

If this item is pulled from the consent agenda the following motion would be in order:

POSSIBLE MOTION

I MOVE TO approve the minutes of the February 10, 2015 Assembly meeting.



CITY AND BOROUGH OF SITKA

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

Minutes - Draft 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: Colleen Ingman, MMC

Tuesday, February 10, 2015

6:00 PM

Assembly Chambers

REGULAR MEETING

I. CALL TO ORDER

II. FLAG SALUTE

III. ROLL CALL

Present: 5 - McConnell, Hunter, Swanson, Guevin, and Putz

Absent: 2 - Miyasato, and Eisenbeisz

IV. CORRESPONDENCE/AGENDA CHANGES

15-012 Correspondence and Reminders

Mayor McConnell requested Item J be moved ahead of item F.

Putz commented many of the Public Works projects were funded by state grants and expressed concern that with the recent budget shortfalls some grants may be unfunded. Administrator Gorman commented that staff was working with Senator Stedman's office, had captured outstanding grants and balances and would monitor the situation.

V. CEREMONIAL MATTERS

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

Rob Allen, Interim CEO of Sitka Community Hospital, reported the cash situation was stable. Allen noted an interim CFO had been hired and hoped to provide a cash flow analysis in the near future. He also reported an interim compliance officer had been hired. Allen added the Hospital, with grant funding, was working with the Daily Sitka Sentinel to provide reflective vests for paper carriers.

15-009 Update on Electric Rates - Utility Director, Chris Brewton

Chris Brewton, Utility Director, provided a report on electric rates. Brewton noted CBS was currently 12.7% behind in sales revenue and thus a rate increase would be coming forward in the near future.

VII. PERSONS TO BE HEARD

None.

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

Mayor - Attended the Innovation Summit in Juneau where she had the opportunity to network with people and volunteered to be a "champion" for the new Arts and Culture Cluster group for Southeast Alaska. Also attended the Governor's Awards Ceremony for the Arts and Humanities because the Sitka Fine Arts Camp received an award. The Assembly met with the Sitka Tribal Council members recently sharing a fine meal and good company; a full agenda of topics was discussed. Mayor McConnell was honored to attend the Civil Air Patrol award ceremony where a 16 girl was promoted. She was impressed by the young people involved in this organization and appreciative of the adults who give their time to guide them. Sponsored the Community Heroes table at the Sitka Chamber of Commerce Awards Gala. The Big Brothers Big Sisters organization was the honoree and it was good to meet some of their dedicated volunteers and support their cause. Met with the CEO of Sealaska, Anthony Mallott, and two of his staff members and talked about their plans for the region. Joined staff and CBS lobbyist for a lobbying trip in Juneau. The main takeaway from the day was don't ask the state for money unless it's for health and safety and expect budget cuts, including a possible loss or decrease of municipal sharing. They were interested in hearing about non-monetary actions they could take. Some that were mentioned were capping the PERS/TRS past service cost amount at 22% of salary and repealing termination studies; and either funding the Senior/Veteran property tax exemption or repealing it and giving control to local governments for those decisions. Attended the 150th Commemoration meeting. A steering committee had been formed. McConnell reported she was on the committee but was looking for an assembly member to take her place or serve as an alternate.

Administrator- Reported work had resumed on Kettleson Memorial Library, a Department Head Retreat was held at UAS, announced Wendy Lowrance had accepted the Assessor position and would begin in April, reported on recent legislative trip.

Attorney - Reported she was continuing to work on the issues related to marijuana regulation.

Liaisons - Guevin reported on the recent School Board meeting and reminded there would be a worksession with the School Board and Assembly on February 11.

IX. CONSENT AGENDA**A 15-005 Approve the minutes of the January 27, 2015 Assembly meeting**

This item was APPROVED on the Consent Agenda.

B RES 15-06 Supporting the Native American Tourism and Improving Visitor Experience Native Act

A motion was made by Putz that this Resolution be APPROVED on first and final reading. The motion PASSED by the following vote.

Yes: 5 - McConnell, Hunter, Swanson, Guevin, and Putz

Absent: 2 - Miyasato, and Eisenbeisz

C RES 15-07 Supporting the reinstatement of a full \$60 million into the Revenue Sharing Fund on a yearly basis with a one-year appropriation of \$8 million to the Fund with an effective date prior to June 30, 2015

This item was APPROVED on the Consent Agenda.

X. UNFINISHED BUSINESS:

D ORD 15-05 Adjusting the FY15 Budget

A motion was made by Hunter that this Ordinance be APPROVED on second and final reading. The motion PASSED by the following vote.

Yes: 5 - McConnell, Hunter, Swanson, Guevin, and Putz

Absent: 2 - Miyasato, and Eisenbeisz

E ORD 15-04 Modifying Chapter 4.24 of the Sitka General Code, Hotel, Motel and Bed and Breakfast Transient Room Tax, by adding Section 4.24.070 which creates a special revenue fund entitled "Visitor Activities Enhancement Fund," which directs that all bed taxes collected are deposited in the fund, and which sets forth policy as to how such funds may be appropriated and used

Tonia Rioux of the Sitka Convention Visitors Bureau (SCVB) expressed concern over the use of bed tax in this fund and that there would possibly be less money available for marketing. Evy Kinnear, SCVB board member, expressed some of those same concerns.

Hunter explained his thoughts for supporting this fund and its purpose. The money would be given to an organization based on the services provided and maintained in a special revenue fund to be used for marketing. Putz also added the fund would be flexible but it was clear the money would be spent on marketing and tourism.

A motion was made by Putz that this Ordinance be APPROVED on second and final reading. The motion PASSED by the following vote.

Yes: 5 - McConnell, Hunter, Swanson, Guevin, and Putz

Absent: 2 - Miyasato, and Eisenbeisz

XI. NEW BUSINESS:**New Business First Reading as Amended**

- J 15-007** Appoint Melissa Greenhalgh to an unexpired term on the Port and Harbors Commission and appoint two of the following to two unexpired terms on the Hospital Board: Robert J. Bell, Gloria Hagerman, Valorie Nelson, Brooke Volschenk

Hunter thanked Greenhalgh for her interest in serving on the Port and Harbors Commission.

A motion was made by Hunter that Melissa Greenhalgh be appointed to the Port and Harbors Commission. The motion PASSED by the following vote.

Yes: 5 - McConnell, Hunter, Swanson, Guevin, and Putz

Absent: 2 - Miyasato, and Eisenbeisz

Municipal Attorney Koutchak noted that Bell's wife worked at Sitka Community Hospital however that wasn't a reason to disqualify him. Koutchak pointed out that a current member of the Hospital Board had a daughter and son-in-law who worked at the Hospital.

A motion was made by Swanson to nominate Robert J. Bell, Gloria Hagerman, and Brooke Volschenk to fill two unexpired terms on the Hospital Board. A vote was taken. Hagerman received 5 votes, Volschenk received 4 votes, and Bell received 1 vote. Hagerman and Volschenk were appointed.

- F ORD 15-03A** Plans to issue a Request for Proposal(s) for an entity(ies) to take on the responsibilities for planning, coordinating, promoting and executing all phases of conventions, tourism and marketing for Sitka. Formally dissolving the Sitka Convention and Visitor's Bureau under the City's oversight once the Request for Proposal(s) is awarded. The CBS will provide a percentage of bed tax revenues for funding purposes

A motion was made by Putz that this Ordinance be APPROVED on first reading as previously amended. The motion PASSED by the following vote.

Yes: 5 - McConnell, Hunter, Swanson, Guevin, and Putz

Absent: 2 - Miyasato, and Eisenbeisz

- G ORD 15-06A** Adding a new title to Sitka General Code entitled "Title 7, Marijuana Regulations" to regulate and tax the use, possession, manufacture and sale of marijuana as well as provide penalties for violation as defined in Chapter 7.30, Section 7.30.010 entitled "Public Consumption"

Mike Svenson spoke to the issue of public safety and marijuana consumption.

Andrea Thomas thanked staff for further clarifying the ordinance but wondered how

private clubs were affected.

Assembly members discussed whether or not marijuana use would be excluded in private clubs. Administrator Gorman and Attorney Robin Koutchak noted that there would be opportunities to further refine the ordinance but reminded it was important to pass the ordinance as it pertained to public consumption prior to the state law going into effect February 24 legalizing personal use.

A motion was made by Swanson that this Ordinance be APPROVED on first reading as previously amended. The motion PASSED by the following vote.

Yes: 5 - McConnell, Hunter, Swanson, Guevin, and Putz

Absent: 2 - Miyasato, and Eisenbeisz

New Business First Reading

H ORD 15-07 Amending Sitka General Code Title 15 "Public Utilities" by adding a new Chapter 15.07 entitled "Storm Drainage"

Dan Tadic, Municipal Engineer, explained the ordinance and stated it would cover new construction from this point forward. The ordinance was established to promote, protect and preserve the public interest by regulating the planning, construction and maintenance of public and private storm drainage systems within the CBS.

Hunter and Putz thanked staff for their work.

A motion was made by Hunter that this Ordinance be APPROVED on first reading. The motion PASSED by the following vote.

Yes: 5 - McConnell, Hunter, Swanson, Guevin, and Putz

Absent: 2 - Miyasato, and Eisenbeisz

I RES 15-08 Increasing permanent and temporary moorage rates

Kevin Knox, Chairman of the Port and Harbors Commission, offered support of the resolution.

Hunter thanked staff and members of the public for their work.

Jay Sweeney, Chief Finance and Administrative Officer, noted if rate increases were avoided now there would be a massive rate increase in the future. Increasing the rates now allowed for a reasonable rate increase and put the City in a position to do harbor rebuilds in the time periods that were required.

A motion was made by Hunter that this Resolution be APPROVED on first and final reading. The motion PASSED by the following vote.

Yes: 5 - McConnell, Hunter, Swanson, Guevin, and Putz

Absent: 2 - Miyasato, and Eisenbeisz

Additional New Business Items

K 15-008 Board of Adjustment: Approve a conditional use permit request filed by Corrie Bosman for operation of a two bedroom bed and breakfast at 629 DeGroff Street

A motion was made by Hunter to convene as the Board of Adjustment. The motion PASSED by a unanimous voice vote.

Scott Brylinsky, Interim Planning Director, gave an overview of the request.

Corrie Bosman, applicant, came forward and explained her plans for the two guestroom bed and breakfast and stated use would be minimal.

Janet Eddy spoke in support of the request.

A motion was made by Hunter to APPROVE a conditional use permit request filed by Corrie Bosman for a two bedroom bed and breakfast at 629 DeGroff Street under the following findings and conditions as proposed by the Planning Commission:

FINDINGS

- 1. 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: Section 2.5.2 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, specifically, the required annual reporting condition.**
- 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 condition can be imposed to lessen any adverse impacts on such facilities and services.**
- 6. Burden of proof: the applicant has met the burden of proof.**

The request is supported by general approval criteria 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, specifically the structure is existing;**
- 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, specifically applicant has shown adequate off street parking;
 5. Community appearance such as landscaping, fencing and screening, dependent upon the specific use and its visual impacts.
- The following criteria determining impacts of conditional uses have been considered.
- a. Amount of vehicular traffic to be generated and impacts of the traffic on nearby land uses.
 - b. Amount of noise to be generated and its impacts on surrounding land uses.
 - c. Odors to be generated by the use and their impacts.
 - d. Hours of operation.
 - e. Location along a major or collector street.
 - f. Potential for users or clients to access the site through residential areas or substandard street creating a cut through traffic scenario.
 - g. Effects on vehicular and pedestrian safety.
 - h. Ability of the police, fire, and EMS personnel to respond to emergency calls on the site.
 - i. Logic of the internal traffic layout.
 - j. Effects of signage on nearby uses.
 - k. Presence of existing or proposed buffers on the site or immediately adjacent the site.
 - l. Relationship if the proposed conditional use is in a specific location to the goals, policies, and objectives of the comprehensive plan.
 - m. Other criteria that surface through public comments or planning commission assembly review.

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 number of nights the facility has been rented over the twelve month period starting with the date the facility has begun operation.
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.

The motion PASSED by the following vote.

Yes: 5 - McConnell, Hunter, Swanson, Guevin, and Putz

Absent: 2 - Miyasato, and Eisenbeisz

A motion was made by Hunter to reconvene as the Assembly in regular session. The motion PASSED by a unanimous voice vote.

L 15-006 Discussion/Direction on the municipal taxation report from Michael Gatti

Attorney Robin Koutchak gave an overview of the report.

Assembly members discussed options such as a municipal income tax, fuel tax, and other possible ideas for taxation.

The Assembly directed staff to schedule a worksession with Michael Gatti for April.

M 15-010 Discussion/Direction on a language change to Sitka General Code 2.38.080 Gary Paxton Industrial Park Board General powers (A)(7)(A)

Attorney Robin Koutchak explained that most of the Code and Charter mandated disposal or sale of land be done by ordinance, however, in the Code dealing with the Gary Paxton Industrial Park, the language stated that sale, purchase or trade of land be approved by resolution.

Assembly members offered their thoughts on changing the language from resolution to ordinance to make it consistent with the rest of the Code. Direction was given to staff to draft an ordinance changing the language from resolution to ordinance.

XII. PERSONS TO BE HEARD:

Randy Hughes, Assessor, reminded the public February 15 was the deadline for filing real property tax exemptions, senior exemptions, disabled veteran exemptions, community purpose exemptions and personal property surveys.

Nancy Yaw-Davis offered it would be helpful to explain to the public what transpired with the recent sales at the Gary Paxton Industrial Park. Yaw-Davis stated individuals were not informed with marijuana regulations. She thanked the Assembly for their service.

XIII. EXECUTIVE SESSION**N 15-011 Baranof Island Brewing Company Loan**

Mayor McConnell recused herself stating that the Baranof Island Brewing Company was a client of hers.

Shannon Haugland of the Daily Sitka Sentinel and Rachel Waldholz of Raven Radio reminded the Assembly of the parameters of Executive Session and asked for a summary after the Session finished.

A motion was made by Putz to go into Executive Session with Chief Finance and Administrative Officer Jay Sweeney under the statutory categories of discussing subjects that tend to prejudice the reputation and character of any person and to discuss matters, the immediate knowledge of which would adversely affect the finances of the City and Borough of Sitka and invite Suzan Hess and Rick Armstrong of Baranof Island Brewing Company in when ready. The motion PASSED by the following vote.

Yes: 4 - Hunter, Swanson, Guevin, and Putz

Absent: 2 - Miyasato, and Eisenbeisz

Recused: 1 - McConnell

The Assembly went into Executive Session from 8:25pm to 9:25pm.

A motion was made by Putz to reconvene as the Assembly in regular session. The motion PASSED by a unanimous voice vote.

A motion was made by Swanson to direct the Municipal Administrator to report back to the Assembly after 90 days on the status of Baranof Island Brewing Company's two promissory notes. The motion PASSED by the following vote.

Yes: 4 - Hunter, Swanson, Guevin, and Putz

Absent: 2 - Miyasato, and Eisenbeisz

Recused: 1 - McConnell

XIV. ADJOURNMENT

A motion was made by Putz to ADJOURN. Hearing no objections the meeting ADJOURNED at 9:29pm.

ATTEST: _____

**Sara Peterson, CMC
Acting Municipal Clerk**