



CITY AND BOROUGH OF SITKA

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

Minutes - Draft City and Borough Assembly

*Mayor Cheryl Westover
Deputy Mayor Pete Esquiro, Vice-Deputy Mayor Thor
Christianson,
Terry Blake, Phyllis Hackett, Mim McConnell, and Mike Reif*

*Municipal Administrator: Jim Dinley
Municipal Attorney: Theresa Hillhouse
Municipal Clerk: Colleen Ingman, MMC*

Tuesday, December 13, 2011

6:00 PM

Assembly Chambers

REGULAR MEETING

I. CALL TO ORDER

II. FLAG SALUTE

III. ROLL CALL

Present: 6 - Westover, McConnell, Blake, Esquiro, Reif, and Hackett

Absent: 1 - Christianson

IV. CORRESPONDENCE/AGENDA CHANGES

Government-to-Government Update with Sitka Tribe of Alaska

None.

V. CEREMONIAL MATTERS

11-226 Proclamation - National Homeless Persons' Memorial Day

Assembly Member McConnell read a proclamation proclaiming December 21st as National Homeless Persons' Memorial Day and held a moment of silence. McConnell added a vigil would be held December 21st at Crescent Harbor Shelter.

This item was HEARD.

VI. PERSONS TO BE HEARD

None.

VII. SPECIAL MUNICIPAL REPORTS

- 11-224** Pacific High School Schematic Design and Cost Estimate - John Weir of McCool, Carlson, & Green.

John Weir of McCool, Carlson, and Green gave an update on the Pacific High School Schematic Design and Cost Estimate. School Board Member, Tim Fulton, and Superintendent, Steve Bradshaw, shared comments about the process and thanked the community for their support. Some Assembly members expressed concern regarding the proposed flat roof design. Municipal Engineer, Stephen Weatherman, hoped the remodeling project would be out to bid in March 2012.

- 11-225** FERC Land Use Fee Increase - Chris Brewton

Utility Director, Chris Brewton, provided background and an update on the fee increase with the Federal Energy Regulatory Commission.

VIII. REPORTS

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

Mayor - Has had conversations with Rick Harris of Sealaska regarding the MOA on Redoubt. She stated she would continue to work on this matter over the holidays.

Administrator - Noted he would be on vacation December 15 through January 2. Wished everyone a happy holiday season and urged folks to give to those in need at this time of year.

Liaison Representatives - McConnell noted the Tourism Commission would be working on a signage project. The Commission recently voted on making changes to the Tourism Commission ordinance. Hackett attended the recent Park and Rec Committee meeting and also received a tour of Sitka Community Hospital. Esquiro attended the SCIP Board meeting and provided a brief report. Westover attended the LEPC meeting and thanked the Commission and all those involved with the free flu shot clinic over the weekend.

Other - McConnell attended the SCIP Board meeting as a representative of Sitka Community Development Corporation. Reif said he had enjoyed his time on the Assembly thus far and thanked fellow members.

IX. CONSENT AGENDA

- A** **11-230** Approve the minutes of the November 29, 2011 Assembly meeting.

This item was APPROVED ON THE CONSENT AGENDA.

X. UNFINISHED BUSINESS:

- B** **ORD 11-48** Regarding repayment of expenses and interest associated with purchase, development and sale of benchlands properties to the Sitka General Fund and other funds, and deposit net proceeds from sales into the Sitka Permanent Fund.

In response to a question by Reif, Sweeney commented the loss of interest income from the general fund for purchase of the Benchlands was approximately \$120,000.

McConnell noted after the sale of the lots, property tax would be generated providing income.

Hackett wished to see some of the lots sold and not be developed to allow for alternative lifestyles. Blake agreed.

A motion was made by McConnell that this Ordinance be APPROVED. The motion PASSED by the following vote.

Yes: 6 - Westover, McConnell, Blake, Esquiro, Reif, and Hackett

Absent: 1 - Christianson

- C ORD 11-49** Amending the payment period for purchases of Lots 1 through 9 in Whitcomb Heights II Subdivision along Jacobs Circle.

Planning Director, Wells Williams, indicated passage of this ordinance would give prospective buyers 60 days after the \$500 deposit to conduct additional research on the lot and then if they were to decide not to purchase it they could withdraw and forfeit their deposit. He urged the Assembly to have patience with the lot sales. Based on the Indian River lot sales, it could take two to three years to sell all the lots.

A motion was made by Reif that this Ordinance be APPROVED. The motion PASSED by the following vote.

Yes: 6 - Westover, McConnell, Blake, Esquiro, Reif, and Hackett

Absent: 1 - Christianson

XI. NEW BUSINESS:

New Business First Reading

- D ORD 11-51** Authorizing assigning of Ground Control, LLC Tenant Sublease at Sitka Rocky Gutierrez Airport Terminal Building from Cory Jo Kelly and Doug Rendle to Sunni Keith.

A motion was made by McConnell that this Ordinance be PASSED ON FIRST READING. The motion PASSED by the following vote.

Yes: 6 - Westover, McConnell, Blake, Esquiro, Reif, and Hackett

Absent: 1 - Christianson

Additional New Business Items

- E 11-227** Whitcomb Heights III Subdivision Outcry Auction.

Wells Williams, Planning Director, indicated the party who had previously made a deposit on 4 lots had decided to withdraw his deposit. There were no other bidders.

A motion was made by Hackett for the Planning Office to make the lots available for over the counter sale beginning at 9am December 14th. The motion PASSED by the following vote.

Yes: 6 - Westover, McConnell, Blake, Esquiro, Reif, and Hackett

Absent: 1 - Christianson

- F 11-228** Authorize the purchase of up to \$2,076,000 in diesel fuel for Electric Department supplemental generation operations.

Municipal Administrator Dinley explained this ordinance would allow money to be transferred from one account to another for purchase of fuel. Utility Director, Chris Brewton, urged the public to switch from electric heat to an alternate source when possible.

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

Yes: 6 - Westover, McConnell, Blake, Esquiro, Reif, and Hackett

Absent: 1 - Christianson

A recess was taken from 7:42pm to 7:49pm.

- G 11-231** Authorize the City and Borough of Sitka to enter into a contract for \$7,500.00 with Arbitrage Compliance Specialists, Inc. to prepare and file a Request for Recovery of Overpayment of rebate with the Internal Revenue Service.

Finance Director, Jay Sweeney, explained the item. Approval would allow CBS to hire an arbitrage firm to recover funds that had been overpaid by the City to the IRS. It was estimated the City could recover up to \$135,502.

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

Yes: 6 - Westover, McConnell, Blake, Esquiro, Reif, and Hackett

Absent: 1 - Christianson

- H 11-229** Discuss and approve recoupment of grant administration costs to include either 5% of the grant amount, or \$500, whichever is higher.

Finance Director, Jay Sweeney, explained the recommendation. He posed the question: Should the general governmental operations of the City and Borough of Sitka be asked to bear all of the costs of grants administration, or, should some of the costs be passed on to the grantee. He suggested the administrative fees for grant administration be 5% of the grant amount, with a minimum fee of \$500 and a maximum fee of \$6,000 (equivalent to 120 annual man hours at \$50/hour).

Utility Director, Chris Brewton, said the enterprise funds, such as the electric department, already paid inter-department service fees; he was not in favor of paying again.

Carolyn Servid, Dorik Mechau, Bob Medinger, and Peter Gorman came forward to voice their concerns.

Assembly members discussed the issue and possible ideas. Members agreed it was a complicated issue and agreed with the idea of recouping costs but were unsure of the method to use. It was decided to postpone the item so staff could have more time to develop the best possible proposal.

A motion was made by Reif that this Item be POSTPONED and be revisited on or before the first meeting in February. The motion PASSED by the following vote.

Yes: 6 - Westover, McConnell, Blake, Esquiro, Reif, and Hackett

Absent: 1 - Christianson

XII. PERSONS TO BE HEARD:

Utility Director, Chris Brewton, provided a visual illustration to the Assembly on the importance of switching to non-electric heat.

Mike Reif, speaking as a member of the public, expressed confusion with the approval process of the Pacific High School remodeling project.

XIII. ADJOURNMENT

A motion was made by McConnell that the meeting be ADJOURNED. Hearing no objections the meeting ADJOURNED at 9:22pm.

ATTEST: _____
Sara Peterson
Deputy Clerk