting.

**A motion was made by Hunter that this Ordinance be APPROVED on second and final reading. The motion PASSED by the following vote.**

**Yes:** 7 - McConnell, Hunter, Swanson, Miyasato, Eisenbeisz, Guevin, and Putz

**K**     [ORD 15-32](#)     Adjusting the FY15 Budget

Eisenbeisz spoke against stating he thought there was a better way than moving money from the snow plow budget for the Historical Society.

**A motion was made by Miyasato that this Ordinance be APPROVED on second and final reading. The motion PASSED by the following vote.**

**Yes:** 6 - McConnell, Hunter, Swanson, Miyasato, Guevin, and Putz

**No:** 1 - Eisenbeisz

**L**     [ORD 15-10](#)     Amending Title 15 of the Sitka General Code to increase water rates at Section 15.04.100 entitled "Service Connection Charge", 15.04.320 entitled "Rates and Fees" Sections 15.05.240A entitled "Service Connection Charge", 15.05.620 entitled "Rates and Fees" and to increase wastewater rates

Eisenbeisz spoke against and requested a more comprehensive process. Eisenbeisz noted the increased capacity and the public benefited from it. Hunter did not support a retroaction of the LID cost and is in support of the ordinance as written. Putz spoke in support but would like to look at sharing costs.

**A motion was made by Hunter that this Ordinance be APPROVED on second and final reading. The motion PASSED by the following vote.**

**Yes:** 6 - McConnell, Hunter, Swanson, Miyasato, Guevin, and Putz

**No:** 1 - Eisenbeisz

**M**     [ORD 15-34](#)     Amending Sitka General Code Title 23 "Parks and Recreation" by adding a new Chapter 23.40 entitled "Municipal Trees and Landscaping"

Eisenbeisz spoke against the ordinance as enforcement had not been addressed and he questioned increasing cost. Putz and Hunter expressed appreciation to the Tree and Landscape Committee and staff.

**A motion was made by Putz that this Ordinance be APPROVED on second and**

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

**Yes:** 6 - McConnell, Hunter, Swanson, Miyasato, Guevin, and Putz

**No:** 1 - Eisenbeisz

**XI. NEW BUSINESS:**

**New Business First Reading**

- N**     [ORD 15-37A](#)     Amending Section 2.12.010 City and Borough of Sitka Hospital Board and Section 2.12.070 Organization, formally dissolving the existing Sitka Community Hospital Board (SCH) and its framework and re-establishing and reorganizing membership under new criteria by decreasing voting membership from seven to five with the goal of providing financial welfare and economic financial stability to Sitka Community Hospital. The new membership will include one CBS standing seat (and alternate) appointed by the Municipal Administrator.

Richard Wein had concerns with the requirement and possible conflicting seats. Hans von Rekowski, a current Hospital Board member, spoke in opposition.

Eisenbeisz recommended adding "voting" member on line 81. Hunter offered that this included City staff to prevent the City covering costs of the Hospital and thanked the current Hospital Board. Guevin questioned the requirements and number of seats. Putz wanted the "professional medical experience" seat open regardless of employment. Hunter thought five members made more sense. Miyasato was concerned with attendance of a five member board. Eisenbeisz did not agree with the number of members and wondered if the strict stipulations of membership would create vacancies.

Rob Allen spoke to the difficulties of finding additional members.

Eisenbeisz clarified the two additional seats were to be "at large" seats.

Robin Koutchak, Municipal Attorney suggested postponing the ordinance for legal review.

**A motion was made by Miyasato that this Ordinance be POSTPONED to July 14, 2015 pending Legal review. The motion PASSED by the following vote.**

**Yes:** 7 - McConnell, Hunter, Swanson, Miyasato, Eisenbeisz, Guevin, and Putz

**A motion was made by Putz to extend the meeting to 11:00 PM. The motion FAILED by the following vote.**

**Yes:** 5 - Hunter, Guevin, Miyasato, Putz, McConnell

**No:** 2 - Eisenbeisz, Swanson

**Additional New Business Items**

- O [15-093](#) Consideration and award of the request for proposals submitted for the available funds (\$39,765) in the Fisheries Enhancement Fund  
**This item was POSTPONED to the June 23 Assembly meeting as the Assembly ran out of time to take action.**
  
- P [15-095](#) Discussion/Direction/Decision on the future direction of the Sitka Convention and Visitors Bureau  
**This item was POSTPONED to the June 23 Assembly meeting as the Assembly ran out of time to take action.**

**XII. PERSONS TO BE HEARD:**

None.

**XIII. EXECUTIVE SESSION**

None.

**XIV. ADJOURNMENT**

**The meeting automatically ADJOURNED at 10:30 PM.**

**ATTEST:** \_\_\_\_\_  
**Melissa Henshaw**  
**Acting Municipal Clerk**