



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,
Phyllis Hackett, Mim McConnell, Mike Reif and Bill Paden*

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

Tuesday, September 11, 2012

6:00 PM

Assembly Chambers

REGULAR MEETING

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

Present: 6 - Westover, Paden, Christianson, Esquiro, Reif, and Hackett

Telephonic: 1 - McConnell

IV. CORRESPONDENCE/AGENDA CHANGES

Mayor thanked the USCG, Sea Mountain Rescue and all involved in the recent rescue of two local fishermen. She also asked for a moment of silence in observance of September 11 - Patriot Day and to honor all military who are currently and have previously fought for our freedom.

A motion was made by Christianson to move Item G up on the agenda to be taken up following the Consent Agenda. Motion PASSED unanimously.

A motion was made by Reif to POSTPONE Item E until outside legal review could take place. Christianson wanted to talk about it. The motion FAILED on a 0-7 roll call vote.

V. PERSONS TO BE HEARD

Scott McAdams and Jean Arnold representing Alaska Native Brotherhood (ANB) and Alaska Native Sisterhood (ANS) announced their 100th Anniversary would be held in Sitka the first week of October. They requested a waiver of the Harrigan Centennial Hall rental fees for the event with the exception of October 2nd, when they planned to relocate to the Community House due to the Municipal Election. It was noted the item would be brought back at the September 25, 2012 meeting along with a similar waiver the Mayor had received.

Chris Rose of Alaska Energy Authority gave an overview of the work they would be doing to reduce energy use though education and outreach in three Southeast communities: Kake, Craig and Sitka.

VI. REPORTS

Roads Adhoc Group comprised of: Sheri Aitken, Michelle Putz, Matt Hunter, Phyllis Hackett and Bill Paden reported through their research they found there were no easy answers. They expressed a need to invest in a Roads Master Plan where roads were rated. Returning all to gravel roads would cost \$500,000 annually and asphalt \$3,000,000 a year. The Group suggested finding out what roads the public would be ok with being gravel and what roads should remain asphalt and then determining a way to pay for it.

Public Works Director, Michael Harmon, explained that the total roads, in our existing system annual replacement costs, could equal \$4,000,000 a year. Harmon stated obviously the core downtown and high usage streets and those with steep grades would require paving. He suggested the city could start to cycle out smaller residential roads to gravel.

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

Paden announced Sitka would be hosting statewide Firefighters and Chief's Association Conference with 200 in attendance September 17-22nd.

VII. CONSENT AGENDA

- A 12-122 Approve the minutes of the August 28 & 30 Assembly meetings.**

This item was APPROVED ON THE CONSENT AGENDA.

- B 12-123** Reappoint Judith Ozment to a term on the Sitka Historic Preservation Commission.

This item was APPROVED ON THE CONSENT AGENDA.

- G 12-121** Authorize the Municipal Administrator to issue Barnard Construction Company Inc. a Notice of Award and enter into an agreement for Contract No. 9, General Construction and obligate project funds in the amount of \$96,694,300 from the Blue Lake Third Turbine and Dam Upgrade Capital Project No. 90594

A motion was made by Reif to authorize the Municipal Administrator to issue Barnard Construction Company Inc. a Notice of Award and enter into an agreement for Contract No. 9, General Construction and obligate project funds in the amount of \$96,694,300 from the Blue Lake Third Turbine and Dam Upgrade Capital Project No. 90594: and execute this action on behalf of the Assembly of the City & Borough of Sitka.

The motion PASSED by the following vote.

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

A motion was made by Christianson to go into Executive Session to be advised by and/or give direction to the Municipal Attorney, Municipal Administrator, Utility Director, Finance Director and other legal, contract and fiscal advisors; Mort McMillen – Construction Manager, Paul Carson – Consulting Engineer, Ron Leaders – Legal Consultant, Alan Dashen – Financial Advisor, and Dean Orbison assigned to the Blue Lake Dam Expansion Project, concerning the award of the Blue Lake Dam Contract #9, which may have legal and financial impacts on the City and Borough of Sitka, the immediate knowledge of which would adversely affect the finances of the City and Borough of Sitka and/or involve legal matters having legal consequences for the City and Borough of Sitka. The motion PASSED by the following vote.

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

Reif felt comfortable with the legal component and the construction contract. He noted the financing was more than what they wanted to spend. Hackett expressed the need to move forward. Paden was comfortable with the award and was personally satisfied with Barnard. Christianson surmised it would cost \$20+ million if the Assembly voted no. Esquiro hoped we could get more help from the Legislature. Mayor Westover mentioned the rates would be approximately 15.8 cents a kilowatt by 2017 with an average consumer cost of \$300 a year.

Matt Hunter suspected the City would lose money if they didn't move forward. The City would need to either spend money on diesel fuel or the dam. Paul Carson mentioned they would enter into a scope reduction in the next 14 days, with the goal to try and define probable deductions. Marko Dapceovich thought 15.8 cents a kilowatt was too high and worried where the money would come from.

Brewton stated this was the best choice for the community. Hackett pointed out no one was taking the decision lightly. She noted the City would pay as much or more for oil.

Motion to RECONVENE in regular session at 8:30 PM.

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

VIII. UNFINISHED BUSINESS:

- C 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

Sponsors: Paden and Reif

A motion was made by Christianson that this Ordinance be POSTPONED INDEFINITELY. The motion PASSED by the following vote.

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

IX. NEW BUSINESS:

New Business First Reading

- D ORD 12-27** Amending SGC Title 21 Subdivision Code and Title 22 Zoning to clarify the zero lot line regulations and eliminate inconsistencies

Sponsors: Administrator's Office

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

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

E ORD 12-29 Amending various SGC Sections to authorize an advisory vote rather than a mandatory vote on sale, lease, or destruction of municipal assets

Christianson didn't have a desire to repeal the ordinance. Reif supported the initiative process and wanted to ensure the City was abiding by the laws of the state. Hackett felt the ordinance referenced Sitkans for Responsible Government and questioned the timing.

Municipal Attorney Hillhouse mentioned the judge had ruled the City had conflicts in its code and charter provisions. This ordinance was intended to clear up those conflicts. According to the ACT ruling, only the Assembly not the public, could approve or reject appropriation or disposal of public assets including city land.

Both Paden and Reif desired a second opinion. Esquiro inquired how much time and how much would the additional counsel cost. Hillhouse estimated forty hours at a rate between \$200-\$300/hr.

A motion was made by Reif to POSTPONE Ordinance 2012-29 until it can be reviewed by outside council. The intent of that review is to provide the Assembly a professional unbiased opinion of this ordinance. The basic question is, - Are these changes as outlined in this ordinance an appropriate response to the laws of this State, the constitution of this State, and the judicial rulings?

Yes: 6 - Westover, McConnell, Paden, Esquiro, Reif, and Hackett

No: 1 - Christianson

F ORD 12-30 Adding a new Chapter 4.44 to the SGC Establishing Required Levels of Cash to be Maintained and a new Chapter 4.45 to the SGC Establishing a Long Term Infrastructure Sinking Fund for the Repair and Replacement of Streets, Sidewalks, Parking Lots and Parks

Sponsors: Esquiro and Reif

Finance Director, Jay Sweeney, offered any organization should have an emergency fund equal to 3-6 months of salary set aside. The Finance Officers Association recommend three-months expenses.

A motion was made by Hackett to amend by making the ordinance much broader by inserting city infrastructure. The motion FAILED by the following vote.

Yes: 2 - Christianson, and Hackett

No: 5 - Westover, McConnell, Paden, Esquiro, and Reif

A motion was made by Hackett to pass this ordinance on first reading. The ordinance was later amended and would require a third reading. The motion PASSED by the following vote.

Yes: 5 - Westover, McConnell, Paden, Esquiro, and Reif

No: 2 - Christianson, and Hackett

REGULAR MEETING

Additional New Business Items

Hackett made a motion to extend the meeting until 10:45 the motion PASSED with Christianson voting against.

H 12-124

Approve a lease with Aggregate Construction, Inc. for Lots 6 & 7 of Sawmill Cove Industrial Park as recommended and approved by the Sawmill Cove Board of Directors

Sawmill Cove Industrial Park Director Garry White reported Aggregate Construction Inc. planned to store equipment and place their asphalt plant out at SCIP. SCIP has offered a \$6,000 lease credit at the end of their contract if Aggregate did the work to get the lot ready. The term is for one year.

Hackett wanted to make sure there was sufficient space still available for marine industrial development. White said there was.

A motion was made by Hackett that this Contract/Agreement be APPROVED and the Municipal Administrator authorized to sign. The motion PASSED by the following vote.

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

I 12-125

Award CBC Construction, Inc. a bid for renovations to 4690 Building (formerly The Boat Company building) at Sawmill Cove Industrial Park as approved and recommended by Sawmill Cove Board of Directors - \$139,260.42 and Change Order to substitute radiant floor heating with less expensive option

Mayor Westover recused herself as she had an existing contract with CBC Construction, Inc.

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

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

Recused: 1 - Westover

- J 12-127** Approve a Utility Services Agreement between DOT&PF and CBS for \$639,835 including a transfer of \$90,000 from Project 90652 to Project 90673

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

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

X. PERSONS TO BE HEARD:

Howard Pendell addressed the Assembly, with regard to Item E. He questioned what constitutes and appropriation. "It's not a slam dunk as to whether an initiative that requires a public vote on a sale is an appropriation," he said.

Thad Poulson stressed the Assembly should wait for an opinion from Superior Court Judge George as to whether the ACT decision meant ratification of City land sales by voters was prohibited. He felt George would decide the issue soon. He supported voter ratification and said it was a safeguard against "cronism."

XII. ADJOURNMENT

A motion was made by Christianson that this meeting be ADJOURNED. The motion PASSED by a unanimous vote. The meeting adjourned at 10:45 PM.

ATTEST

Colleen Ingman, MMC
Municipal Clerk