



CITY AND BOROUGH OF SITKA

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

Minutes - Final City and Borough Assembly

Tuesday, February 11, 2014

6:00 PM

Assembly Chambers

WORKSESSION: 5:00PM to 5:50PM

[14-033](#)

Community Land Trust Presentation

Mike Brown a partner with Burlington Associates hired as a consultant by Sitka Community Development Corporation gave a presentation and answered questions regarding a Community Land Trust proposal for Sitka.

REGULAR MEETING

I. CALL TO ORDER

II. FLAG SALUTE

III. ROLL CALL

Present: 6 - McConnell, Hunter, Esquiro, Reif, Swanson, and Miyasato

Excused: 1 - Hackett

IV. CORRESPONDENCE/AGENDA CHANGES

None.

[14-032](#)

Correspondence Materials

V. CEREMONIAL MATTERS

None.

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

Tim Fulton with Sitka School District announced that February is the month they recognize the School Board. Their math committees are busy picking curriculum. Lon Garrison, board president, spent time in Washington DC and in Juneau advocating for Sitka youth and education issues. Executed a working agreement between the District, Sitka Tribe and the Parks Service on knowledge of herring. Thanked everyone involved with the superintendent selection and reminded that tomorrow from 5-6:30 PM there is an opportunity to meet superintendent candidates and

Thursday they plan to conduct interviews. Pacific High will hold an Open House February 17th, 5-7 PM.

Representative Jonathan Kreiss-Tomkins spoke telephonically to capital projects and revenue sharing and related that, in short, the state is going broke exhausting reserves by 2022. The capital budget is looking skeletal. He believes that the Alaska Marine Highway, Fisheries and Education will struggle for funding after this year. An invasive tunicate contract of \$500,000 still included. He will be presenting HB 201 concerning herbicides spraying and their relation to water sheds etc.

Tonia Rioux, Director of the Sitka Convention and Visitors Bureau gave an overview on their accomplishments to date. They plan on hiring someone who will be involved in marketing and media. Went over their FY 2014 Funding. Spoke to the services they offer and their newest publication, and the travel and trade shows they attended in 2013.

VII. PERSONS TO BE HEARD

None.

VIII. REPORTS

a. Mayor, b. Administrator, c. Attorney, d. Liaison Representatives, e. Clerk, f. Other **3 minutes each**

Mayor - Attended the following events: Change of Command for the USCG Maple, SHS Drama Debate, Health Needs and Human Services Committee (where they listen to testimony on the smoking ordinance), and the School Board Worksession. She will be traveling to Juneau later this week, AML and Washington DC. March 2.

Administrator - Submitted the Alaska Energy Project. Gave kudos to Brewton and Sweeney for their work. Traveled to Florida with Chris McGraw, where they had many one-on-one conversations with cruise line officials. It is a relational business. Sitka is clearly seen as an authentic and real port of call. The Cruise Industry was interested on how the head tax dollars are being spent in Alaska and we were able to showcase to some of our projects, of which they were pleased. Especially the cost of the shuttle bus to the Old Sitka Dock. One thing Sitka needs to address is the limited number of shore excursions offered. This coming year will probably be our low point in visitor numbers. Celebrity is to add three additional ships in 2015. The Disney Wonder and Norwegian Pearl will both have inaugural trips in May. Payment in Lieu of Taxes (PILT) has been signed by the President. The pilings in ANB are at 65% completion.

Liaisons - Swanson attended STA Tribal Counsel and Police and Fire where they are beginning to address parking ticket appeals.

Reif attended Health Needs Commission meetings where they supported the smoking clarification ordinance as written. Attended UAA Hard Rock Underground Mining presentation. Mining has made huge leaps. Water quality is the biggest concern and the resulting water quality tests are excellent.

Hunter informed that Ports and Harbors meets tomorrow at 6 PM where they are busy rewriting the harbor code.

Clerk - Mentioned that there were dollars budgeted to attend Southeast Conference and neither the mayor or deputies are able to attend. Therefore, she handed out the proposed agenda and asked if anyone is interested to advise her office in the next

couple days.

Other - Reif asked Harmon about roll over Passenger Fee Funds from the Crescent Harbor Parking Lot project. Harmon responded that they will be coming to the Assembly in the next month or so for approval and final design.

IX. CONSENT AGENDA

X. UNFINISHED BUSINESS:

- A** [ORD 14-03A](#) Amending Sitka General Code Sections 3.16.030 entitled "Open Market Procedures", 3.16.060 entitled "Exceptions to Competitive Bidding Requirements", and adding Section 3.16.080 entitled "Procurement Monitoring"

A motion was made by Swanson to approve this ordinance. The motion PASSED on the following vote.

Yes: 6 - McConnell, Hunter, Esquiro, Reif, Swanson, and Miyasato

Absent: 1 - Hackett

XI. NEW BUSINESS:

New Business First Reading

- B** [ORD 14-04](#) Authorizing renewal of sublease of space by Nugget Restaurant at the Sitka Rocky Gutierrez Airport Terminal Building

A motion was made by Swanson to approve the sublease renewal. The motion PASSED on the following vote.

Yes: 6 - McConnell, Hunter, Esquiro, Reif, Swanson, and Miyasato

Absent: 1 - Hackett

Additional New Business Items

C

Miyasato recused himself as he has a conflict with his legislative role with STA and additionally, serves as STA's chairman of Transportation Committee.

Gerry Hope, a member of the Transportation Committee explained their request.

Reif asked for clarification, of if it is STA's desire that the City include \$25,000 in their FY2015 budget.

Sweeney apologized that he was of the understanding the request was for FY14 year and his memo reflected that. Reif sees the request as premature. Hunter echoed it is very difficult to prioritize until they see the budget. Following Reif's motion Gorman

said he will place this a a place holder to be brought forward during the budget process.

A motion was made by Reif to direct the Administrator to add a place holder for up to \$25,000 for consideration of Community Ride's request in the FY2015 Budget. The Motion PASSED on the following vote.

Yes: 6 - McConnell, Hunter, Hackett, Esquiro, Reif, and Swanson

Recused: 1 - Miyasato

D [14-027](#)

Approve a loan in the amount of \$350,000 to the Baranof Island Brewing Company from the Southeast Alaska Economic Development Revolving Loan Fund

Mayor recused herself as they were one of her clients over the past year. Deputy Mayor Hunter assumed chairmanship of the meeting.

Rick Armstrong and Suzan Hess with Baranof Island Brewing Company spoke to the application, stating they have been working with Sweeney to provide a Performa. They were asked about a possible purchase of a building next door. They have looked at every available property and one in the neighborhood because they are looking to expand. As of the last conversation they do not have any plans to purchase property. This loan request is already earmarked, with plans to operate in the present location. This process began months before that property came up on the market.

Reid noticed that canning of beer is taking off. Armstrong informed that three lines are already operating in Alaska - a mini keg in a can. Cost of bottles and the associated shipping is high. Shelf life is 6-9 months longer with cans. This particular loan will be used for upgrades in equipment and allow them to do double batches.

Esquiro mentioned that they had been before the Assembly a couple times and wondering how many times they foresaw coming before the Assembly in the future. Esquiro inquired as to the Economic Development Load Fund balance, Sweeney responded #3,000,000. Esquiro had further questions wondering if this was the only financing they had available and had they thought about selling shares? Hess felt their loan request fit the program because they are growing economically and it is difficult for a small business to get a loan.

Reif had a question on the terms of this loan on whether Sweeney would be allowed to discuss with other members of staff and the Assembly. Sweeney and the borrower indicated yes. Sweeney added that one of the risks can become cash flow challenges. One of the things we need to assure is that we would have significant warning. He has met with the Armstrong's and they wish to keep their business records private as possible to be able to compete and that resulted in this provision.

Armstrong believes this is a good investment with a brewery and realizes the city doesn't want to own a brewery. In the unlikely event that happened the business and its assets would be very liquidable. They have also invested a substantial amount of money personally.

Swanson supports because it is bringing jobs and helping the economy. Deputy Mayor Hunter pointed out that it is new money and wished them the best of luck.

A motion was made by Swanson to approve the loan. The motion PASSED on the following vote

Yes: 4 - Hunter, Reif, Swanson, and Miyasato

No: 1 - Esquiro

Excused: 1 - Hackett

Recused: 1 - McConnell

- E** [14-028](#) Approve a special emergency grant submitted by the Sitka Community Development Corporation in the amount of \$7500
- Randy Hughey spoke to the Community Land Trust. A presentation was held earlier in an hour long worksession. Mike Brown spoke to the number of homes. The largest CLT is in Vermont. There are 13,500 nationwide. Esquiro inquired where was the smallest population. Probably Deadwood, South Dakota.
- Miyasato pointed out when he ran last year one of the major issues was affordable housing in Sitka. At least four families were physically leaving because they could not afford to live here. Deadwood's population is 1300. Hunter asked if there is land already identified. Mim McConnell, Executive Director of the Community Development Corporation stated that they have a grant in which Michael Brown was hired and there is a timeframe to submit. Esquiro stated we are goin on faith that is going to go through and that something will happen and if it doesn't the \$7,500 is chalked up to experience. McConnell is confident it will happen.
- A motion was made by Swanson that this Item be APPROVED. The motion PASSED by the following vote.**
- Yes:** 4 - Hunter, Reif, Swanson, and Miyasato
- No:** 1 - Esquiro
- Absent:** 1 - Hackett
- Recused:** 1 - McConnell
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- F** [14-029](#) Authorize the Municipal Administrator to execute a lease between S&S General Contractors and CBS for Block 4 Lots 3 and 6 of the Sawmill Cove Industrial Park
- A motion was made by Miyasato that thie Item be APPROVED. The motion PASSED by the following vote.**
- Yes:** 6 - McConnell, Hunter, Esquiro, Reif, Swanson, and Miyasato
- Absent:** 1 - Hackett
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- G** [14-030](#) Authorize the Municipal Administrator to execute Amendment No. 2 to the lease agreement between CBS and S&S General Contractors & Equipment Rentals Inc. to extend the lease for approximately 38,000 square feet of property located at the Granite Creek Industrial area "Pit Run" site for approximately 6 months
- A motion was made by Hunter that this Item be APPROVED. The motion PASSED by the following vote**
- Yes:** 6 - McConnell, Hunter, Esquiro, Reif, Swanson, and Miyasato
- Absent:** 1 - Hackett

H [14-025](#) Authorize the Municipal Administrator to execute a contract with Shaw Environmental, Inc; a Chicago Bridge & Iron Company to complete a not to exceed time and materials contract for the City and Borough of Sitka Municipal Solid Waste Management Plan and transfer up to \$250,000 from the Solid Waste Fund available working capital to project #90764 to create a budget for this work

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

Yes: 5 - McConnell, Hunter, Reif, Swanson, and Miyasato

No: 1 - Esquiro

Absent: 1 - Hackett

XII. PERSONS TO BE HEARD:

None.

XIII. EXECUTIVE SESSION

XII. ADJOURNMENT

With no further business nor objection the Mayor ADJOURNED the meeting. The meeting ADJOURNED at 8:05 PM.

ATTEST: _____
Colleen Ingman, MMC
Municipal Clerk