

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
November 22nd Assembly meeting.



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, November 22, 2016

6:00 PM

Assembly Chambers

JOINT WORKSESSION with GPIP BOARD 5:00 PM

REGULAR MEETING

I. CALL TO ORDER

II. FLAG SALUTE

III. ROLL CALL

Present: 6 - Eisenbeisz, Guevin, Potrzuski, Hunter, Knox, and Bean

Absent: 1 - Swanson

IV. CORRESPONDENCE/AGENDA CHANGES

Mayor Hunter announced item H had been pulled from the agenda and would be discussed at the December 13th Assembly meeting.

16-204

Reminders, Calendars 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)

Sitka Tribe of Alaska Council Chairman, Mike Baines, reported on the Tribal Council election, upcoming Children's Christmas Party, and announced the Tribe was moving forward with a Needs Assessment of Tribal citizens in early 2017.

Dr. Tom Conley of the Sitka School Board shared information regarding the budget process and the District's needs.

16-198

Special Reports: 1) Representative Jonathan Kreiss-Tomkins: The New Bipartisan House Majority, 2) Rachel Roy: Visitor Services Contract Annual Report, 3) Jay Sweeney: Bond Basics/Blue Lake Bond Proceeds

Representative Jonathan Kreiss-Tomkins spoke to the shift of power in the Alaska House of Representatives. He expected to see different ideas, legislation and budgeting priorities. He noted a priority of his was to loosen some of the statutory limits that municipalities face with regards to raising revenue or otherwise govern (e.g. property tax exemptions, homestead exemption). Representative Kreiss-Tomkins concluded by speaking to his membership on the State Affairs Committee.

Rachel Roy, Executive Director of the Chamber of Commerce, provided a recap of visitor services in the last year. Roy spoke to projected visitor numbers for 2017, reviewed marketing strategies, website stats, and provided an update on the Sitka Branding and Wayfinding Project.

Jay Sweeney, Chief Finance and Administrative Officer, supplied basic bond information, an overview of Sitka's electric revenue bonds and answered the Assembly's specific question, "Can the remaining bond proceeds from the final 2014 electric revenue bond issuance be returned so Sitka does not have to pay interest on the unused proceeds?". Sweeney explained the answer was no. He stated Sitka could use unspent proceeds of the 2014 bond to repay its loan obligation to the Alaska Municipal Bond Bank Authority (AMBBA) only in accordance with the early payment rules imposed by the AMBBA. In short, Sitka could redeem a portion of its bond to the AMBBA early but it would still need to pay all interest on the amount being redeemed up to the maturity date or call date.

VII. PERSONS TO BE HEARD

None.

VIII. REPORTS

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

Mayor - Hunter thanked Assembly and staff for participating in the recent Assembly Visioning Session. He reminded a joint worksession with the Sitka Community Hospital Board was scheduled for November 28th at 6pm.

Administrator - Gorman shared a grant for phase 6 of the Sitka Cross Trail Multimodal Pathway had been received, reported he had met with Sitka Sound Science Center staff to discuss an early warning system for landslides, announced the final geotechnical report for the Gary Paxton Industrial Park had been received, told of increased communication efforts with the public on the electric utility, and thanked Planning Department staff for their efforts in securing a \$50,000 grant from Smart Growth America to receive hands-on assistance from national experts on Sustainable Land Use Code Audit.

Attorney - Hanson reported his time spent at the Alaska Municipal League Conference was valuable. He noted a majority of his time was being spent on landslide litigation, lease contracts, ordinances and other municipal issues.

Liaison - Potrzuski reported on his attendance at the Alaska Conference of Mayors and Alaska Municipal League Conference. He noted the Lions Club hoped to start a new chapter in Sitka. Eisenbeisz stated Sitka Community Hospital financials had been distributed by the Clerk, and Hunter reminded there was a Police and Fire Commission meeting on November 29th. One of the topics to be discussed was fireworks.

Clerk - Peterson read a list of board/commission/committee vacancies.

Other - Knox also found the Alaska Municipal League Conference to be valuable. He congratulated Baranof Barracudas Swim Club members, Whitney McArthur, Skylar Moore, Jessica Davis and Kyleigh McArthur for breaking the Alaska Swimming 400 medley relay race record for girls age 15-16.

IX. CONSENT AGENDA

- A 16-199** Approve the minutes of the November 8 Assembly meeting

A motion was made by Guevin that the Consent Agenda consisting of item A be APPROVED. The motion PASSED by a unanimous voice vote.

X. BOARD, COMMISSION, COMMITTEE APPOINTMENTS

- B 16-203** Reappoint: 1) Joe D'Arienzo and Lisa Moore to terms on the Tree and Landscape Committee, 2) Michael Reif to a term on the Investment Committee, and Appoint: 1) Anthony Treas to a term on the Health Needs and Human Services Commission, and, 2) Cynthia Pickering Christianson to a term on the Parks and Recreation Committee

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

Yes: 6 - Eisenbeisz, Guevin, Potrzuski, Hunter, Knox, and Bean

Absent: 1 - Swanson

XI. UNFINISHED BUSINESS:

- C 16-190** Transfer \$440,862 from the FY16 General Fund balance to the Public Infrastructure Sinking Fund (*postponed from October 25 meeting*)

Guevin shared he was not in support of making a transfer to the Public Infrastructure Sinking Fund at this time. He wished to have these monies available in the event more funding was needed for landslide legal fees.

A motion was made by Bean that this Item be APPROVED. The motion FAILED by the following vote.

No: 6 - Eisenbeisz, Guevin, Potrzuski, Hunter, Knox, and Bean

Absent: 1 - Swanson

Knox also expressed a desire to leave this money in the General Fund for the time being.

A motion was made by Potrzuski to transfer zero dollars of the FY16 General Fund balance to the Public Infrastructure Sinking Fund. The motion PASSED by the following vote.

Yes: 6 - Eisenbeisz, Guevin, Potrzuski, Hunter, Knox, and Bean

Absent: 1 - Swanson

XII. NEW BUSINESS:

- D 16-200** Approve a retail marijuana store license for Northern Lights Indoor Gardens, LLC at 1321 Sawmill Creek Road Suite O & P
- Municipal Attorney Brian Hanson recused himself from providing legal advice on this item. While in private practice, he had assisted the applicants in forming their operating agreement.
- Potrzuski and Hunter stated the conditional use permit for retail sales had been approved by the Planning Commission and thoroughly vetted by the State.
- A motion was made by Knox that this Item be APPROVED. The motion PASSED by the following vote.**
- Yes:** 6 - Eisenbeisz, Guevin, Potrzuski, Hunter, Knox, and Bean
- Absent:** 1 - Swanson
- E ORD 16-43** Authorizing the lease of 27,893 square feet of ATS 979 tidelands adjacent 4401 Halibut Point Road (first reading)
- Knox stated he had been in attendance at a Planning Commission meeting when this item and had been discussed and relayed the Commission was supportive of the application.
- Eisenbeisz asked the Municipal Attorney to explain Section 2.2 "Cost of Living Adjustment to Lease Rate" in which the tenant was required to make such adjustments on its own each year. Eisenbeisz wondered of enforcement. Hanson noted it was an acceptable contractual provision, and if the tenant did not make the adjustment, legal action could be taken. Gorman shared that staff was working on the creation of a database to manage leases more efficiently.
- A motion was made by Potrzuski that this Ordinance be APPROVED on FIRST READING. The motion PASSED by the following vote.**
- Yes:** 6 - Eisenbeisz, Guevin, Potrzuski, Hunter, Knox, and Bean
- Absent:** 1 - Swanson
- F RES 16-24** Submitting City and Borough of Sitka FY 2018 State Legislative Priorities to State of Alaska and 2017 Legislature (first and final reading)
- Guevin didn't wish to see any changes made to the presented document. He did,

however, urge the Assembly to think about two items for consideration in the future advocating for some changes at the State level: 1) an increase in the homestead exemption and 2) the equitable rate requirement. Hunter shared a discussion he had with Senator Stedman. The Senator had encouraged the Assembly to include the Katlian Bay Road project, a State project, in the FY18 Legislative Priorities. Consensus of the Assembly was to not include it at this time given there was designated funding for the project.

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

Yes: 6 - Eisenbeisz, Guevin, Potrzuski, Hunter, Knox, and Bean

Absent: 1 - Swanson

G ORD 16-42

Adjusting the FY17 Budget (Sitka Community Hospital, GPIIP Multi-Purpose Dock Project, Homeland Security/Fire Department first reading)

Eisenbeisz noted the contingency money for the Gary Paxton Industrial Park (GPIP) multi-purpose dock was slated to come from the GPIIP Working Capital (\$125,000) and the Bulk Water Fund (\$125,000) which was a good balance if the contingency was needed.

Regarding the Hospital Support, Administrator Gorman noted the request for \$109,429 was an FY16 appropriation to be funded out of FY17. The final completion of the two capital projects did not occur until after the end of FY16.

Bean stated he had issues with how the GPIIP multi-purpose dock was bid.

Garry White, Director of the Gary Paxton Industrial Park, reminded grant funds would not be used for the dock contingency. He noted the contingency funding was important to keep the project moving forward in the event there were issues. Bean reiterated he was concerned with how the project was bid, the legality of it, and was unaware the Municipal Administrator had the authority to approve the project.

A motion was made by Bean to AMEND Ordinance 2016-42 by striking the verbiage for \$250,000 in contingency funding for the Gary Paxton Industrial Park multi-purpose dock. The motion to AMEND FAILED by the following vote.

Yes: 1 - Bean

No: 5 - Eisenbeisz, Guevin, Potrzuski, Hunter, and Knox

Absent: 1 - Swanson

A motion was made by Knox to DIVIDE THE QUESTION and address the three parts of Ordinance 2016-42 individually. The motion PASSED by the following vote.

Yes: 6 - Eisenbeisz, Guevin, Potrzuski, Hunter, Knox, and Bean

Absent: 1 - Swanson

Chief Finance and Administrative Officer, Jay Sweeney, verified there had been no prior supplemental appropriations for Sitka Community Hospital for FY17. He reminded that all appropriations lapse at the end of the fiscal year with the exception of appropriations

for portions of the capital plan and encumbered funds. When an appropriation lapsed it went back into the General Fund balance which was what occurred in this case and why a new appropriation was needed.

A motion was made by Potrzuski to APPROVE the "General Fund: Hospital Support" portion of Ordinance 2016-42. The motion PASSED by the following vote.

Yes: 6 - Eisenbeisz, Guevin, Potrzuski, Hunter, Knox, and Bean

Absent: 1 - Swanson

Guevin shared this appropriation was one he had struggled with. He wished to learn more about the targeted market of the dock, revenue projections and insurance costs. Gorman noted the project could still move forward without approval of the contingency money but certain aspects of the dock may need to be scaled back.

A motion was made by Knox to APPROVE the "Capital Projects: GPIIP Multi-Purpose Dock Project" portion of Ordinance 2016-42. The motion PASSED by the following vote.

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

No: 1 - Bean

Absent: 1 - Swanson

A motion was made by Potrzuski to APPROVE the "Special Revenue Funds: SHSP Project" portion of Ordinance 2016-42. The motion PASSED by the following vote.

Yes: 6 - Eisenbeisz, Guevin, Potrzuski, Hunter, Knox, and Bean

Absent: 1 - Swanson

H 16-201 ~~Discussion/Direction/Decision on the recruitment process for Municipal Administrator~~ PULLED

This item was PULLED from the agenda. It was noted this item would be discussed at the December 13th Assembly meeting.

I 16-202 Discussion/Direction from the November 19 Assembly Visioning Session

Assembly members expressed opinions on subsidizing the electric fund, service reductions, revenue generating options, and the use of reserves. General direction provided to the Municipal Administrator was: 1 million in cuts to General Fund services, 1 million in an electric utility subsidy yet to be determined, and to balance out the remainder in revenue/reserves.

XIII. PERSONS TO BE HEARD:

Alene Henning spoke to the concern of the cell phone law not being enforced.

Rachel Roy reminded citizens of tax free days on November 25 & 26 and urged folks to shop local.

Robert Haddle, a citizen of Sitka for 7 years, had recently been out of town for work related reasons and expressed his joy at returning to Sitka; a wonderful place to live.

XIV. EXECUTIVE SESSION

None.

XV. ADJOURNMENT

A motion was made by Potrzuski to ADJOURN. Hearing no objections, the meeting ADJOURNED at 8:42pm.

ATTEST: _____

**Sara Peterson, CMC
Municipal Clerk**