



CITY AND BOROUGH OF SITKA

ASSEMBLY CHAMBERS

330 Harbor Drive

Sitka, AK

(907)747-1811

Minutes - Final

City Assembly

Mayor Cheryl Westover
Deputy Mayor Larry Crews
Vice Deputy Mayor Mim McConnell
Assembly Member Phyllis Hackett
Assembly Member Terry Blake
Assembly Member Thor Christianson
Assembly Member Pete Esquiro

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

Tuesday, April 12, 2011

6:00 PM

Assembly Chambers

REGULAR MEETING

I. CALL TO ORDER

Present: 6 - Westover, Crews, Hackett, Blake, Christianson, and Esquiro

Telephonic: 1 - McConnell

II. FLAG SALUTE

III. ROLL CALL

IV. CORRESPONDENCE/AGENDA CHANGES

It was noted that Items R, T, U and V had been previously removed from this agenda. The four ordinances deal with sales tax issues.

Mayor Westover mentioned a letter from the Corps of Engineers. She also congratulated Sitka Trail Works on their award notification from the Rasmuson Foundation.

V. CEREMONIAL MATTERS

Mayor Westover presented Certificates of Achievement to the Sitka High School Girls Basketball Team and a group of science students from Mt. Edgecumbe High School Students.

VI. PERSONS TO BE HEARD

Library Director, Sarah Bell, gave a brief announcement on upcoming events at the Library.

Michelle Putz spoke to Green Practices and acknowledged entities who have earned recognition for their conservation of energy.

Fire Chief Dave Miller gave a briefing on the steps that were conducted with the recent Tsunami watch.

VII. REPORTS

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

Mayor - Westover mentioned she recently welcomed the Heritage Conference attendees; she would like to see more involvement next year on the part of the City.

Administrator - Dinley reminded the public about Spring CleanUp which includes vehicle collection; the City will pay the tow charge. Thanked Senator Stedman and Representative Wilson for their assistance in getting 8' sidewalks on a Sawmill Creek Road project.

Liaison Representatives - Hackett informed the Sitka Public Library community will hold a gathering on April 19th, 7:00 PM at the Harrigan Centennial Hall. Blake relayed the Police & Fire Commission recently worked on amending their bylaws.

Clerk - Reminded Assembly of the due date for written evaluations for either the Attorney or Administrator.

Other - Hackett thanked SEDA for hosting the State of Economy.

VIII. CONSENT AGENDA

- I 11-75 Approve award of the Blatchley Middle School Pool Equipment Upgrades Contract to Schmolck Mechanical Contractors.

This item was APPROVED ON THE CONSENT AGENDA.

- A 11-78 Approve the minutes of the March 22, 2011 Assembly meeting.

Mayor Westover abstained from voting as she was absent at that particular meeting.

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

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

Non-voting: 1 - Westover

- B 11-74 Approve an MOU between the CBS and the Natural Resources Conservation Service under the National Cooperative Soil Survey Program pending review/approval by the Municipal Administrator and Attorney.

Public Works Director, Michael Harmon, stated this was for data gathering purposes to learn of soil types. Many communities around the country have this type of information available to aide in the planning level process of projects. GIS Data would also be incorporated.

Assembly members expressed concerns with the potential project creating future mandates and spending money unnecessarily.

A motion was made by Crews that this Item be APPROVED. The motion FAILED by the following vote.

Yes: 1 - McConnell

No: 6 - Westover, Crews, Hackett, Blake, Christianson, and Esquiro

C 11-76

Approve the transfer of \$23,500 from the Marine Passenger Fee Fund to the Harbor Fund for the Cruise Ship Security Booth Project.

Administrator Dinley stated the purpose behind the project and what the booths would look like.

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

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

D 11-73

Approve a Professional Services Contract with Germano & Associates to provide services for the 2011 Long Term Benthic Monitoring and Bioaccumulation Survey and Report for Sawmill Cove and Silver Bay.

Public Works Director, Michael Harmon, explained this needs to be done every ten years (up to a maximum of forty years) to assure against re-colonization. The woody debris on the sea floor is monitored.

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

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

E 11-66

Approve five-year renewal for the sub-lease with Regional Disposal Company and CBS as recommended by the Sawmill Cove Industrial Park Board of Directors.

Administrator Dinley offered this is a storage and sorting facility for trash prior to it being shipped out. Garry White, SCIP Director, added the rate was based off of market rate.

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

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

F 11-69

Approve a Professional Services Agreement with Anderson Land Planning to provide professional services for the Takatz Lake Feasibility Project.

Utility Director, Chris Brewton, informed this is one of the most important studies that needs to be done to meet FERC requirements.

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

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

G 11-68

Approve a Professional Services Agreement with Corvus Design, Inc. to provide professional services for Takatz Lake Feasibility Study.

Utility Director, Chris Brewton, noted this particular study would focus on aesthetics, look at different transmission design and provide options.

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

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

- H 11-71** Authorize closing Capital Project 90626 (Blue Lake Ring Bus) and transfer the remaining funds to: 1) Feeder Improvements No. 8003 and 2) Microwave or Optic Fiber No. 90611.

Chris Brewton, Utility Director, made note this is a success story. The project was completed on time and under budget. This request would allow for the remaining money to be transferred to other areas of critical need.

A motion was made by Crews that this Fund Transfer be APPROVED. The motion PASSED by the following vote.

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

IX. UNFINISHED BUSINESS:

- J ORD 11-06** Adjusting the FY 2011 Budget for changes identified during the Second Quarter FY 2011 Formal Budget Execution Review

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

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

- K ORD 11-08** Authorizing the issuance of general obligation bonds of the CBS in the principal amount of not to exceed \$5,690,000 to finance major capital maintenance improvements to Blatchley Middle School as authorized by ordinances of the Assembly and approved by Sitka's voters at an election held therein on October 5, 2010; authorizing tax levies to pay the principal thereof and interest thereon; and authorizing the sale of the bonds to the Alaska Municipal Bond Bank on the terms and conditions provided in this ordinance.

Finance Director, David Wolff, explained this was a mini version of what would be done on the other revenue bonds.

Lon Garrison, School Board President, urged passage.

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

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

The following 4 sub-lease Ordinances: 07, 09, 10 & 11 or Items L, M, N, and O will be considered as one.

- L ORD 11-07** Authorizing sublease of space by Ground Control, LLC at the Sitka Rocky Gutierrez Airport Terminal Building.

A motion was made by Christianson that this Ordinance be PASSED ON SECOND READING along with 2011-09, 10 & 11 all identical with the exception of naming the lessee. The motion PASSED by the following vote.

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

- M ORD 11-09** Authorizing sublease of space by Alaska Rent A Car, Inc. d/b/a Avis Rent a Car at the Sitka Rocky Gutierrez Airport Terminal Building.

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

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

N ORD 11-10

Authorizing sublease of space by Ostrov Enterprises d/b/a Airport Gift Shop at the Sitka Rocky Gutierrez Airport Terminal Building.

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

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

O ORD 11-11

Authorizing a sublease of space by Ostrov Enterprises d/b/a North Star Rent a Car at the Rocky Gutierrez Airport Terminal Building.

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

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

X. NEW BUSINESS:

New Business First Reading

AMENDRES 11-09

Committing to a level of financial support to be provided to the Sitka School District for Fiscal Year 2012.

Lon Garrison, School Board President, to carefully consider the full amount of the School District's request.

Toby Campbell, Grace Wong, Traci Gale and Ted Laughenberg spoke in favor of the Resolution.

Christianson, Crews, Blake, Hackett, and McConnell spoke regarding the Resolution.

A motion was made by Christianson that this Resolution be **AMENDED** by changing the dollar amount on Line 30 from \$5,978,632 to \$6,345,062. The motion to **AMEND PASSED** by the following vote.

Yes: 4 - McConnell, Hackett, Blake, and Christianson

No: 3 - Westover, Crews, and Esquiro

Administrator Dinley explained the idea of funding the resolution at 50% stops the clock. The City has 30-days after receiving the School District budget request to decide on a figure. Unfortunately, the clock runs out before the city's first budget meeting. He cannot recommend a greater share for the schools until after the City had dealt with its General Fund budget; budget meetings don't start until April 28.

School Superintendent, Steve Bradshaw, shared his perspective on jobs that could be in jeopardy. He added, hiring teachers was an expensive proposition.

A motion was made by Hackett that this Resolution be **APPROVED** as amended. The motion **PASSED** by the following vote.

Yes: 4 - McConnell, Hackett, Blake, and Christianson

No: 3 - Westover, Crews, and Esquiro

Q RES 11-08 Calling on the State of Alaska Redistricting Board to maintain the City and Borough of Sitka in a single House District.

Lon Garrison mentioned the potential for splitting Sitka does nothing but harm the community.

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

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

S ORD 11-13 Removing Section 4.16 Fuel Flow Tax and Section 11.58 for Hire Vehicles at the Sitka Airport.

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

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

R ORD 11-12 PULLED Amending the Sales Tax Exemptions at SGC Subsections 4.09.100 D, I, J, P, and V regarding Dues and Fees, Loans, Medical and Veterinary Services, Resale, and Government-Funded Agencies.

T ORD 11-14 PULLED Amending the Sales Tax Exemption at SGC Subsection 4.09100 G, O, and W regarding sales to Governmental Agencies, School Sales, and Child Care for Clarification &/or Expansion Purposes, deleting Subsections 4.09100 R, T and Z regarding Telephone and Telegraph, Long Term Motor Vehicle and Equipment Rentals, and Fine Arts Camp Housing Exemptions, and deleting the "Bed Tax" exemption at SGC Section 4.24.050 entitled "Exemption of Housing for Students Attending the Sitka Fine Arts Camp"

U ORD 11-15 PULLED Amending the Sales Tax Exemptions at SGC Subsection 4.09100 L entitled "Nonprofit Charitable Organizations."

V ORD 11-16 PULLED Amending the Sales Tax Exemptions at SGC Subsection 4.09100N entitled "Over One Thousand Dollars on 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.

Additional New Business Items

W 11-70 Approve a Time and Equipment Contract (not to exceed \$600,000) to Chatham Electric Inc. to supplement the Electric Department line crew for work on HPR to Kramer Line Riser.

Utility Director, Chris Brewton, explained the Chatham line construction crew can get the work done much faster than the local crew because they won't get pulled off the job to do other things, as is the case with the local crew.

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

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

X.1 11-77 Southeast Economic Development Fund Loan Requests: 1) Center for Community -
AMEND \$200,000 - 10-Year Payback help fund roof replacement; and 2) Fortress of the

Bear - \$100,000 - 10 Year Payback fund Gift Shop/Fixtures/Inventory/Driveway/Holding Facilities and Additional Staff.

Finance Director, David Wolff, clarified the brochure handed out, specifies a bank participation loan and an interest rate of 5%.

Christianson moved to AMEND the loan interest amount to 3.5% and reflect that adjustment throughout the loan agreement to include the adjusted monthly payments.

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

No: 2 - Crews, and Blake

Assembly member McConnell disclosed her affiliation with STA that is connected to Center for Community under the Community Ride Program; she receives no money from Center for Community. Mayor Westover ruled there was no conflict.

Director Connie Sipe, and President Marci Hirai of Center for Community came forward and offered background on the 32 year old business. Sipe noted they are getting an additional construction loan and understand this to be a low interest loan, not a grant. Sipe informed the the roof would be more traditional and meet building codes.

Assembly members provided comments.

This item was APPROVED as AMENDED on the following vote.

Yes: 6 - Westover, Crews, Hackett, Blake, Christianson, and Esquiro

Recused: 1 - McConnell

McConnell recused herself; Fortress of the Bear is one of her clients.

Les Kinnear explained their project and the progress they've made over the past 7 years, constantly improving the project. Funding will allow additional staff to be hired and do other needed work. Evy Kinnear noted they have recently received word from Holland America Line they would like to include Fortress of the Bear in their tour packages.

A motion was made by Crews that this Item be AMENDED to the same 3.5% interest rate. The motion on the AMENDMENT PASSED by the following vote.

Yes: 6 - Westover, Crews, Hackett, Blake, Christianson, and Esquiro

Recused: 1 - McConnell

Les Kinnear stated their loan request defines economic development and added the money they have made in the first 7 years went back into capital improvements. In response to a question as to the ability to pay back the loan, Kinnear responded they would be able to.

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

Yes: 4 - Westover, Crews, Blake, and Christianson

No: 2 - Hackett, and Esquiro

Recused: 1 - McConnell

Y 11-67

Discussion on the placement of a Sitka Respect Mural on the City/State Building located at 304 Lake Street.

Martina Kruzer explained plans for a group of nine panels to be mounted on the City/State Building. She would like to provide written permission from the City to the State. While there is a planned theme, it is unclear what the panels would look like.

The item will go back for a decision at a later meeting.

XI. PERSONS TO BE HEARD:

Christianson moved to extend the meeting to 10:45 PM. No objections were made.

School Board Member, Molly Kabler, thanked the Assembly for their approval of the Blatchley upgrades and the GO Bonds. She gave an update on school happenings and added that by the end of the year they will be serving 52 special needs preschoolers.

Chris Brewton, Utility Director, announced April 21st and 22nd, Sitka would host the Southeast Integrated Resource Plan (SEIRP) 1st Technical Conference. It will be the blueprint for southeast's energy needs.

School Board Member, Tom Conley, thanked everyone for their input on the schools.

Assessor, Randy Hughes, reminded property tax payers of the upcoming deadline for appeals.

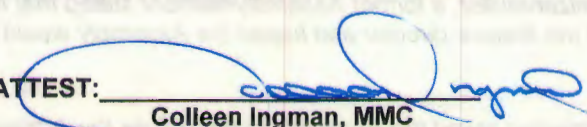
Fire Chief Miller announced the Southeast Region EMS conference would be held in Sitka.

Larry Crews, speaking as a citizen, said he had recently read Les Yaw's book and advised people to read Chapter 8.

XII. ADJOURNMENT

Hackett moved for adjournment with no more business to come before the Assembly the meeting was ADJOURNED at 10:35 PM.

ATTEST:


Colleen Ingman, MMC
Municipal Clerk