

# **CONSENT AGENDA**

## **POSSIBLE MOTION**

---

**I MOVE TO APPROVE THE CONSENT AGENDA  
CONSISTING OF ITEMS A, B & C**

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  
July 23 Assembly meeting.



# 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 Valorie Nelson,  
Aaron Bean, Kevin Knox, Dr. Richard Wein, Kevin Mosher*

*Interim Municipal Administrator: Dave Miller  
Municipal Attorney: Brian Hanson  
Municipal Clerk: Sara Peterson*

---

Tuesday, July 23, 2019

6:00 PM

Assembly Chambers

---

#### WORK SESSION:

**19-165** Floodplain management and updated regulations

Interim Municipal Administrator Dave Miller facilitated the work session. Assembly members heard from City Building Official/Fire Marshall Pat Swedeen and community members.

#### REGULAR MEETING

I. CALL TO ORDER

II. FLAG SALUTE

III. ROLL CALL

**Present:** 7 - Eisenbeisz, Knox, Bean, Wein, Paxton, Mosher, and Nelson

IV. CORRESPONDENCE/AGENDA CHANGES

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

**19-164** Reminders, Calendars and General Correspondence

V. CEREMONIAL MATTERS

**19-154** Citation - Honoring U.S. Coast Guard Day

Mayor Paxton read and presented a Citation honoring August 4th as U.S. Coast Guard Day nationwide. Captain Mike Frawley and Master Chief Josh Ewing accepted the Citation.

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

**19-155** Special Reports: 1) Update on the SCH / SEARHC Affiliation Project - Jay Sweeney and Brian Hanson, 2) Gary Paxton Industrial Park Port Facility Overview - Garry White

Chief Finance and Administrative Officer Jay Sweeney provided an update on the SCH / SEARHC Affiliation Project. Sweeney relayed the Asset Purchase Agreement (APA) and exchange of documents was completed June 12; the focus now was on executing requirements and stipulations of the APA and Facility Lease Agreement, coordinating hand-offs, and, post-merger administration. Sweeney relayed post-closure finance and administration work would continue for another five months after closing on July 31. Sitka Community Hospital (SCH) had engaged Moss Adams, a CPA consulting firm, to prepare a detailed post-closing work plan. The work would be performed by a combination of a consultant, CBS temporary employee, contractual work in processing patient billings and accounts receivable and 1,384 hours of loaner employee time from ex-SCH employees who had moved to SEARHC.

Garry White, Director of the Gary Paxton Industrial Park (GPIP), updated the Assembly on efforts to develop a marine haul out at the GPIP. He expressed the importance of identifying funding and spoke to the possibility of a phased approach.

**VII. PERSONS TO BE HEARD**

Garry White spoke to the need for Assembly direction on the term sheet for the utility dock transaction between the City and Borough of Sitka and Hanson Maritime Company.

Gayle Young of the Homeless Coalition spoke to the need for a homeless shelter and commented the Sister's Lane location may not be feasible.

**VIII. REPORTS**

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

Mayor - Paxton reported on his attendance at community events.

Interim Administrator - Miller noted the PSEA and IBEW negotiations were in the final stages, told of his attendance at the ground-breaking ceremony for the road to Katlian Bay project, met with Senator Stedman and Randy Ruaro regarding floodplain regulations, and announced Southeast Conference would hold their annual conference in Sitka September 18-20.

Municipal Attorney - Hanson stated much of his time had been devoted to the SCH / SEARHC Affiliation Project.

Liaison Representatives - Wein reported on the Health Needs and Human Services Commission meeting.

Clerk - Peterson spoke to the vacancies in the upcoming Municipal Election and the candidate filing period dates.

**IX. CONSENT AGENDA**

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

Yes: 7 - Eisenbeisz, Knox, Bean, Wein, Paxton, Mosher, and Nelson

**A 19-156** Approve the minutes of the July 9 Assembly meeting

This item was APPROVED ON THE CONSENT AGENDA.

**B 19-162** Approve an application for the renewal of a standard marijuana cultivation facility license for vanGreen's LLC at 224 Smith Street #D and #E

Bean asked to be recused. There was no objection to his request.

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

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

Recused: 1 - Bean

**C 19-163** Approve an application for the renewal of a retail marijuana store license for Anna M Cleaver dba Weed Dudes at 1321 Sawmill Creek Road Suite #J

This item was APPROVED ON THE CONSENT AGENDA.

**X. BOARD, COMMISSION, COMMITTEE APPOINTMENTS**

None.

**XI. UNFINISHED BUSINESS:**

**D ORD 19-32** Amending Title 20 "Environmentally Critical Areas" of the Sitka General Code by updating Chapter 20.04 "Floodplain Management" and adopting updated regulations

Wein believed for various reasons the ordinance needed to be approved. Nelson concurred and noted there were ramifications if the ordinance was not approved. Eisenbeisz reminded there was a process for citizens to follow if they wished to be removed from the floodplain designation.

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

Yes: 7 - Eisenbeisz, Knox, Bean, Wein, Paxton, Mosher, and Nelson

**XII. NEW BUSINESS:**

**New Business First Reading**

- E ORD 19-33** Amending Chapter 2.38 "Gary Paxton Industrial Park" of the Sitka General Code, at Section 2.38.010 "Designation", by removing Lot 17, Lot 18, and 7,496 square feet of the easement adjacent to Lot 17 from the site designated as the Gary Paxton Industrial Park (1st reading)

Nelson read an email from citizen Dan Jones. Jones spoke in support, however recommended the ordinance be amended to transfer \$113,000 (lot 17 market value) to the Gary Paxton Industrial Park (GPIP) Fund.

Nelson suggested an alternative site, such as Indian River, be considered for the Critical Secondary Water Treatment project. Eisenbeisz expressed reservation with the location and noted per the GPIP enacting ordinance, GPIP was not to be used for public improvement. Bean agreed with Nelson and Eisenbeisz. Wein stated he was opposed to the ordinance in light of new information - e.g. GPIP haul out, believed more conversation was needed, and noted lot 19 may be a possibility. He noted it was a difficult decision to spend 18 million on a facility that would be used intermittently. Mosher reminded money and staff time had been invested into this location.

Public Works Director Michael Harmon spoke to past work sessions on the topic and noted while other locations had been studied, they were more expensive. Staff had been motivated to keep costs down for rate payers. Interim Municipal Administrator Dave Miller urged the Assembly to approve the ordinance.

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

**Yes:** 4 - Eisenbeisz, Knox, Paxton, and Mosher

**No:** 3 - Bean, Wein, and Nelson

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

- F RES 19-19** Supporting Sitka Maritime Heritage Society's application under the FY19 Historic Preservation Grant program for Certified Local Governments

Laura Bennett spoke to the Sitka Maritime Heritage Society application and rehabilitation of the historic Japonski Island Boathouse.

Nelson wondered of the time involved for the Finance Department to administer the grant. Chief Finance and Administrative Officer Jay Sweeney explained the City was the grant recipient. He noted the grant took more time to administer because the City had to enter into a subgrant agreement with the party, however was doable.

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

**Yes:** 7 - Eisenbeisz, Knox, Bean, Wein, Paxton, Mosher, and Nelson

- G RES 19-20** Supporting St. Peter's by the Sea Episcopal Church and See House's application under the FY19 Historic Preservation Fund Grant program for Certified Local Governments

Kit Mellema spoke to St. Peter's by the Sea Episcopal Church's application. Mellema stated the purpose of the grant was to obtain a historical property assessment and obtain guidelines on preservation of the property.

Eisenbeisz wondered if there was a separation of church and state issue. Municipal Attorney Hanson stated there was no concern and reminded unlike a donation, this was federal monies being passed through to a church entity.

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

**Yes:** 7 - Eisenbeisz, Knox, Bean, Wein, Paxton, Mosher, and Nelson

**H RES 19-21**

Supporting the Sitka Woman's Club's application under the FY19 Historic Preservation Fund Grant program for Certified Local Government

Robin McNeilley and Rachel Ranke spoke to the Sitka Woman's Club application and goals of the project.

**A motion was made by Knox that this Resolution be APPROVED ON FIRST READING. The motion PASSED by the following vote.**

**Yes:** 7 - Eisenbeisz, Knox, Bean, Wein, Paxton, Mosher, and Nelson

**I RES 19-22**

Approving submittal and execution of Municipal Harbor Facility Grant applications to the State of Alaska, Department of Transportation and Public Facilities (DOT&PF) in the amounts of \$1,500,000 for the project entitled Eliason Harbor Electrical Replacement, and \$219,125 for the project entitled Thomsen Harbor Corrosion Protection

Harbormaster Stan Eliason provided an overview of the request. Eliason relayed this was a part of the State of Alaska Municipal Harbor Facility 50/50 Grant Program. The grant program was funded on an annual basis and applications were competitively scored. In the event the grants were not awarded, Eliason recommended the projects move forward with funding from working capital.

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

**Yes:** 7 - Eisenbeisz, Knox, Bean, Wein, Paxton, Mosher, and Nelson

**J 19-153**

Approve the term sheet for the utility dock transaction between the City and Borough of Sitka and Hanson Maritime Company **PULLED**

**Item PULLED - no action taken.**

**K 19-159**

Action on possible transfer of balance of Southeast Alaska Economic Development Fund to Sitka Permanent Fund

Investment Committee Chair Mike Reif shared thoughts regarding a potential transfer of the Southeast Alaska Economic Development Fund (SEAEDF) balance to the Sitka Permanent Fund. Reif relayed the SEAEDF was created in 1997. Over the years the principal put in was 18 million with 6.5 million in earnings over 22 years.

At the May 23 Investment Committee meeting the idea of a transfer was endorsed to generate income on an annual basis of \$150,000 and secure the remaining balance of the SEAEDF. Reif asked the Assembly to consider three new developments that had arisen since the May 23 meeting in which funding sources might need to be identified: 1) decision by Halibut Point Marine to no longer provide haul out services and facilities, 2) suggestion to use funds from SEAEDF to shore up and repair the seawall at the Marine Service Center, and, 3) determination by the FAA that the Seaplane Facility could not be 100% grant funded.

Mosher desired to hold off on a transfer stating funds were locked once transferred. Eisenbeisz spoke in opposition to a transfer and noted SEAEDF was an easy target for those wishing to complete projects. The SEAEDF had been depleted over time by withdrawing small amounts. Nelson also spoke in opposition and wished to use the money for economic development. Wein believed the SEAEDF was unprotected money that had not been used as wisely as it could have been. While not wedded to the idea of a transfer, he wished for the money to be used wisely for economic development. Paxton wished to preserve the SEAEDF for now.

**A motion was made by Nelson to SUSPEND THE RULES to allow for public testimony. The motion PASSED by the following vote.**

**Yes:** 7 - Knox, Paxton, Wein, Mosher, Nelson, Bean and Eisenbeisz

Evy Kinnear spoke in opposition to a transfer. Kinnear, of Fortress of the Bear, stated the organization had been a recipient of the SEAEDF and stressed the importance of retaining the funds for businesses who may not have another option for funding.

Consensus of the Assembly was to refrain from a transfer.

- L 19-157** Approve the Assembly Position Subcommittee recommendations of the July 15 meeting for the following positions: Assistant Landfill/Scrapyard Operator, Accountant (temporary position), and Clerk/Case Manager (temporary position)

Eisenbeisz, chair of the subcommittee, stated the committee had set regular meetings for noon on the Monday preceding Assembly agenda deadlines.

**A motion was made by Mosher to approve the recommendations of the Assembly Position Subcommittee as outlined in the draft meeting minutes of July 15, 2019 and forward to the Municipal Administrator:**

- 1) Assistant Landfill / Scrapyard Operator**
- 2) Accountant (temporary position not to extend beyond December 31, 2019)**
- 3) Clerk / Case Manager for the Police Department not to exceed 90 days**

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

**Yes:** 7 - Eisenbeisz, Knox, Bean, Wein, Paxton, Mosher, and Nelson

- M 19-158** Discussion / Direction / Decision on the City and Borough of Sitka Municipal Administrator recruitment process

Paxton wished to hold off on advertising for an Administrator and instead work on filling the Human Resource (HR) Director position and Planning Director position. Nelson spoke to the need to advertise and noted Interim Municipal Administrator Dave Miller was being taken away from his role as Fire Chief. Bean concurred and believed it was important to hire someone who was familiar with Sitka. Mosher understood the need to advertise, however, did not want the process to be rushed and desired to fill the HR Director position first. Wein expressed the need to advertise and knew of four to five individuals who were interested in applying. He suggested the Assembly consider forming a subcommittee to review the current job description and compile a list of places to advertise. Knox was hesitant to move forward and expressed a need for the



HR Director citing their key role in the recruitment. Eisenbeisz believed the lack of an HR Director would make the recruitment process more difficult. Mosher and Nelson spoke in opposition to hiring a recruitment firm.

**A motion was made by Bean to direct the Interim Administrator to advertise for the Municipal Administrator position for 3 weeks beginning immediately: Daily Sitka Sentinel, State of Alaska Job Bank (ALEXsys), CBS website, Alaska Municipal League. Discussion/Direction item on August 13 agenda to determine next steps. The motion PASSED by the following vote.**

**Yes:** 4 - Eisenbeisz, Bean, Wein, and Nelson

**No:** 3 - Knox, Paxton, and Mosher

**XIII. PERSONS TO BE HEARD:**

Dave Miller announced the Sitka Fire Department's Super Saturday fundraising event was scheduled for Saturday, July 27, from 10 a.m. to 2:00 p.m.

**XIV. EXECUTIVE SESSION**

None.

**XV. ADJOURNMENT**

**A motion was made by Knox to ADJOURN. Hearing no objections, the meeting ADJOURNED at 8:38 p.m.**

**ATTEST:** \_\_\_\_\_  
**Sara Peterson, MMC**  
**Municipal Clerk**