

Should this item be pulled from the Consent Agenda the following motions would be in order:

## **POSSIBLE MOTIONS**

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**I MOVE to approve the minutes of the June 28, 2011 Assembly meeting.**



# CITY AND BOROUGH OF SITKA

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

## Minutes - Draft

### 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*

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Tuesday, June 28, 2011

6:00 PM

Assembly Chambers

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**WORKSESSION**                      **5:00 - 5:50 PM -- 3rd Quarter Budget Review**

**REGULAR MEETING**

**I.      CALL TO ORDER**

**II.     FLAG SALUTE**

**III.    ROLL CALL**

**Present:** 5 - Westover, Crews, McConnell, Hackett, and Christianson

**Excused:** 2 - Blake, and Esquiro

**IV.    CORRESPONDENCE/AGENDA CHANGES**

*A moment of silence was held to honor the late Ben Grussendorf.*

**Government-to-Government Update with Sitka Tribe of Alaska**

*Sitka Tribal Chairman, Woody Widmark, provided an update of current events and upcoming activities. He announced Mr. Kitka is the newest Tribal member.*

**Schools Update**

*School Board member Tim Fulton provided an update to the Assembly.*

**VI. PERSONS TO BE HEARD**

*Brian Hanson, representing Sitka Trail Works, presented a check to the City in the amount of \$38,000. The funds were raised as a match from their membership and included a generous donation in memory of Georgina Dapceovich. Mr. Hanson also extended a thank you to Public Works Director, Michael Harmon, and City staff for their involvement in installing the score board at Moller Field.*

*Sitka Sound Science Center Director, Lisa Busch, provided an update on activities at the Center.*

**VII. REPORTS**

**11-133** Blue Lake License Amendment - Protection, Mitigation & Enhancement Terms & Conditions

*Utility Director, Chris Brewton, spoke to the Blue Lake License Amendment, specifically the protection, mitigation and enhancement terms and conditions. Brewton noted access would be limited to Blue Lake Road during construction.*

**VIII. CONSENT AGENDA**

**A 11-126** Approve the minutes of the June 14, 2011 Assembly meeting.

**This item was APPROVED ON THE CONSENT AGENDA.**

**B 11-127** Appointments: 1) Reappoint Jane E. Eidler - Library Board, 2) Myron Fribush, MD - Local Emergency Planning Commission, 3) Thomas R. Brown - Sitka Community Hospital Board, 4) Senator Bert Stedman, Investment Committee, and appoint 5) Ann Wilkinson to a term on the Sitka Community Hospital Board, and 6) Darrell Windsor to a term on the Planning Commission.

**This item was APPROVED ON THE CONSENT AGENDA.**

**C ORD 11-30** Adjusting the FY 2011 Budget for changes identified during the Third Quarter FY 2011 Formal Budget Execution Review.

**This item was APPROVED ON THE CONSENT AGENDA.**

**D 11-131** Authorize the Administrator to execute a Material Sale Agreement with Southeast Earthmovers from July 13, 2011 to August 1, 2016 with a royalty rate of \$1.55 per cubic yard in place.

**This item was APPROVED ON THE CONSENT AGENDA.**

**E 11-125** Awards Takatz Lake: A) Area 1 Botanical Resource Studies to HDR Alaska, Inc.- not to exceed \$85,000; and B) Area 2 Botanical Resource Studies to Bethel Environmental Solutions LLC - not to exceed \$75,000.

**This item was APPROVED ON THE CONSENT AGENDA.**

- F      11-129**      Approve proceeding with the purchase of a new fire truck previously approved in the FY 2012 Budget - July 1, 2012.
- This item was APPROVED ON THE CONSENT AGENDA.**
- G      11-132**      Approve award of the Professional Services Contract for Pacific High School Remodel to McCool Carlson and Green on a Time and Expense basis, total contract not to exceed \$220,215.00 - This expenditure was approved by Sitka voters at the October 5, 2010 election, using proceeds from seasonal sales tax revenue to fund Pacific High School Major Maintenance.
- This item was APPROVED ON THE CONSENT AGENDA.**
- H      11-128**      Approve award of a Schematic Design Contract to MRV Architects for the Sea Walk Extension Part B - Tennis Courts to National Historic Park not to exceed \$73,150.
- This item was APPROVED ON THE CONSENT AGENDA.**
- IX.      UNFINISHED BUSINESS:**
- I      ORD 11-21**      Authorizing the sale of municipal tidelands in North Pacific Seafoods Subdivision.
- A motion was made by McConnell that this Ordinance be PASSED ON SECOND READING. The motion PASSED by the following vote.**
- Yes:**   5 -   Westover, Crews, McConnell, Hackett, and Christianson
- J      ORD 11-22**      Amending SGC to add a New Chapter 20.05 Coastal Management, to adopt and regulate activities in the Sitka Coastal Management Areas to coincide with Coastal Management Plans/Regulations under the State of Alaska (if applicable) and Federal Government.
- A motion was made by Hackett that this Ordinance be PASSED ON SECOND READING. The motion PASSED by the following vote.**
- Yes:**   5 -   Westover, Crews, McConnell, Hackett, and Christianson
- K      ORD 11-23**      Amending SGC Chapter 4.12.025 entitled "Exemptions" to clarify mandatory and optional property tax exemptions and procedures.
- A motion was made by Hackett that this Ordinance be POSTPONED until August 9. The motion PASSED by the following vote.**
- Yes:**   4 -   Crews, McConnell, Hackett, and Christianson
- No:**   1 -   Westover
- L      ORD 11-24**      Updating the Personnel Policies Handbook to reflect changes due to Collective Bargaining Agreements, general clarifying and other amendments.
- A motion was made by Crews that this Ordinance be PASSED ON SECOND READING. The motion PASSED by the following vote.**
- Yes:**   4 -   Westover, Crews, McConnell, and Hackett
- No:**   1 -   Christianson

- M**      **ORD 11-25**      Amending the SGC Section 15.05.620 Rates and Fees to adjust the rates for water service.

*Florian Sever expressed concerns about filter needs and dioxin testing for Sitka's water supply. Environmental Superintendent, Mark Buggins, stated the tests cost approximately \$1200 each. A filtration system could be installed but is costly at \$25 to \$40 million. Buggins added water studies were done in 1998 by Agency for Toxic Substances & Disease Registry (ATSDR). ATSDR reported: "The average estimated exposures to dioxin from using water from the Blue Lake supply are substantially less than the Minimum Risk Level (MRL). The potential exposure to dioxin is minimal and these exposures are not of public health concern."*

*In response to a question about increasing water rates, Interim Finance Director, Jay Sweeney, shared one scenario that would generate an extra million dollars for the fund. McConnell noted it would be hard on the public to absorb a big increase in one year. Christianson contended a rate increase to \$26.30 would save a significant amount of money over time.*

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

**Yes:** 5 - Westover, Crews, McConnell, Hackett, and Christianson

- N**      **ORD 11-26**      Amending the SGC Section 15.04.320 Rates and Fees to adjust the rates for sewer service.

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

**Yes:** 5 - Westover, Crews, McConnell, Hackett, and Christianson

- O**      **11-121**      Adopt procedures and application packet to be used for grant funding of nonprofit organizations by the City and Borough of Sitka General Fund.

*Mayor mentioned that she had Ben Grussendorf for a teacher and one of the biggest things that he taught her was the art of compromise and we all compromised. Hackett was pleased with the end product and applauded everyone who worked on it. We will find out if it is flawed when we implement it.*

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

**Yes:** 5 - Westover, Crews, McConnell, Hackett, and Christianson

**X.      NEW BUSINESS:**

**New Business First Reading**

- P**      **ORD 11-27**      Amending SGC at Section 2.40.420 B, entitled "Counting absentee and question ballots."

*Municipal Clerk, Colleen Ingman, explained with this change, absentee and question ballots would be counted on Friday afternoon following the election.*

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

**Yes:** 5 - Westover, Crews, McConnell, Hackett, and Christianson

- Q      ORD 11-28**      Amending SGC Chapter 2.66, entitled "Tourism Commission" at Section 2.66.010, entitled "Establishing-Membership-Terms," and Section 2.66.040, entitled "Organization"

**A motion was made by McConnell that this Ordinance be POSTPONED and a substitute ordinance be brought back. The motion PASSED by the following vote.**

**Yes:** 5 - Westover, Crews, McConnell, Hackett, and Christianson

- R.      ORD 11-29**      Amending SGC Chapter 4.05 entitled "Marine Passenger Fee Fund," at Section 4.05.030 entitled "Procedures"

**A motion was made by Hackett that this Ordinance be AMENDED by adding representation from the Historic Preservation Commission. The motion PASSED by the following vote.**

**Yes:** 5 - Westover, Crews, McConnell, Hackett, and Christianson

*Christianson wondered if the Sitka Convention and Visitor's Bureau could assume this role because of the fact membership categories are similar. McConnell pointed out the Municipal Administrator needs to be involved.*

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

**Yes:** 5 - Westover, Crews, McConnell, Hackett, and Christianson

#### **Additional New Business Items**

- S      11-134**      Approve a Southeast Economic Development loan to Jim and Darcy Michener, DBA Alaska Pure Sea Salt in the amount of \$106,000.

**A motion was made by Christianson that this Item be AMENDED by changing the percentage rate to 3.5% to match other recent loans from this fund. The motion PASSED by the following vote.**

**Yes:** 5 - Westover, Crews, McConnell, Hackett, and Christianson

*The applicant shared letters of support from people who have used their product. Hackett noted their product will bring positive recognition to Sitka.*

**A motion was made by Hackett that this loan be approved. This item was APPROVED as AMENDED.**

**Yes:** 5 - Westover, Crews, McConnell, Hackett, and Christianson

- T      RES 11-14**      In support of the Sitka Community Development Corporation's application for funding from the Federal Department of Health and Human Services, Community Economic Development Program.

*Assembly member McConnell recused herself due to her affiliation with Sitka Community Development Corporation (SCDC).*

*Executive Director Mim McConnell and Board President Greg Reynolds of SCDC explained the plan for commercial greenhouses at Sawmill Cove Industrial Park. SCDC has partnered with a local group that wants to grow enough food to stock local stores.*

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

**Yes:** 4 - Westover, Crews, Hackett, and Christianson

**Recused:** 1 - McConnell

- U      11-130**      Approve preparing a long-term lease between the City and Borough of Sitka and Sitka Community Development Corporation for greenhouses at Sawmill Cove Industrial Park

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

**Yes:** 4 - Westover, Crews, Hackett, and Christianson

**Recused:** 1 - McConnell

- V      11-123**      Authorize the Municipal Administrator to engage in negotiations with Robert Half Resources to end the contract with John "Jay" Sweeney III, if successful proceed with hiring John "Jay" Sweeney III as Finance Director.

*Administrator Dinley noted Robert Half Resources was very gracious in waiving the finder's fee which is normally half of their client's first year's salary. The payoff amount to Robert Half was \$20,948; the amount they would have been paid had Sweeney followed through with the contract.*

**A motion was made by Christianson to authorize the Municipal Administrator to end the contract with Robert Half Management Resources by issuing a payment of \$20,948 and signing the appropriate document(s); and further authorize the hire of John P. "Jay" Sweeney III, as Finance Director, as a City and Borough employee with the following additional terms:**

- **Starting Salary \$102,500 (With a 2.5% increase at end of the standard 6-month probationary period).**
- **Leave accrual of 16.67 hours/month equal to other department heads (With a starting leave bank of 80 hours)**
- **Moving expenses up to \$15,000 (With accompanying receipts and subject to repayment as outlined in the Personnel Policies Handbook)**

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

**Yes:** 5 - Westover, Crews, McConnell, Hackett, and Christianson

W 11-135 Discussion on short-term rentals in R-1 or R-2 related zones.

*Planning Director, Wells Williams, explained there previously was a one year moratorium on short-term rentals, however the moratorium is no longer in effect. The Planning Department will begin accepting requests.*

**This item was DISCUSSED.**

**XI. PERSONS TO BE HEARD:**

*None.*

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

*Mayor - Would like to see the City more involved in Suicide Prevention next year. Mayor extended her best wishes to the Cavanaugh's who are retiring and leaving Sitka. The Mayor received notice that the Far Eastern State Technical University is going to be in Sitka for 3 days in July, she will pass their correspondence onto the Convention and Visitor's Bureau.*

**XII. ADJOURNMENT**

**A motion was made by Christianson to ADJOURN. With no objection or further business the meeting ADJOURNED at 9:15 PM.**

**ATTEST:**

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**Colleen Ingman, MMC  
Municipal Clerk**