



CITY AND BOROUGH OF SITKA

ASSEMBLY CHAMBERS
1332 Seward Ave.
Room 229
Sitka, AK
(907)747-1811

Minutes - Final-revised City and Borough Assembly

Mayor Mim McConnell
Deputy Mayor Matt Hunter
Vice-Deputy Mayor Benjamin Miyasato
Aaron Swanson, Steven Eisenbeisz
Tristan Guevin, and Michelle Putz

Municipal Administrator: Mark Gorman
Municipal Attorney: Robin L. Koutchak
Municipal Clerk: Sara Peterson, CMC

Tuesday, August 25, 2015

6:00 PM

Assembly Chambers

REGULAR MEETING

I. CALL TO ORDER

II. FLAG SALUTE

III. ROLL CALL

Present: 5 - Hunter, Swanson, Miyasato, Eisenbeisz, and Putz

Absent: 1 - Guevin

Telephonic: 1 - McConnell

A minute of silence was observed for the landslide victims.

IV. CORRESPONDENCE/AGENDA CHANGES

Putz called attention to the Baranof Warm Springs Infrastructure Management Plan and comment period through September 30.

[15-163](#)

Reminders, Calendars and General Correspondence

V. CEREMONIAL MATTERS

[15-152](#)

Proclamation - Childhood Cancer Awareness Month

Deputy Mayor Hunter read the proclamation for Childhood Cancer Awareness Month.

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

[15-161](#)

Update on diesel spill at Jarvis Street Diesel Plant - Bryan Bertacchi, Utility Director

Municipal Administrator Mark Gorman introduced Bryan Bertacchi, Utility Director. Bertacchi gave an update on the diesel spill at the Jarvis Street Diesel Plant stating there was a net 2,500 gallons of unaccounted diesel based on inspections. He noted they were still monitoring, gave mention to Erin Clay, Project and Regulatory Engineer who had recently rewrote and updated the spill plan, and stated there would be recovery costs from other entities but had not been notified of direct fines associated with the spill.

VII. PERSONS TO BE HEARD

Margie Esquiro, a Sand Dollar Drive resident spoke to the events of last week. She praised Fire, Police, EMS, Salvation Army, Grace Harbor Church, State Troopers, Coast Guard, city workers, Assembly, and the community. Pete Esquiro expressed continued concerns and hoped the Assembly would guide a process for more information to avoid future issues. Dave Miller, Fire Chief told of community support and thanked the community from the past weeks disaster and thanked Al Stevens, Assistant Fire Chief. Miyasato spoke on behalf of Sitka Tribe of Alaska (STA). He thanked those who gave STA an update at their meeting.

VIII. REPORTS

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

Mayor - The only city activities she had been involved with since the last Assembly meeting had been related to the recent landslides. Her activities had been pretty well-covered in print, radio and TV media. She spent most of last week at Incident Command and at the North and South branches of the Kramer Avenue landslide. She met with Governor Walker during his visit and accompanied him while in Sitka. She was impressed with the outpouring of love for our community that had come from residents and those outside of Sitka. People had found ways to give that had met so many needs. As we grieved over the loss of Elmer and Uli Diaz and city employee William Stortz, we were buoyed up by those that supported us. Generous hearts and actions would help us heal. Thank you to those volunteers, contractors, local, state and federal employees, families and friends that had been so focused on recovering our loved ones and cleaning up the debris that spilled into our city and lives so abruptly. Thank you for caring.

Administrator - Mark Gorman stood and addressed the community that he held in the highest regard. He spoke to the heroes among the community. Praised the strength, courage, and humility of the community which would continue to be strong.

Municipal Attorney - Robin Koutchak spoke to the past week disaster and thanked employees.

Liaison Representatives - Miyasato attended the Park and Recreation Committee meeting and told there would be ongoing discussions regarding Halibut Point Park. Putz reported from the Tree and Landscape Committee meeting by thanking Lynne Brandon, Parks and Recreation Manager's work, read a letter from the Chair thanking Brandon, and the importance of that position.

IX. CONSENT AGENDA

- A** [RES 15-17](#) Approving the City and Borough of Sitka to submit an Alaska Energy Authority Renewable Energy Grant application for a heat pump project at the Wastewater Treatment Plant
- This item was APPROVED ON THE CONSENT AGENDA.**
- B** [RES 15-18](#) Authorizing application of a grant to the Federal Aviation Administration for the Sitka Seaplane Base
- Senior Engineer, Dan Tadic clarified there was up to \$250,000 in grant funding available every year for maintenance of Airport Improvement Funds. This project was in the Harbor Master Plan. Eisenbeisz had concerns with maintenance in the future.
- A motion was made by Swanson to APPROVE this Resolution on first and final reading. The motion PASSED by the following vote.**
- Yes:** 6 - McConnell, Hunter, Swanson, Miyasato, Eisenbeisz, and Putz
- Absent:** 1 - Guevin
- C** [15-153](#) Approve the transfer of up to \$7,000 from the Raw Water Sale Fund to the Gary Paxton Industrial Park Enterprise Fund to pay for a comprehensive water analysis of raw water from Blue Lake
- Chair of Gary Paxton Industrial Park Board, Grant Miller stated that this type of analysis had been done in the past and it would be made available to perspective buyers. Gorman clarified for Putz of a greater spending authority, as he anticipated continued requests for reimbursement and told that an ordinance could come forward for a cap. Eisenbeisz was in support of an ordinance as such and voiced allowing a review, second or appeal process.
- A motion was made by Putz that this Item be APPROVED. The motion PASSED by the following vote.**
- Yes:** 6 - McConnell, Hunter, Swanson, Miyasato, Eisenbeisz, and Putz
- Absent:** 1 - Guevin
- D** [15-154](#) ~~Authorize the Municipal Administrator to execute a purchase order not to exceed \$60,000 to ABB Inc. for the procurement of a 2000kVA small-power transformer~~ PULLED
- This item was PULLED from the agenda prior to the start of the meeting. No action was taken.
- E** [ORD 15-42](#) Amending Sitka General Code Title 22 Zoning to allow asphalt plants and concrete batch plants as a conditional use in the Industrial zone
- This item was APPROVED ON THE CONSENT AGENDA.**
- F** [ORD 15-43](#) Making a supplemental appropriation to the FY16 budget per section 11.10 (a) of the Home Rule Charter of the City and Borough of Sitka (*first*

reading - emergency ordinance)

This item was APPROVED ON THE CONSENT AGENDA.

X. BOARD, COMMISSION, COMMITTEE APPOINTMENTS

G [15-155](#) Appoint Dyan Bessette or Alene Henning to the Citizens' Taskforce

Putz commented on the importance of the Taskforce and encouraged the public to participate.

A vote of the Assembly was taken. The top vote getter was: Dyan Bessette.

This item was APPROVED.

H [15-156](#) Appoint Loyd Platson to an unexpired term on the Health Needs and Human Services Commission

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

Yes: 6 - McConnell, Hunter, Swanson, Miyasato, Eisenbeisz, and Putz

Absent: 1 - Guevin

XI. UNFINISHED BUSINESS:

I [ORD 15-37A](#) Amending Section 2.12.010 City and Borough of Sitka Hospital Board and Section 2.12.070 Organization, formally dissolving the existing Sitka Community Hospital Board (SCH) and its framework and re-establishing and reorganizing membership under new criteria by decreasing voting membership from seven to five with the goal of providing financial welfare and economic financial stability to Sitka Community Hospital. The new membership will include one non-voting, ex-officio CBS standing seat (and alternate) appointed by the Municipal Administrator

Putz appreciated the addition of staff as ex-officio. Eisenbeisz questioned functions with regards to the number of members. Rob Allen, CEO of Sitka Community Hospital explained that there were two official committees requiring Hospital Board members, the Finance Committee and Strategic Planning Committee. Members in the past had participated in the medical staff monthly meeting and on the foundation. Eisenbeisz hoped that board members would continue on the other committees. Hunter appreciated the current board members stating that the system needed changing to be successful.

A motion was made by Miyasato that this Ordinance be PASSED ON THIRD AND FINAL READING. The motion PASSED by the following vote.

Yes: 5 - McConnell, Hunter, Swanson, Miyasato, and Eisenbeisz

No: 1 - Putz

Absent: 1 - Guevin

XII. NEW BUSINESS:**J** [15-157](#) Award a contract to the Greater Sitka Chamber of Commerce to provide convention and visitor services

Evy Kinnear, President of the Sitka Convention and Visitors Bureau (SCVB) spoke in opposition stating the community could not function without it. John Welsh spoke in support of this item. Municipal Administrator, Mark Gorman provided an updated and noted that staff was close to a final contract, told of concerns with safeguarding assets, mentioned that the SCVB was going to be issued a penalty for lack of payment for workers compensation, stated management concerns, and stressed the importance of protecting the City and Borough of Sitka. McConnell asked for clarification and Gorman answered the intent was not to award the contract at this meeting as staff needed to finalize the contract, and it would then come back before the Assembly for approval. Municipal Attorney, Robin Koutchak clarified that the contract was in legal review and a mediation clause was being developed. Jay Sweeney, Chief Finance and Administrative Officer expanded on needing as much time for transition as possible for ongoing projects and whether or not the assets would go to the gaining organization. Sweeney had concerns with governance of accountability and stressed the need of authority on bank accounts and assets.

A motion was made by Swanson to authorize the Municipal Administrator to take action to ensure that the City and Borough of Sitka obligations, liabilities and assets that are associated with the transition of services from the Sitka Convention and Visitors Bureau are addressed. The motion PASSED by the following vote.

Yes: 6 - McConnell, Hunter, Swanson, Miyasato, Eisenbeisz, and Putz

Absent: 1 - Guevin

Koutchak stated she would send the contract to staff once she had completed her legal review, it would then be given to the Chamber of Commerce for review, and lastly go before the Assembly.

A motion was made by Putz to POSTPONE awarding a contract for the Greater Sitka Chamber of Commerce to provide convention and visitor services to the next regular meeting on September 8. The motion PASSED by the following vote.

Yes: 6 - McConnell, Hunter, Swanson, Miyasato, Eisenbeisz, and Putz

Absent: 1 - Guevin

K [15-158](#) Board of Adjustment: Approve a conditional use permit request filed by Sheila Finkenbinder for a one guest-room bed and breakfast at 415 DeArmond Street

A motion was made by Putz to CONVENE as the Board of Adjustment. The motion PASSED by the following vote.

Yes: 6 - McConnell, Hunter, Swanson, Miyasato, Eisenbeisz, and Putz

Absent: 1 - Guevin

Maegan Bosak, Planning and Community Development Director introduced Michael Scarcelli, Senior Planner and gave a report stating the Planning Commission recommended approval of the item. Bosak clarified the number of parking spaces

required and confirmed that the property met the needs of long term and short term rentals for the community.

Applicant, Sheila Finkenbinder thanked staff for the allowable language which would be more welcoming for visitors to Sitka and offered to answer questions.

There was no public comment.

Hunter, McConnell, and Putz spoke in support of this item.

A motion was made by Putz to APPROVE a conditional use permit request filed by Sheila Finkenbinder for a one guest-room bed and breakfast at 415 DeArmond Street, and further, adopt the findings and conditions as recommended by the Planning Commission and request that they are listed in their entirety as they appear attached hereto as part of the official record.

Required Findings

1. The city may use design standards and other elements in this code to modify the proposal. A conditional use permit may be approved only if all of the following findings can be made regarding the proposal and are supported by the record that the granting of the proposed conditional use permit will not:
 - a. Be detrimental to the public health, safety, and general welfare;
 - b. Adversely affect the established character of the surrounding vicinity; nor
 - c. Be injurious to the uses, property, or improvements adjacent to, and in the vicinity of, the site upon which the proposed use is to be located.
2. The granting of the proposed conditional use permit is consistent and compatible with the intent of the goals, objectives and policies of the comprehensive plan and any implementing regulation; specifically 2.1.1: Encourage the development of facilities to accommodate visitors without significant impacts on residential properties.
3. All conditions necessary to lessen any impacts of the proposed use are conditions that can be monitored and enforced.
4. The proposed use will not introduce hazardous conditions at the site that cannot be mitigated to protect adjacent properties, the vicinity, and the public health, safety and welfare of the community from such hazard.
5. The conditional use will be supported by, and not adversely affect, adequate public facilities and services; or that conditions can be imposed to lessen any adverse impacts on such facilities and services.
6. Burden of Proof. The applicant has the burden of proving that the proposed conditional use meets all of the criteria in subsection B of this section.

General approval criteria are as follows:

1. Site topography, slope and soil stability, geophysical hazards such as flooding, surface and subsurface drainage and water quality, and the possible or probable effects of the proposed conditional use upon these factors;
2. Utilities and service requirements of the proposed use, including sewers, storm drainage, water, fire protection, access and electrical power; the assembly and planning commission may enlist the aid of the relevant public utility officials with specialized knowledge in evaluating the probable effects of the proposed use and may consider the costs of enlarging, upgrading or extending public utilities in establishing conditions under which the conditional use may be permitted;
3. Lot or tract characteristics, including lot size, yard requirements, lot coverage and height of structures;

4. Use characteristics of the proposed conditional use that affect adjacent uses and districts, including hours of operation, number of persons, traffic volumes, off-street parking and loading characteristics, trash and litter removal, exterior lighting, noise, vibration, dust, smoke, heat and humidity, recreation and open space requirements;
5. Community appearance such as landscaping, fencing and screening, dependent upon the specific use and its visual impacts.

Conditions

1. Contingent upon a completed satisfactory life safety inspection.
2. The facility shall be operated consistent with the application and plans that were submitted with the request.
3. The facility shall be operated in accordance with the narrative that was submitted with the application.
4. The applicant shall submit an annual report every year, covering the information on the form prepared by the Municipality, summarizing the number of nights the facility has rented over the twelve month period starting with the date the facility has begun operation. The report is due within thirty days following the end of the reporting period.
5. The Planning Commission, at its discretion, may schedule a public hearing at any time following the first nine months of operations for the purpose of resolving issues with the request and mitigating adverse impacts on nearby properties.
6. Failure to comply with any of the conditions may result in revocation of the conditional use permit.

Yes: 6 - McConnell, Hunter, Swanson, Miyasato, Eisenbeisz, and Putz

Absent: 1 - Guevin

L [15-159](#)

Board of Adjustment: Approve a conditional use permit request filed by Deanna Moore for a short-term rental at 703 Biorka Street

Maegan Bosak, Planning and Community Development Director provided an overview stating the Planning Commission recommended approval. In addition, regarding the Comprehensive Plan, it balanced the need for long term and short term rentals. Bosak clarified that a conditional use permit for short term rentals and B&B's, if not used in 12 month period, was null and void, and that a conditional use permit ran with the property based on the plans submitted.

Applicant, Deanna Moore stated that she may only use this once, and realized that it would sunset if not used in a 12 month period.

There was no public comment.

Hunter stated that this type of conditional use permit was a great opportunity for home owners.

A motion was made by Miyasato to APPROVE a conditional use permit request filed by Deanna Moore for a short-term rental at 703 Biorka Street, and further, adopt the findings and conditions as recommended by the Planning Commission and request that they are listed in their entirety as they appear hereto as part of the official record.

Required Findings

1. The city may use design standards and other elements in this code to

modify the proposal. A conditional use permit may be approved only if all of the following findings can be made regarding the proposal and are supported by the record that the granting of the proposed conditional use permit will not:

- a. Be detrimental to the public health, safety, and general welfare;
 - b. Adversely affect the established character of the surrounding vicinity; nor
 - c. Be injurious to the uses, property, or improvements adjacent to, and in the vicinity of, the site upon which the proposed use is to be located.
2. The granting of the proposed conditional use permit is consistent and compatible with the intent of the goals, objectives and policies of the comprehensive plan and any implementing regulation; specifically 2.1.1: Encourage the development of facilities to accommodate visitors without significant impacts on residential properties.
 3. All conditions necessary to lessen any impacts of the proposed use are conditions that can be monitored and enforced.
 4. The proposed use will not introduce hazardous conditions at the site that cannot be mitigated to protect adjacent properties, the vicinity, and the public health, safety and welfare of the community from such hazard.
 5. The conditional use will be supported by, and not adversely affect, adequate public facilities and services; or that conditions can be imposed to lessen any adverse impacts on such facilities and services.
 6. Burden of Proof. The applicant has the burden of proving that the proposed conditional use meets all of the criteria in subsection B of this section.

General approval criteria are as follows:

1. Site topography, slope and soil stability, geophysical hazards such as flooding, surface and subsurface drainage and water quality, and the possible or probable effects of the proposed conditional use upon these factors;
2. Utilities and service requirements of the proposed use, including sewers, storm drainage, water, fire protection, access and electrical power; the assembly and planning commission may enlist the aid of the relevant public utility officials with specialized knowledge in evaluating the probable effects of the proposed use and may consider the costs of enlarging, upgrading or extending public utilities in establishing conditions under which the conditional use may be permitted;
3. Lot or tract characteristics, including lot size, yard requirements, lot coverage and height of structures;
4. Use characteristics of the proposed conditional use that affect adjacent uses and districts, including hours of operation, number of persons, traffic volumes, off-street parking and loading characteristics, trash and litter removal, exterior lighting, noise, vibration, dust, smoke, heat and humidity, recreation and open space requirements;
5. Community appearance such as landscaping, fencing and screening, dependent upon the specific use and its visual impacts.

Conditions

1. Contingent upon a completed satisfactory life safety inspection.
2. The facility shall be operated consistent with the application and plans that were submitted with the request.
3. The facility shall be operated in accordance with the narrative that was submitted with the application.
4. The applicant shall submit an annual report every year, covering the information on the form prepared by the Municipality, summarizing the number of nights the facility has rented over the twelve month period starting with the

date the facility has begun operation. The report is due within thirty days following the end of the reporting period.

5. The Planning Commission, at its discretion, may schedule a public hearing at any time following the first nine months of operations for the purpose of resolving issues with the request and mitigating adverse impacts on nearby properties.

6. Failure to comply with any of the conditions may result in revocation of the conditional use permit.

A motion was made by Miyasato to RECONVENE as the Assembly in regular session. The motion PASSED by the following vote.

Yes: 6 - McConnell, Hunter, Swanson, Miyasato, Eisenbeisz, and Putz

Absent: 1 - Guevin

- M** [15-160](#) Discussion/Direction on the Sitka Community Development Corporation conceptual design for the Old City Shops property (Sponsors: Putz/Miyasato)
- Putz explained that the Sitka Community Development Corporation (SCDC) had conceptual designs for the Old City Shops property for low cost housing proposing the City would provide the property. SCDC would like to give a report to the Assembly. Miyasato stated that the SCDC would like to use the property for an affordable housing project which would require Assembly approval. Eisenbeisz and Hunter were intrigued with how the process would proceed and what the cost would be. McConnell talked to the process stating that SCDC would be presenting to the Planning Commission on September 1 with a proposal to the Assembly September 22. Eisenbeisz told of his preference of this being an agenda item. Hunter mentioned it as a special report. Miyasato told of the benefit of a worksession. It was suggested that a 20 minute report be placed on the next agenda.
- McConnell spoke as a member of the public in favor of a worksession rather than a report.
- N** [15-144](#) ~~Approve the removal of the Finance Director's existing sales tax interpretation regarding taxability of fundraisers~~ - PULLED
- This item was PULLED from the agenda prior to the start of the meeting. No action was taken.
- O** [15-162](#) Discussion/Direction on utility vacation rates and owner account status
- Jay Sweeney, Chief Finance and Administrative Officer spoke to codifying utility vacation rates and owner account status. Sweeney clarified that water was not metered, therefore the city was not charging for consumption of water. Sweeney stated he would need to research other cities as unmetered water at the residential level was unusual. Sweeney told of the process of owner status, final billing, and use. Miyasato asked Sweeney to read from his memo regarding amounts for FY2015 of unbilled revenue to dwellings in owner account status. Hunter suggested having two sponsors for an ordinance. Gorman suggested that this go before the Citizens' Taskforce with public engagement and education prior to an ordinance. Putz was in favor of an ordinance rather than it going to the Taskforce. Hunter spoke to vacation rates, use, renters, and owner accounts and would co-sponsor an ordinance. Gorman suggested two separate ordinances.

XIII. PERSONS TO BE HEARD:

John Welsh spoke to the Chamber contract. He requested a matrix be established of accountability.

XIV. EXECUTIVE SESSION

None.

XV. ADJOURNMENT

A motion was made by Hunter to ADJOURN at 8:35pm. The motion passed on the following vote.

Yes: 6 - McConnell, Hunter, Swanson, Miyasato, Eisenbeisz, and Putz

Absent: 1 - Guevin

ATTEST: _____

**Melissa Henshaw
Acting Municipal Clerk**