

# **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  
January 21 and January 26 assembly  
meetings.



# CITY AND BOROUGH OF SITKA

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

## Minutes - Draft

### City and Borough Assembly

*Mayor Steven Eisenbeisz  
Deputy Mayor Thor Christianson,  
Vice Deputy Mayor Valorie Nelson,  
Kevin Knox, Kevin Mosher, Crystal Duncan, Rebecca Himschoot*

*Municipal Administrator: John Leach  
Municipal Attorney: Brian Hanson  
Municipal Clerk: Sara Peterson*

---

Thursday, January 21, 2021

6:00 PM

Assembly Chambers

---

#### SPECIAL MEETING

#### I. CALL TO ORDER

#### II. FLAG SALUTE

#### III. ROLL CALL

Nelson attended by videoconference. Knox arrived at 6:15pm.

**Present:** 7 - Christianson, Knox, Mosher, Nelson, Eisenbeisz, Himschoot, and Duncan

#### IV. CORRESPONDENCE/AGENDA CHANGES

None.

#### V. PERSONS TO BE HEARD

Richard Wein told of the website covidbailouttracker.com and hoped Sitka would publish something similar, noted the World Health Organization had reported high cycle PCR tests could produce false positive tests, and reminded of a hospital price transparency rule.

#### VI. NEW BUSINESS:

##### A 21-011

Discussion / Direction / Decision on filling the Community and Government Affairs position and ongoing lobbying efforts

Municipal Administrator John Leach shared he had received questions with regards to funding for this position and requested the Assembly provide guidance on their desire for him to fill the position or wait until the new fiscal year. Leach reminded the position was currently budgeted in FY21 and stated the duties of the position were public relations, lobbying, and grant writing. Nelson spoke in opposition noting the financial

ramifications of the pandemic weren't fully known and she couldn't support the FTE position. Other members spoke in support of filling the position in FY21 and including it in the FY22 budget. With regards to professional lobbying services, consensus of the Assembly was to include funding in FY22.

**B 21-012****Discussion / Direction / Decision for the FY2022 Municipal Budget with focus on the General Fund**

Finance Director Melissa Haley noted the purpose of the meeting was to have a preliminary budget discussion on the General Fund and told of the budget meeting timeline. She noted the goal was to present a draft budget that reflected the overall direction of the Assembly and spoke to key challenges and areas in which guidance was needed. Haley relayed in the preliminary budget, services remained status quo, reviewed overall revenue trends from FY19, FY20, projected FY21, and preliminary FY22 (fairly conservative), and explained sales tax revenue projections included in the FY22 budget. She summarized the initial revenue projection was \$26.8 million, expenses \$28.3 million, leaving a deficit of -\$1.5 million. Haley told of options to manage the deficit: use the projected \$1.5M surplus in FY21 to make up for the deficit, identify cuts to existing services, or identify additional sources of revenue. Municipal Administrator John Leach explained the surplus was a result in cuts to capital, organizational efficiencies, and the opportunity to use CARES Act funding for public safety and emergency response. Haley reviewed previous and current fiscal year expenditures and reviewed areas of expense.

Haley named specific decision points for the FY22 budget. These were previously unspent or unbudgeted personnel expense needed to maintain adequate levels of service. These positions included: Community Affairs Director, Assistant Fire Chief, Procurement Specialist, and an additional Dispatcher. Based upon earlier guidance, Haley stated she would include the Community Affairs Director position in FY22. She explained the Assistant Fire Chief was the training officer and provided administrative support and continuity for the Fire Chief and other Captains. The Procurement Specialist (Finance Department) would support centralized procurement and lease management work and put more resources towards debt collection. The last position, an additional dispatcher, would help with centralizing police and fire dispatch. Members offered opinions on the position requests. Most were supportive of moving forward with the additional positions in the FY22 budget. Members wished to have for more detail on the Procurement Specialist, additional Dispatcher, and Fire Department overtime costs. Nelson was not supportive of adding positions at present time.

Haley reviewed other decision points: lobbying, capital projects/public infrastructure sinking fund, school funding, and deficit budget. Members wished to leave contracted lobbying services for FY22 in the budget. Haley noted flat school funding had been included as a placeholder. She said the State cap was at \$7.76M an increase of \$600,000 from past years. She stated the difference between what was budgeted and the cap was \$600,000. The \$7.37M budget included maintenance and performing arts utility funding. She reminded of the February 4 special budget meeting with the School Board. Some members suggested bringing forward capital projects. With regards to the deficit budget, Haley clarified it was the Assembly's desire to use the prior year surplus. The budget coming forward would have a -\$1.5M bottom line.

In closing, Haley thanked the Assembly for their guidance, noted staff would provide requested information and continue working on finalizing the budget. She reminded if the Assembly desired to make changes after the draft budget was presented at the end of February they could do so by motion.

**VII. PERSONS TO BE HEARD:**

Richard Wein spoke to Sitka's fragile economy, expressed a need to discuss Sitka's future, and commented the City budget was a paycheck to paycheck budget.

**VIII. EXECUTIVE SESSION**

None.

**IX. ADJOURNMENT**

A motion was made by Mosher to ADJOURN. Hearing no objections, the meeting ADJOURNED at 7:55pm.

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



# CITY AND BOROUGH OF SITKA

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

## Minutes - Draft

### City and Borough Assembly

*Mayor Steven Eisenbeisz  
Deputy Mayor Thor Christianson,  
Vice Deputy Mayor Valorie Nelson,  
Kevin Knox, Kevin Mosher, Crystal Duncan, Rebecca Himschoot*

*Municipal Administrator: John Leach  
Municipal Attorney: Brian Hanson  
Municipal Clerk: Sara Peterson*

---

Tuesday, January 26, 2021

6:00 PM

Assembly Chambers

---

#### REGULAR MEETING

#### I. CALL TO ORDER

#### II. FLAG SALUTE

#### III. ROLL CALL

Nelson joined by phone at 6:40pm.

**Present:** 7 - Christianson, Knox, Mosher, Nelson, Eisenbeisz, Himschoot, and Duncan

#### IV. CORRESPONDENCE/AGENDA CHANGES

**21-017** Reminders, Calendars, and General Correspondence

No agenda changes.

#### V. CEREMONIAL MATTERS

None.

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

Sitka Tribe of Alaska Tribal Chairman Lawrence Widmark told of elected officers, committees, and relayed the Council had approved 2021 Legislative Priorities.

#### VII. PERSONS TO BE HEARD

Richard Wein told of an article by Linda Behnken and encouraged citizens to read a book.

### VIII. CONSENT AGENDA

Richard Wein spoke in support of Resolution 2021-02 and in opposition to Ordinance 2021-01.

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

**Yes:** 6 - Christianson, Knox, Mosher, Eisenbeisz, Himschoot, and Duncan

**Absent:** 1 - Nelson

- A 21-001** Approve the minutes of the December 17, December 22, and January 12 assembly meetings  
**This item was APPROVED ON THE CONSENT AGENDA.**
- B 21-014** Approve a liquor license renewal application for Hector Barragan dba Pizza Express at 1321 Sawmill Creek Road Suite H & I  
**This item was APPROVED ON THE CONSENT AGENDA.**
- C RES 21-02** Authorizing a \$75,000 grant application to the Department of Homeland Security and Emergency Management (DHS&EM) 1st and final reading  
**This item was APPROVED ON THE CONSENT AGENDA. (1st and final reading)**
- D ORD 21-01** Making supplemental appropriations for fiscal year 2021 (*Potential Sale Expense Former Sitka Community Hospital Site*) 1st reading  
**This item was APPROVED ON THE CONSENT AGENDA. (1st reading)**

### IX. BOARD, COMMISSION, COMMITTEE APPOINTMENTS

None.

### X. UNFINISHED BUSINESS:

- E 20-244** Approve the issuance of a Request for Proposal for private sector development of a haul out at the Gary Paxton Industrial Park (*final decision postponed at December 22, 2020 assembly meeting and then again on January 12, 2021*)
- A final decision on this item was postponed at the December 22, 2020 assembly meeting and then again on January 12, 2021 after amendments were approved. Mayor Eisenbeisz reminded the pending motion was to direct the Municipal Administrator to issue the Request for Proposal for private sector development of a haul out at the Gary Paxton Industrial Park as amended.
- Christianson explained at the January 12 meeting it was suggested further revisions be made to indicate the preference for a lease option over a sale option. A small group had met and developed language for the Assembly to consider.

**A motion was made by Christianson to 1) add to Section C, Task 1: Ownership Criteria “Long term leases or purchase options should include a schedule of development benchmarks. The CBS will negotiate performance benchmark development criteria, including infrastructure construction and operational performance, to ensure the haul out will meet the needs of the community and fleet. Purchase options should expect to enter into a lease and meet performance benchmarks before execution of a sale. Purchase proposals should include assurances and/or terms and conditions, along with support for their legal enforceability, that the facility will remain a marine service facility in perpetuity or, at least, in the long term.” and 2) add to Section H, 3. Rates & Fees Bid “The CBS Assembly prefers long term leases that match the anticipated life of the proposed marine facility(s), but will accept all proposals including ownership options. Scoring will be weighted towards lease rates or purchase prices that provide the best long term benefits to the community.” The amendment PASSED by the following vote.**

**Yes:** 6 - Knox, Eisenbeisz, Himschoot, Mosher, Christianson, and Duncan

**Absent:** 1 - Nelson

Richard Wein spoke in opposition to the amendment.

Duncan wondered of scoring and weighted options. Municipal Administrator John Leach explained scoring for "Rates & Fees Bid" was currently set at 1 to 20, however, reminded the Assembly could amend that number. Leach said he had been asked if once the evaluation team brought forward a recommendation to the Assembly, what the risk would be if the Assembly chose a proposal who had not scored the highest or rejected the highest scored proposal. Municipal Attorney Brian Hanson explained the Assembly had the right to not approve but to change who they awarded to would be problematic. If that were to happen his recommendation would be to go into executive session to discuss reasons and associated risks.

**A motion was made by Knox to change scoring in “Section H Evaluation Criteria and Selection Process Rates & Fees Bid” from 1-30 (previously 1-20). The amendment PASSED by the following vote.**

**Yes:** 6 - Christianson, Himschoot, Duncan, Knox, Mosher, and Eisenbeisz

**Absent:** 1 - Nelson

From the public, Jeremy Serka and Richard Wein spoke in support of the amendment.

**The main motion as amended PASSED by the following vote.**

**Yes:** 6 - Himschoot, Knox, Duncan, Mosher, Eisenbeisz, and Christianson

**Absent:** 1 - Nelson

**F 21-015**

Approve Assembly direction given in January 12 executive session regarding the former Sitka Community Hospital closeout (*motion provided in packet*)

Richard Wein stated transparency was important, wondered how much was being written off and a general breakdown.



**A motion was made by Himschoot to, in accordance with SGC 4.40.040, write-off certain unpaid accounts with Sitka Community Hospital, hereby deemed to be uncollectible or not in the best interests of the municipality to continue to collect, as identified and considered in Executive Session at the regular meeting of the Assembly on January 12, 2021, and direct the Municipal Administrator and Finance Director to take the necessary action to write-off those unpaid accounts as appropriate under SGC 4.40.040, and, further, direct that the specifics of those accounts remain confidential to the extent and as required by law. The motion PASSED by the following vote.**

**Yes:** 6 - Christianson, Knox, Mosher, Eisenbeisz, Himschoot, and Duncan

**Absent:** 1 - Nelson

## **XI. NEW BUSINESS:**

### **G 21-016**

Consider appeal of denial of refund of sales tax paid on home construction by Andrew and Becky Friske of 420 Kramer Avenue

Nelson joined at 6:40pm.

Municipal Attorney Brian Hanson provided procedural advice. He reminded the Assembly was sitting as a quasi-judicial body. Under those circumstances, members were obligated to disclose any ex-parte communication with the appellants. Mosher stated he attended the same church as the appellants, however, they had not spoke of the matter. Mayor Eisenbeisz ruled Mosher had no conflict.

Hanson explained Sitka General Code (SGC) allowed people who had constructed a single family/duplex dwelling to, within a two-year period of a building permit, seek a refund of sales tax paid for construction of the dwelling. If the two-year period had expired, no discretion was given to the Finance Department to waive the deadline. Hanson said SGC 4.09.110(E) provided for an appeal to the Assembly. Hanson stated the decision before the Assembly was to determine whether to waive the deadline for equitable reasons.

Andrew and Becky Friske explained they were requesting a variance for the refund of sales tax paid on home construction materials. They stated their home had been hit by the Kramer Avenue landslide in 2015 and therefore their completion date was well over two years. The Friske's told of their work with the City and Borough of Sitka in 2017/18 to create the "Critical Areas Ordinance" which then gave them the opportunity to continue building. They had submitted the required critical ordinances waiver which had been considered a "new" building permit, however, in actuality a second building permit had not been issued.

Finance Director Melissa Haley stated due to SGC the Finance Department was unable to move forward because of the deadline issue.

**A motion was made by Knox to grant the appeal as equitable circumstances and reasons exist which warrant a determination that the Friske's application for a sales tax refund is timely. The motion PASSED by the following vote.**

**Yes:** 7 - Christianson, Knox, Mosher, Nelson, Eisenbeisz, Himschoot, and Duncan

## **XII. PERSONS TO BE HEARD:**

Richard Wein thanked the Assembly for their decision on the Friske appeal and spoke to concerns with the haul out RFP.

**XIII. REPORTS**

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

Mayor - Eisenbeisz reported on a meeting he had with lobbyists Blank Rome and spoke to the Alaska Municipal Conference of Mayors monthly meeting.

Administrator - Leach stated CBS FY22 Legislative Priorities would come before the Assembly February 9.

Attorney - Hanson relayed he was working on an in-depth analysis of issues at the Gary Paxton Industrial Park.

Liaison Representatives - Christianson reported on the Planning Commission and Emergency Operations Center, Knox on the Port and Harbors Commission meeting, Duncan on the Health Needs and Human Services Commission, and Himschoot on the School Board.

Clerk - Peterson told of upcoming meeting dates and reviewed vacancies on the board and commissions.

**XIV. EXECUTIVE SESSION**

None.

**XV. ADJOURNMENT**

**A motion was made by Christianson to ADJOURN. Hearing no objections, the meeting ADJOURNED at 7:10 p.m.**

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