

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
January 23 and January 28 Assembly
meetings.



CITY AND BOROUGH OF SITKA

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

Minutes - Draft

City and Borough Assembly

*Mayor Gary Paxton
Deputy Mayor Steven Eisenbeisz,
Vice Deputy Mayor Kevin Mosher,
Kevin Knox, Dr. Richard Wein, Valorie Nelson, Thor Christianson*

*Interim Municipal Administrator: Hugh Bevan
Municipal Attorney: Brian Hanson
Municipal Clerk: Sara Peterson*

Thursday, January 23, 2020

6:00 PM

Assembly Chambers

SPECIAL MEETING

I. CALL TO ORDER

II. FLAG SALUTE

III. ROLL CALL

Present: 6 - Christianson, Eisenbeisz, Knox, Wein, Paxton, and Mosher

Telephonic: 1 - Nelson

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

20-014 Special Report: Blank Rome Government Relations, LLC

CJ Zane, Managing Principal of Blank Rome Government Relations LLC, spoke to Blank Rome's work on behalf of the City and Borough of Sitka. Areas of focus were grants, appropriations, loans, and options for refinancing current debt.

V. **PERSONS TO BE HEARD**

None.

VI. **NEW BUSINESS:**

A 20-015 Review the planned budget process and dates for development of the FY21 operating and capital budgets

Interim Administrator Hugh Bevan reviewed the budget meeting schedule and discussion items for each. In addition, he spoke to the overall goals of the FY2021

process, reviewed progress to date, and told of next steps.

B 20-016 Review Assembly decisions from the December 23, 2019 budget meeting

Controller Melissa Haley reviewed direction that was given at the December 23 budget meeting: assume flat funding from the State per current budget, PILT funding budgeted on lower end of historical range, Secure Rural Schools funding at \$500K (split between CBS and the School District), property tax at a 1.5% increase and senior property tax exemption at a 9.9% net increase, school bond debt service reimbursement expected at 50% of original State commitment - no subsidy budgeted, assume raw fish tax at \$1,000,000 with no subsidy from the General Fund to Harbor Fund needed, total school funding including half of Secure Rural Schools budgeted at \$7,618,993 (instructional \$7,053,234, non-instructional \$358,759, maintenance \$150,000, \$57,000 Performing Arts Center), nonprofit donations budgeted at FY2020 levels (General Fund nonprofit grants \$50K, the Ride \$25K, SAFV \$50K, SEDA \$63K, Sitka Historical Society \$97.2K), for discussion include Community Affairs position in FY2021 budget with a shift in the job description to be focused on grants, \$520K from the General Fund to Public Infrastructure Sinking Fund, Electric Fund budget developed assuming a 2% minimal inflationary increase and elimination of vacant system engineer position, Water Fund budget developed with a 2% minimal inflationary increase, Wastewater Fund budget developed with a 2% minimal inflationary increase, Solid Waste budget developed with a 5.5% increase, and Harbor Fund budget developed with a 3% increase to moorage rates. Haley noted the impact of rate increases to the average utility bill would be approximately \$8.88 per month. She added that the permanent moorage cost for a 40ft vessel would raise \$13.93 per quarter for a total of \$472.22.

C 20-017 Review working capital balances in all funds

Controller Melissa Haley reviewed undesignated and committed working capital amounts by fund. She noted at the end of each fiscal year a review was conducted by each department to determine those capital projects that no longer needed to be committed and thus closed out.

D 20-018 Review debt structure in all funds including Electric Fund bonds

Controller Melissa Haley reviewed the debt totals of the General Fund and major Enterprise Funds: General Fund storm sewers/internal loans (IT projects) \$402,100; Solid Waste \$1,157,975; Water \$6,807,164; Wastewater \$8,114,373; Harbors \$11,414,666; General Fund - Schools \$15,085,000; and Electric \$119,860,182. She explained the overall debt levels in the last five years had decreased. An increase from FY2018 to FY2019 occurred with the bonding for harbors and the airport. An increase was also likely with the use of loans for the critical secondary water and wastewater treatment plant rehabilitation projects. She noted while debt levels wouldn't be growing they wouldn't be decreasing at the same rates. Wein expressed concern over the amount of total debt and the ramifications for Sitkans.

Haley reviewed the Electric Fund bonded debt through Alaska Municipal Bond Bank, outlined series of bonding, interest rates, and when bonds were callable. She noted the City received subsidies from the IRS for some of the 2010 series with higher interest rates thereby reducing the effective interest rate being paid. Assembly members wondered if USDA loans could be used for refinancing. Jay Sweeney, Chief Finance and Administrative Officer, explained that agency funds could not be used for defeasance per government regulations.

E 20-019 Review estimated revenue projections for FY21 - all funds

Controller Haley reviewed preliminary budgeted revenue numbers for the General Fund, Electric Fund, Water Fund, Wastewater Fund, Solid Waste Fund, and Harbors. Interim Administrator Hugh Bevan explained the revenues were estimated on proposed rate increases and known revenue - e.g. fish tax.

F 20-020 Discussion / Direction on new proposals to be included in FY21 budget

Controller Melissa Haley and Interim Administrator Hugh Bevan discussed new proposals for the FY2021 budget.

No formal action was taken, however, consensus of the Assembly was to include funding for: additional training for the Planning Director, homeless coalition, long-range infrastructure/financial plans, remove the requirement for an Assistant Fire Chief from Sitka General Code, Assistant Controller-succession planning and GASB 87 implementation (for FY2021 only), debt service for USDA rural development loan for phase one of Green Lake power plant renovation, and hauling of derelict boats due to closure of Halibut Point Marine. Consensus of the Assembly was not to fill the vacant System Engineer position in the Electric Department and not provide medivac insurance for employees after one year of employment.

Unresolved decision points to be addressed at a future meeting: the Community Affairs Director position, signing bonuses for police officers, not filling a vacant Engineer position in Public works, and implementation of a new Building Maintenance Fund allocation model to stop the fund balance from shrinking.

VII. PERSONS TO BE HEARD:

None.

VIII. EXECUTIVE SESSION

None.

IX. ADJOURNMENT

A motion was made by Christianson to ADJOURN. Hearing no objections, the meeting ADJOURNED at 9:06 p.m.

ATTEST: _____
Sara Peterson, MMC
Municipal Clerk



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Tuesday, January 28, 2020

6:00 PM

Assembly Chambers

WORK SESSION 5:00 P.M.

20-021 Work Session: FY19 Comprehensive Annual Financial Report / Audit

Auditor Joy Merriner reviewed the financial reporting process overview, audit results, and financial statement trends.

REGULAR MEETING

I. CALL TO ORDER

II. FLAG SALUTE

III. ROLL CALL

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

Absent: 1 - Eisenbeisz

IV. CORRESPONDENCE/AGENDA CHANGES

Mayor Paxton announced item M had been pulled from the agenda.

20-031 Reminders, Calendars, and General Correspondence

V. CEREMONIAL MATTERS

None.

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

School Board Vice President Amy Morrison informed the Assembly of the strategic planning process, thanked the City street crews for plowing, and stated the two make up days for recent snow days were April 24 and May 22.

VII. PERSONS TO BE HEARD

Maegan Bosak, SEARHC Director of Marketing and Communication, provided an update on Sitka's Integrated Health Care team. She spoke to recent staffing changes, announced Sitka Long Term Care was recently honored by the American Health Care Association and National Center for Assisted Living, and invited folks to attend ROAR the annual Reclaim Own and Renew Women's Conference in Juneau.

Interim Administrator Hugh Bevan introduced the new City Assessor, Larry Reeder.

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

Interim Administrator - Bevan stated a candidate for Utility Director had been interviewed and a candidate for Library Director was to be interviewed January 31. He said a change order for the Crescent Harbor project may be warranted due to recently discovered net shed repairs.

Liaison Representatives - Nelson reported on the recent Police and Fire Commission meeting, Wein on the Tree and Landscape Committee meeting, Christianson on his attendance at the Tribal Council meeting, and Mosher reported on the Planning Commission meeting.

Clerk - Peterson reviewed upcoming meeting dates.

Other - Nelson requested the Interim Administrator contact SEARHC and request they provide an update in the near future on the hospital transition and new facility plans.

IX. CONSENT AGENDA

A motion was made by Nelson that the Consent Agenda consisting of items A, B, & C be APPROVED. The motion PASSED by the following vote.

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

Absent: 1 - Eisenbeisz

A 20-022 Approve the minutes of the January 14 Assembly meeting

This item was APPROVED ON THE CONSENT AGENDA.

B 20-023 Approve a liquor license renewal application for Talon Charters, Inc. dba Talon Lodge at Apple Island

This item was APPROVED ON THE CONSENT AGENDA.

- C 20-024** Approve a liquor license renewal application for JL Sitka, Inc. dba Westmark Sitka Hotel at 330 Seward Street

This item was APPROVED ON THE CONSENT AGENDA.

X. BOARD, COMMISSION, COMMITTEE APPOINTMENTS

- D 20-025** Reappoint Jere Christner to a three-year term on the Investment Committee

Wein thanked Christner for reapplying.

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

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

Absent: 1 - Eisenbeisz

- E 20-026** Appoint Sandra Fontaine to a three-year term on the Library Commission

Wein and Christianson thanked Fontaine 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 - Christianson, Knox, Wein, Paxton, Mosher, and Nelson

Absent: 1 - Eisenbeisz

XI. UNFINISHED BUSINESS:

- F ORD 20-01** Making supplemental appropriations for Fiscal Year 2020 (Airport Entry Doors Replacement Project)

Knox spoke in support of the project, stated the airport was Sitka's gateway for many visitors coming to town, and stressed the need for properly functioning doors. Christianson agreed. Nelson, while adverse to spending the money, reiterated the need for doors that functioned. Wein spoke in opposition and reminded the doors were not currently included in the airport plan. Before supporting, he wished to see a better thought process in the door replacement and a plan for repurposing the doors.

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

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

No: 1 - Wein

Absent: 1 - Eisenbeisz

- G 20-027** Approve the process to update the City and Borough of Sitka seal

Doug Osborne spoke in support of the public process to create a new City and Borough of Sitka seal. He noted the process would bring forth a pathway for learning, understanding, healing, and empathy.

Wein, while supportive, reminded this was an opportunity for Sitkans to reacquaint themselves with Sitka's history. Christianson expressed enthusiasm for the project, stated it would be neat to have the seal designed by a local, and reminded with a phased-in approach costs would be negligible. Nelson spoke to concerns of cost and rewriting history. Knox stated it was recognition of a history that was aggressive to a lot of people in Sitka and this project would help with reconciliation and healing.

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

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

Absent: 1 - Eisenbeisz

XII. NEW BUSINESS:

New Business First Reading

- H ORD 20-02** Amending Title 6 "Business Licenses And Regulations", Title 19 "Building and Construction", and Title 22 "Zoning" of the Sitka General Code by modifying Chapter 6.12 "Mobile and Manufactured Homes and Mobile and Manufactured Home Parks", Chapter 19.09 "Residential Code", Chapter 22.08 "Definitions", Chapter 22.16 "District Regulations", Chapter 22.24 "Special Use Permits" and adding Sections 6.12.205 "Construction Requirements For Tiny Houses and Tiny Houses On Chassis", Section 22.08.798 "Tiny House", and Section 22.08.799 "Tiny Houses On Chassis"

Interim Administrator Hugh Bevan reminded in July 2019 the Assembly had adopted action plans one of which was to address tiny homes. Bevan recognized Project Manager Scott Brylinsky and Planning Director Amy Ainslie for their work.

Project Manager Scott Brylinsky noted that in addition to the tiny homes action plan, affordable housing was mentioned in the 2030 Comprehensive Plan and 2016 SEDA Strategic Plan. Brylinsky provided a brief overview of the ordinance and noted it accomplished three things: created a definition for tiny houses on permanent foundations and chassis, established safety requirements for tiny houses on permanent foundations and for tiny houses on chassis, and provided options for their placement in existing mobile/manufactured home parks and on individual lots. He stated there were four decision points for consideration: 1) adoption of Appendix Q (Tiny Houses - 2018 International Residential Code), 2) creation of legal status for tiny houses on chassis to be allowed in mobile/manufactured home parks, 3) allow tiny houses on permanent foundation in mobile/manufactured home parks, and, 4) conditionally allow a single tiny house on chassis to be placed in zones that allow single manufactured home on lot (R-1 MH, R-1 LDMH, R-2 MHP, C-2, WD).

Assembly members discussed various aspects of the ordinance, in particular, the definition of a chassis. Wein referenced an email sent to the Assembly from a citizen concerned that tiny houses on wheels shouldn't be allowed due to liability issues. Wein suggested the subject of tiny houses go back to the Planning Commission for

further work. Brylinsky said tiny homes on chassis were not addressed in Appendix Q of the 2018 International Residential Code (IRC), and further explained, the changes in the proposed ordinance were innovative in that they created a status for tiny homes on chassis. He added if the idea was to provide affordable housing options, but not to allow tiny homes on chassis, it was defeating the purpose of being able to use tiny homes the way people wanted to. Nelson wondered how one would decide if the tiny home was built to IRC standards if tiny homes weren't referenced in the IRC and wished to hear more from the citizen who had written the email. She believed much had been done to negate zoning laws in an attempt to have affordable housing. Building Official Pat Swedeen shared information regarding RV standards and stability of chassis. Consensus of the Assembly was for the item to come back at the next meeting.

A motion was made by Christianson that this Ordinance be POSTPONED to the February 11 meeting. The motion PASSED by the following vote.

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

Absent: 1 - Eisenbeisz

- I ORD 20-03** Amending the official Sitka Zoning Map to rezone 4513, 4521, and 4533 Halibut Point Road from Industrial District (I) to General Commercial and Mobile Home District (C-2)

Chris McGraw stated the Old Sitka Dock facility area was planning to expand, in particular additional structures and shelters for various types of sales.

Speaking in support of the ordinance were Chuck Trierschild and Ben Hilberg.

Christianson stated his place of employment was across the road, it wasn't a case of spot zoning, and he was supportive. Nelson, a nearby property owner, spoke in support and reminded all of the property from Granite Creek Road out was zoned Commercial. Wein, while in support, stressed the need for visitors to visit downtown Sitka. Knox understanding concerns about drawing visitors away from the downtown area, offered a different perspective. He stated it could in fact bring more passengers to the downtown area, disperse people, and make their travel experience more enjoyable not having everyone packed in one centralized area.

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

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

Absent: 1 - Eisenbeisz

Additional New Business Items

- J RES 20-01** Authorizing a \$535,210 grant application to the Department of Homeland Security and Emergency Management (DHS & EM)

Interim Administrator Hugh Bevan commented this was a non matching grant and it would allow the City to project communications into the back of Katlian Bay which would be a more heavily traveled area when road construction to the bay area was completed. Christianson spoke to the need for the upgrade and voiced support. Wein wondered if the improved communications was guaranteed. Chief of Police Robert Baty stated there would be improved communications and this was a great opportunity to

upgrade.

A motion was made by Mosher that this Resolution be APPROVED on FIRST AND FINAL READING. The motion PASSED by the following vote.

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

Absent: 1 - Eisenbeisz

K 20-028

Approve a Water Delivery Agreement between the City and Borough of Sitka and Northern Southeast Regional Aquaculture Association

Interim Administrator Hugh Bevan explained the City and the Northern Southeast Regional Aquaculture Association (NSRAA) had been trying to reach an agreement for several years to increase their water opportunities to expand the hatchery and develop a Chinook program. With the work of many, an agreement had been reached. Scott Wagner, NSRAA Operations/General Manager, noted there would be benefits to the City, fisherman, and the Gary Paxton Industrial Park; reminded the agreement did not affect rate payers as surplus water would be used; pumping costs would be paid by NSRAA; the agreement was for a 10 year term; some of the maintenance operations (e.g. afterbay pumps) would be shifted to NSRAA; the additional infrastructure needed would be funded by NSRAA.

Eric Jordan spoke in support of the agreement and thanked those involved for reaching an agreement.

Wein thanked Bevan for his leadership in helping both parties reach resolution. Noting a fiduciary responsibility, Wein wondered if NSRAA should receive a water charge. Knox reminded of the capital investment NSRAA would be making which would not be insignificant.

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

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

Absent: 1 - Eisenbeisz

L 20-029

Approve a salary increase for the Library Director position from range 30F to range 35A

Joanna Persenovich, Acting Library Director, stated in the last five years there had been four Library Directors, spoke to the role of the Director and support for the increase. In addition, Library Commission members Darryl Rehkopf and Stephen Morse spoke in support of a salary increase.

Assembly members Wein, Christianson, and Mosher expressed support and the need for appropriate compensation. Nelson spoke in opposition citing there were no community salary comparisons (e.g. Ketchikan, Petersburg), said she'd rather address the issue during the budget process, and reminded that the high cost of living was driving people to leave.

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

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

No: 1 - Nelson

Absent: 1 - Eisenbeisz

XIII. PERSONS TO BE HEARD:

None.

XIV. EXECUTIVE SESSION

M 20-030 ~~Legal/Confidential – Sitka Police Department personnel matters~~ PULLED

Item M was pulled. No action was taken.

XV. ADJOURNMENT

A motion was made Christianson to ADJOURN. Hearing no objections, the meeting ADJOURNED at 7:50 p.m.

ATTEST:

Sara Peterson, MMC
Municipal Clerk