



CITY AND BOROUGH OF SITKA

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

Minutes - Draft City and Borough Assembly

*Mayor Cheryl Westover
Deputy Mayor Pete Esquiro, Vice-Deputy Mayor Thor
Christianson,
Terry Blake, Phyllis Hackett, Mim McConnell, and Mike Reif*

*Municipal Administrator: Jim Dinley
Municipal Attorney: Theresa Hillhouse
Municipal Clerk: Colleen Ingman, MMC*

Tuesday, June 26, 2012

6:00 PM

Assembly Chambers

Sitka Historical Museum Project - Update 5:00 - 5:50 PM

REGULAR MEETING

- I. CALL TO ORDER
- II. FLAG SALUTE
- III. ROLL CALL

Present: 7 - Westover, McConnell, Blake, Christianson, Esquiro, Reif, and Hackett

IV. CORRESPONDENCE/AGENDA CHANGES

Ingman mentioned that they are going to start advertising for the non-profit grant funding. She included the documents under correspondence should you want to see any changes. Hackett would like to see the Emergency category decreased by 10% and the Human Services category increased by that 10%. The Assembly was later polled and no objections were received on making this change.

V. CEREMONIAL MATTERS

A proclamation was presented to Raven Radio recognizing their 30th Anniversary. Managers and founders were present to receive. Terry Blake was honored with a Service Award recognizing his time on the assembly. He commented: "It's been an honor and privilege to be here. Thank you, thank you, thank you. I appreciate you all very much."

VI. PERSONS TO BE HEARD

Mary Stephenson spoke as the Noteworthy Event Sign Project overseer on interpret signage and handed out associated materials.

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

Mayor - She received a call from Deputy Commissioner Michael Neussi that the Klondike Road Relay has generated significant traffic going to Skagway and therefore they are going to cancel one Juneau to Sitka Round trip run for the M/V Fairweather on Sept 7th. Only four passengers had to be rebooked.

Administrator - Harbor System Master Plan will come forward in July. Library grant expansion award does not require a match. Read an update from the City's labor attorney on negotiations with the PSEA Union.

Liaisons - McConnell met with the Tourism Commission, they discussed the placement of directional signs in town.

Clerk - Reminded the public that the filing for Assembly and School Board will be commencing the first part of July. Additionally, it is the time to start thinking about what propositions you may want on the ballot. Those ordinances need to be introduced in July.

VIII. CONSENT AGENDA

- A 12-92** Approve the minutes of the June 12, 2012 and a clarifying amendment to the May 22, 2012 Assembly meetings.

This item was APPROVED ON CONSENT AGENDA.

- B 12-88** Re-appointments:
A) Celeste Tydingco to a term on the Sitka Community Hospital Board
B) Pauline Fredrickson to a term on the Sitka Community Hospital Board

This item was APPROVED ON CONSENT AGENDA.

- C 12-87** Authorize a temporary PT position to assist with the EMPG Grant - Sitka Fire Department

This item was APPROVED ON THE CONSENT AGENDA.

- D RES 12-12** Authorizing the application for a loan from the ADEC under the Alaska Drinking Water Fund for Baranof Street Water Main Replacement

Westover recused herself because she owns property on Baranof Street.

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

Yes: 6 - McConnell, Blake, Christianson, Esquiro, Reif, and Hackett

Recused: 1 - Westover

- E RES 12-13** Authorizing the application for a loan from the ADEC under the Alaska Drinking Water Fund for Hollywood Way Water Main Replacement

This item was APPROVED ON CONSENT AGENDA.

- F RES 12-14** Authorize the application for a loan from the ADEC under the Alaska Clean Water Fund for Hollywood Way and New Archangel Sewer Replacement

This item was APPROVED ON THE CONSENT AGENDA.

- G 12-91** Authorize a sole procurement for ABB69 kV Circuit Breakers Blue Lake Switchyard - \$75,998

Brewton explained the upgrade. These will replace outdated breakers. Last year they were quoted \$65,000 each.

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

Yes: 7 - Westover, McConnell, Blake, Christianson, Esquiro, Reif, and Hackett

- H 12-93** Award a Combiner/Multiplexeor System under the 2011 Homeland Security Grant low bidder Procomm Alaska - \$77,521

Chief explained this piece of equipment will allow us to consolidate the antennas on the radio tower. Christianson asked if it will work with the ALMR and Chief responded "Yes". Westover was curious if it was expandable and it was.

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

Yes: 7 - Westover, McConnell, Blake, Christianson, Esquiro, Reif, and Hackett

IX. UNFINISHED BUSINESS:

- I ORD 12-07S** Amending the Sales Tax Exemption at Sitka General Code Subsection 4.09.100N entitled "Over One Thousand Dollars in Sales and Rents of Tangible Personal Property and on Sales of Services," and "Over One Thousand Dollars in Rent or Lease of Real Property on a Monthly Basis."

Sitka Rose Gallery owner Eugene Solovyev ask for a review of sales tax income after a year to show what effect the higher tax may have had on sales.

Sweeney projects around an additional \$495,000 in revenue for FY2013 and \$700,000 for subsequent years. The current budget does not include this projection. Christianson cautioned planning on any of these funds. Reif's desire is to put any revenues generated in deferred maintenance. McConnell brought up it may be needed for budget deficiencies in FY 2014.

RECESS - A ten minute recess was taken and cake was served to honor Mr. Blake and thank him for his service.

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

Yes: 7 - Westover, McConnell, Blake, Christianson, Esquiro, Reif, and Hackett

J 12-83

Approve vacating a right-of-way at 4600 HPR and request an ordinance be prepared. - Conner and Valerie Nelson

Reif relayed with regard to this ROW when he looks at various minutes etc. it isn't crystal clear it is the cities, however, the plats show it is the cities. Harmon said they rely on the plat drawings and did have it reviewed by both planning and legal. The plat takes precedence. In staffs view the ROW belongs to the city. The assembly can make a choice to vacate it. The value is primarily as a utility corridor and Public Works is concerned with retaining access to a potential quarry site.

McConnell brought up that if the city was to vacate then they would have to buy another ROW. If the city was willing to sell Hughes said the market value would be \$6 a sf. If you were to buy a ROW it would be 2-3 times that much.

Williams declared that the plat shows that it is ROW and it is accompanied by a signed dedication certificate - these are the facts. The property has to be of no potential use to the city to vacate it. Harmon rationalized, that if it could be moved somewhere else within the property or traded, that would not be ideal but might work. Mayor is inclined to not vacate it, but sell it if we can get another corridor up there.

Hackett argued the plat is the determining factor. The square footage of the ROW was not included when Nelson's purchased and she can't see any reason to vacate it when the city has potential use for it. Christianson believes the likelihood of using it as a road is slim. Public Works is working on another potential access. Reif plans to support the plat note and Public Works. Reif will entertain selling it for market price. The Nelsons were not the owners when the property was platted.

Nelson doesn't see where it was dedicated to the city. Today it is platted as an easement. He claims up to a year ago the city had a 40-foot easement that was released and signed off back to Nelson.

Hackett will not vote in favor of vacating it. Reif cannot vacate with no compensation to the city. McConnell is struggling with the motion that was made by the planning Commission and their three findings. Mayor would like follow up done on whether we can get access on the other side and into the potential of purchasing other property.

A motion was made by Christianson that this Item be APPROVED. The motion failed by the following vote.

Yes: 2 - McConnell, and Christianson

No: 5 - Westover, Blake, Esquiro, Reif, and Hackett

K ORD 12-18 Amending SGC at Section 4.12.020 Entitled "Property Subject to Tax" to increase the Biennial Motor Vehicle Registration Tax to be used for municipal roads

Sweeney informed that it would raise \$914,700.00 a year and that amount takes into consideration exempt vehicles of \$100,000. The 8% handling fee is not figured in. Christianson clarified, this fee is tacked on top of what people are already paying. Mayor doesn't support, she thinks it is too much to ask our citizens. Suggests we look at going back to city stickers.

Reif pointed out, it doesn't go into effect until Jan. 2014 and that senior citizens do not pay this tax on their first vehicle. He doesn't know of a better idea to raise this kind of money for deferred maintenance. Blake sees this as a burden and he struggles with it. Hackett supports the \$200 over two years. If you think about how many miles you put on the road during that period of time. We will go back to gravel roads if we do not act proactive. Esquiro questioned the provision to pay annually. There is a slight increase if you choose this option. Christianson commented it is like creating an enterprise for our roads. Esquiro proposed that maybe we could take a look at stickers for bikes so that they could contribute in some fashion.

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

Yes: 5 - McConnell, Christianson, Esquiro, Reif, and Hackett

No: 2 - Westover, and Blake

X. NEW BUSINESS:

New Business First Reading

L ORD 12-20 Amending SGC Section 15.01.020 entitled "Electric Rates" by Increasing Rates for all Customer Classes to Fund Voter Approved Improvements for the Blue Lake Hydroelectric Expansion Project and Implementing a Structure for Residential Class Customers to Promote Energy Conservation, and also Amending SGC Section 15.01.030 entitled "Billing-Credit-Deposit-Fees" to Increase Emergency Electric Service Charges

Christianson commented it appears to be a pretty good plan for people who are efficient; while also recognizing that the harbors were too high, Hackett agreed. Brewton mentioned that next year the city will need to make sure we are collecting sufficient revenue for Blue Lake Expansion. We have to cover it, it is very critical. Reif noted we have not raised electric rates since 1993 and if inflation was figured in our kilowatt usage would be .14 cents today. Hackett urged citizens to apply for state programs that can assist in making your homes more efficient and other weatherization resources. Blake brought up the difference in the increase between residential and commercial. Brewton answered that residential customers were not paying close to their fair share.

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

Yes: 7 - Westover, McConnell, Blake, Christianson, Esquiro, Reif, and Hackett

- M ORD 12-19** Amending SGC Subsection 4.09.100Y entitled "Exemption for Retired Persons who have Reached the Age of Sixty-Five to Exclude Alcoholic Beverages, Cigarettes, and Other Tobacco Products as Exempt Sales, and making clerical edits

Reif sponsored, he doesn't think that any group in this community should be exempt. Hackett would really like to see educational information going out to seniors.

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

Yes: 7 - Westover, McConnell, Blake, Christianson, Esquiro, Reif, and Hackett

Additional New Business Items

- N 12-90** Approve having staff work with Sitka Convention and Visitor's Bureau to schedule numerous airing segments of Sitka on scheduling on "Today in America"

RECESS - A recess was taken from 9:00 - 9:10 PM.

Mayor explained that Terry Bradshaw does a five-minute segment (only if they pick us), then there will be 19 other airings. Dinley explained we buy air time and they'll write a script. Christianson wondered if Sitka Convention and Visitor's Bureau (SCVB) had been contacted. Mayor and others would like them brought in. Hackett sees the SCVB as the lead and it should come out of their funds.

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

Yes: 4 - Westover, McConnell, Christianson, and Esquiro

No: 3 - Blake, Reif, and Hackett

- O 12-86** Discussion/Decision on putting forth an advisory vote on pursuing a dock downtown

Mayor suggested a discussion first before bringing forward an ordinance for consideration. Mayor pointed out, that we are not talking about bringing ships much closer than they already are. We are in the middle of designing Centennial Hall etc. this could be incorporated into the conversations. Christianson is ambivalent, he does think you need to have a plan first so he is a little hesitate to either stir people up or get peoples hopes up depending on how you look at it. Reif agrees, there needs to be a conceptual design. He also thinks it should be private. Concerns members have heard over and over is Sitka does not want to be like Ketchikan, Skagway or Juneau. We have to have some assurances that we are not overrun. Blake pointed out that so far tonight we have increased electrical, vehicle and sales tax. How much more can we afford to tax; this is burdening our business owners. We need to come up with some answers. McConnell thinks it will still be a decisive issue and needs to be worth it to have it on the ballot.

Eugene Rose Gallery - As long as you have a dock that accommodates no more than two cruise ships that in itself will limit you from becoming a Skagway, Juneau, or Ketchikan. Tourists dislike the lightering system. He contends they will spend more money and it will be far more convenient.

Kim Elliot expressed concern as her house is right downtown and would be impacted. She added, if we do build one then build it yourself. Do not have it in private ownership.

Mike Lawson operates the Banana Boat. He brought up that cruise ships fuel costs are going up so they are going to be more reluctant to go out of their way to come to Sitka. He does believe tourists will spend more money with a dock and they'll spend more time in town. They don't want to travel to downtown by lightering or bus. Sitka's attitude needs to be more inviting.

Shirley Robards commented that it is only 4-5 months of the year. The cruise lines are going to bigger vessels and they don't have the ability to lighter. Holland American is retiring two ships and they are both ships that currently come to Sitka. I think people are realizing that times are changing.

Brian McNitt strongly agrees with Christianson if we are going to have a ballot measure we need to know what we are voting on.

Esquiro agrees, you want to include specifics on the ballot. Where would this dock be? Who's going to build it? Tell the people what kind of costs? When would it be done? He added, that some of the potential areas that were in our inventory for possibilities are no longer there.

Reeder projected that having a dock would double revenues on existing passengers. Current statistics provided from McDowell for per passenger spending are: Juneau \$200, Ketchikan \$185 and Sitka is \$70. Smaller ships are going away. Ships dock moorage runs \$20-\$30K a day. Sitka gets \$669 a day currently.

McConnell thinks peoples biggest concern is view sheds. There has to be a compromise if something like a dock is ever going to work in Sitka. Something like having ships limited to so many days a week.

Reif related to the concerns surrounding the stop light and more recently the roundabout where people put up opposition and now they are fine with them. It is crucial that we put forth a question that gives the basic parameters. Christianson described that if Sitkan's did decide to build a dock then we should try and see if we could get money from the state.

Esquiro, Christianson and Westover will work on drafting an ordinance.

P 12-89 Appoint an interim Assemblymember to fill Terry Blake's term until the results of the election are certified on October 9, 2012

This item was deferred prior to the meeting to July 10, 2012.

XI. PERSONS TO BE HEARD:

None

XII. EXECUTIVE SESSION - Mike Litman & Jeff Farvour v. CBS Litigation

This item was deferred prior to the meeting to July 10, 2012.

XIII. ADJOURNMENT

Christianson moved to ADJOURN. The meeting ADJOURNED at 10:03 PM.

ATTEST:

Colleen Ingman, MMC
Municipal Clerk