

CONSENT AGENDA

POSSIBLE MOTION

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

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 January 24th and 31st Assembly meetings.



CITY AND BOROUGH OF SITKA

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

Minutes - Draft

City and Borough Assembly

*Mayor Matthew Hunter
Deputy Mayor Bob Potrzuski
Vice-Deputy Mayor Steven Eisenbeisz
Tristan Guevin, Kevin Knox
Aaron Bean, and Aaron Swanson*

*Municipal Administrator: Mark Gorman
Municipal Attorney: Brian Hanson
Municipal Clerk: Sara Peterson*

Tuesday, January 24, 2017

6:00 PM

Assembly Chambers

WORKSESSION 5:00 PM: Overview of Electric Rates and Debt Services

REGULAR MEETING

I. CALL TO ORDER

II. FLAG SALUTE

III. ROLL CALL

Present: 7 - Swanson, Eisenbeisz, Guevin, Potrzuski, Hunter, Knox, and Bean

IV. CORRESPONDENCE/AGENDA CHANGES

17-009 Reminders, Calenders and General Correspondence

V. CEREMONIAL MATTERS

None.

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

None.

VII. PERSONS TO BE HEARD

None.

VIII. REPORTS

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

Mayor - Hunter noted he had submitted a Letter to the Editor to the Sitka Sentinel stating his personal views on the City's fiscal problems.

Administrator - Gorman noted an open house hosted by FEMA was scheduled for January 25th to review new flood maps for the community. He informed City staff was working with the offices of Representative Kreiss-Tomkins and Senator Stedman on four land transfer requests for Sitka.

Attorney - Hanson reported the Legal Department was extremely busy working on a multitude of projects.

Liaisons - Potrzuski reported on the recent Local Emergency Planning Committee meeting, Guevin on the Investment Committee, and Eisenbeisz announced a Hospital Board meeting was scheduled for January 26.

IX. CONSENT AGENDA

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

Yes: 7 - Swanson, Eisenbeisz, Guevin, Potrzuski, Hunter, Knox, and Bean

A 17-005 Approve the minutes of the January 10th Assembly meeting

This item was APPROVED ON THE CONSENT AGENDA.

B 17-006 Approve the liquor license renewal applications for 1) Triple C Ventures, Inc. dba Cascade Convenience Center and Watson Point Liquors, and, 2) Pioneer Liquor, Inc. dba Pioneer Bar and Pioneer Liquor Store, and, 3) Mean Queen, LLC dba Mean Queen

This item was APPROVED ON THE CONSENT AGENDA.

C RES 17-02 In support of the State of Alaska adopting the following fine print note to the 2017 National Electrical Code Article 555.3: "FPN: the 30MA requirement can be applied to all feeder circuits or all branch circuits in lieu of the main overcurrent protection device."

This item was APPROVED ON THE CONSENT AGENDA.

X. BOARD, COMMISSION, COMMITTEE APPOINTMENTS

D 17-007 Reappoint Chris Spivey to a three-year term on the Planning Commission

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

Yes: 7 - Swanson, Eisenbeisz, Guevin, Potrzuski, Hunter, Knox, and Bean

XI. UNFINISHED BUSINESS:

E ORD 17-01 Adjusting the FY17 Budget (Central Garage Fund)

Administrator Gorman stated the previous Police Chief had used his own vehicle and received a fuel allowance. Gorman spoke in support of the request explaining the Police Chief was on call 24/7 and that reliable transportation was critical. Assembly members Bean, Knox and Potrzuski also spoke in support of the request. Eisenbeisz wondered if the F250 recently repurposed from the Fire Department, or the vehicle currently used by a Lieutenant, could be used by the Police Chief.

Police Chief, Jeff Ankerfelt, explained the F250 received from the Fire Department was used by evidence staff and the truck was used by Lt. Ewers who served a dual purpose in the community, responding to calls and serving as Captain of Search and Rescue.

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

Yes: 7 - Swanson, Eisenbeisz, Guevin, Potrzuski, Hunter, Knox, and Bean

XII. NEW BUSINESS:

F ORD 17-03 Amending Sitka General Code Chapter 4.09 "Sales Tax" at Section 4.09.100 "Exemptions" at (N) "Over Three Thousand Dollars on Sales and Rents of Tangible Personal Property and on Sales of Services, and Over Three Thousand Dollars in Rent or Lease of Real Property on a Monthly Basis" (first reading)

Knox wondered what the impact of an exemption on commercial rentals would have on the sales tax revenue stream. Administrator Gorman stated that information would be prepared for the next meeting.

Potrzuski, a cosponsor of the ordinance, originally had considered the idea of eliminating the cap, however noted the potential impacts on housing costs could be detrimental. The proposed cap of \$12,000 was modeled after the City and Borough of Juneau. Guevin spoke in support of the ordinance. Bean suggested the Assembly consider removing the cap entirely. Eisenbeisz noted the proposed ordinance would affect fuel sales, the charter fleet, commercial fleet and other businesses. He voiced concern of possibly deterring visitors. While initially supportive of the ordinance, Knox added construction companies would also be affected, but would like to hear more from the public. Mayor Hunter stated taxes hurt an economy no matter what, however, someone able to make an elective purchase over \$3,000 was likely able to afford to pay more.

Administrator Gorman noted passage of this ordinance could generate between \$1 million to \$1.5 million.

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

Yes: 7 - Swanson, Eisenbeisz, Guevin, Potrzuski, Hunter, Knox, and Bean

G RES 17-01

Authorizing the application for loans to the Alaska Department of Environmental Conservation under the Alaska Drinking Water Fund for Lake & Monastery Street water improvements, and under the Alaska Clean Water Fund for Lake & Monastery Street sewer improvements, Brady lift station improvements, lift station backup generator replacement and Wastewater Treatment Plant Building envelope improvements

Administrator Gorman reminded the community had experienced a number of failures in the last month, symptomatic of what the future would bring, ultimately impacting rates.

Eisenbeisz wondered what the loan interest rate would be now and at maturity. He spoke in support of looking at a timeline in which the City not obtain the loans but instead save capital and complete the projects as they could be afforded. Bean agreed and noted while the projects were crucial, he did not agree with the city taking on more debt. Potrzuski spoke in support of the resolution and reminded that if money had been set aside over the years, the need for loans may have been avoided. Guevin offered his support and stated one of the biggest responsibilities of the Assembly was to ensure public health and safety. Swanson voiced support and added it would be wise to increase savings and raise the annual debt service from 125% to 150%.

Administrator Gorman stated the interest rate from the State was 1.5%; an excellent rate. He added this was an extremely responsible and prudent course for the City to take and had been well thought out by staff.

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

Yes: 5 - Swanson, Guevin, Potrzuski, Hunter, and Knox

No: 2 - Eisenbeisz, and Bean

H ORD 17-02

Amending Sitka General Code Section 4.19.020 "Annual Transfer of Permanent Fund" (*first reading*)

Administrator Gorman explained the ordinance corrected a clerical error in Ordinance 2016-23, approved in July 2016. The Investment Committee had recommended the initial transfer of funds would be 0.25% with the amount of the annual transfer increasing by 0.25% per subsequent fiscal year to a maximum of 2.0%.

A motion was made by Guevin that this Ordinance be APPROVED on FIRST READING. The motion PASSED by the following vote.

Yes: 7 - Swanson, Eisenbeisz, Guevin, Potrzuski, Hunter, Knox, and Bean

I 17-008

Discussion/Direction/Decision on the selection of a City and Borough of Sitka representative to attend the Seatrade Cruise Global event in Fort Lauderdale, FL

Assembly members discussed past practices and the idea of sending an Assembly member or someone from outside the organization. Some felt it would be beneficial to send a representative while others noted attendance of Chamber of Commerce

staff would be sufficient. Administrator Gorman stated he would speak with the Chamber of Commerce to get their opinion on whether they felt it would be beneficial to send a City representative and report back to the Assembly.

XIII. PERSONS TO BE HEARD:

Chief Finance and Administrative Officer, Jay Sweeney, reported on the work of the Investment Committee. Sweeney explained the Committee would bring a debt policy and working capital policy forward for Assembly consideration in the future.

XIV. EXECUTIVE SESSION

None.

XV. ADJOURNMENT

A motion was made by Knox to ADJOURN. Hearing no objections, the meeting ADJOURNED at 7:23pm.

ATTEST:

Sara Peterson, CMC
Municipal Clerk



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Municipal Administrator: Mark Gorman
Municipal Attorney: Brian Hanson
Municipal Clerk: Sara Peterson

Tuesday, January 31, 2017

5:00 PM

City Hall - 3rd Floor Conference Room

SPECIAL MEETING

I. CALL TO ORDER

II. FLAG SALUTE

III. ROLL CALL

Present: 5 - Swanson, Potrzuski, Hunter, Knox, and Bean

Absent: 2 - Eisenbeisz, and Guevin

IV. PERSONS TO BE HEARD

None.

V. UNFINISHED BUSINESS:

- A 17-008** Approve sending either an Assembly member or City and Borough of Sitka staff representative to attend the Seatrade Cruise Global event in Fort Lauderdale, FL

In correspondence to the Administrator, the Chamber remarked that continued participation in Seatrade, by the City and the Chamber, was important for continued growth of the cruise industry in Sitka.

As was expressed from the previous meeting, some Assembly members felt it would be beneficial to send a representative while others were of the opinion that attendance by the Chamber of Commerce staff was sufficient.

No action was taken.

VI. ADJOURNMENT

A motion was made by Knox to ADJOURN. Hearing no objections, the meeting ADJOURNED at 5:20pm.

ATTEST:

Sara Peterson, CMC
Municipal Clerk