



CITY AND BOROUGH OF SITKA

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

Minutes - Final

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, April 25, 2017

6:00 PM

Assembly Chambers

REGULAR MEETING

I. CALL TO ORDER

II. FLAG SALUTE

III. ROLL CALL

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

Absent: 2 - Swanson, and Eisenbeisz

IV. CORRESPONDENCE/AGENDA CHANGES

[17-083](#) Reminders, Calendars and General Correspondence

No agenda changes.

V. CEREMONIAL MATTERS

[17-074](#) Certificate of Appreciation - Dorothy "Brownie" Thompson

Mayor Hunter read and presented a certificate of appreciation to Dorothy "Brownie" Thompson for her volunteer work at the Halibut Point State Recreation Area.

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

School Board member, Dr. Tom Conley, updated the Assembly on state funding reductions and noted the District was aware of the upcoming budget submittal deadline to the City. Conley announced the School Board had voted to restore the City's funding reduction of \$239,000.

VII. PERSONS TO BE HEARD

Alene Henning spoke in opposition to cell phone use while driving.

Rachel Roy briefed the Assembly on her attendance at the Alaska Education Challenge in Anchorage.

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

Administrator - Gorman extended well wishes to Fire Chief Dave Miller, congratulated Emily Kwong on recent press awards, received an update from SEARHC on their portion of a mangement proposal to be completed late May. Once Sitka Communitys Hospital's portion was received a worksession with the Assembly would be scheduled.

Liaisons - Guevin briefed the Assembly on the April 24 Investment Committee meeting.

Other - Knox stated he was contacted to be part of a planning assessment group interetsed in researching the possibility of a new Police Department building.

IX. CONSENT AGENDA

- A** [17-075](#) Approve the minutes of the April 6 Assembly meeting

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

X. BOARD, COMMISSION, COMMITTEE APPOINTMENTS

- B** [17-076](#) Reappoint Anne Pollnow to a three-year term on the Historic Preservation Commission

Assembly member Guevin thanked Pollnow for reapplying and for the level of expertise brought to the Commission.

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

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

Absent: 2 - Swanson, and Eisenbeisz

XI. UNFINISHED BUSINESS:

- C** [17-077](#) Discussion/Direction/Decision on Municipal Administrator recruitment services

Mark Danielson, Human Resources Director, reviewed the recruitment options: 1) enter into a contract with a recruiter or 2) the municipality could readvertise.

Bean expressed an interest in the municipality readvertising and worried a recruiter may not have an understanding of Sitka or the municipality's needs. Assembly members Guevin, Potrzuski, and Knox spoke in support of a recruitment firm and a facilitated process.

A motion was made by Potrzuski to authorize the City and Borough of Sitka enter into a contract with Prothman for Municipal Administrator recruitment services. The motion PASSED by the following vote.

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

Absent: 2 - Swanson, and Eisenbeisz

D [ORD 17-05S](#)

Amending Sitka General Code Chapter 15.01 entitled "Electric Utility Policies" by amending Section 15.01.020 entitled "Electrical Rates" (*third and final reading*)

Former Assembly member, Mike Reif, spoke in support of the ordinance. Reif urged the Assembly to consider a balance between future generations and today's needs. He encouraged the Assembly to support the rate increase rather than not - thereby passing the issue on to future generations.

Assembly members Potrzuski, Guevin and Knox, stated that while a rate increase was an extremely difficult decision to make it was the right one. Guevin noted the increase was based on the best analysis that the 15 cents/kwh rate helped the City reach the balance of cost/use and enabled the City to meet the bond covenant. In addition, he reminded \$400,000 had been set aside for a needs based subsidy. Knox urged those businesses interested in switching over to electric to contact the Electric Department.

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

Yes: 4 - Guevin, Potrzuski, Hunter, and Knox

No: 1 - Bean

Absent: 2 - Swanson, and Eisenbeisz

E [ORD 17-10](#)

Amending Sitka General Code Chapter 9.24 entitled "Bear Attraction Nuisance" by amending Section 9.24.050 entitled "Fines"

Potrzuski shared he had been contacted by citizens who suggested that the fines be seasonal. Hunter and Knox stated the Police Department didn't intend to go from trash can to trash can fining people. The fine schedule was put in place to ultimately react to those individuals who chose not to be responsible with trash disposal. Bean reminded we lived in a community with bears and could only go so far fining people for not taking care of trash appropriately. Bean spoke to safety and wondered when a bear was deemed a public safety issue.

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

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

Absent: 2 - Swanson, and Eisenbeisz

XII. NEW BUSINESS:**New Business First Reading**

- F** [ORD 17-12](#) Authorizing the lease of 1000 square feet of US Survey 3377 Griffith Island also known as 725 Siginaka Way
- Mayor Hunter explained this was a lease ordinance for property at 725 Siginaka Way. Planning Director, Michael Scarcelli, spoke to the lease terms: the annual lease payment was \$6,000 (\$500/month) with a term of 5 years with the option to renew. Hunter stated this business was going to use the Eliason Harbor parking lot. He would be interested in a discussion to dedicate some or all of the revenue to the Harbor Enterprise Fund.
- A motion was made by Guevin that this Ordinance be APPROVED on FIRST READING. The motion PASSED by the following vote.**
- Yes:** 5 - Guevin, Potrzuski, Hunter, Knox, and Bean
- Absent:** 2 - Swanson, and Eisenbeisz
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- G** [ORD 17-11](#) Adjusting the FY17 Budget (*Fire Department Operations, Crescent Harbor Playground Project, Commercial Passenger Excise Tax*)
- Administrator Gorman noted at the last meeting a question had been raised as to the legality of using CPET funds for the Sitka Historical Society if an admission fee was charged. Gorman stated staff had researched the issue. He reminded there were no black and white rules on the use of CPET funds but in speaking with other municipalities who had similar projects he felt the risk was low and confident in the use of CPET funds for this project.
- A motion was made by Knox that this Ordinance be APPROVED on FIRST READING. The motion PASSED by the following vote.**
- Yes:** 5 - Guevin, Potrzuski, Hunter, Knox, and Bean
- Absent:** 2 - Swanson, and Eisenbeisz

Additional New Business Items

- H** [17-081](#) Discussion/Direction on Halibut Point Marine Services add-on proposal for downtown shuttle service
- Mayor Hunter explained the add-on shuttle (Lincoln Street) was a topic of conversation at the last meeting when the award was made for shuttle services between Old Sitka Dock and Harrigan Centennial Hall. Administrator Gorman stated he had spoke with Chris McGraw of Old Sitka Dock and the minimum amount needed to pilot the project was \$6,000. Gorman noted Sitka Tribe of Alaska had contacted the Assembly stating they currently provide this service for a fee and would be interested in an RFP process. Gorman reminded the RFP process could take another month. He suggested the Assembly may want to delay action until the next tourist season allowing time for downtown merchants to weigh in and then issue an RFP in early 2018. Assembly members agreed and suggested a well thought out process would be better than a rushed one. Guevin offered there may be a possibility for a government to government collaboration with Sitka Tribe of Alaska.

- I [17-078](#) Discussion/Direction on the funding source for the FY17 Electric Fund subsidization
- Mayor Hunter reminded that despite the electric rate increase, a subsidization of the Electric Fund for FY2017 was needed. He summarized a memo provided by the Chief Finance and Administrative Officer in which Sweeney estimated an additional subsidy of approximately \$235,000 was required. Sweeney reminded the exact amount, however, could not be estimated in advance because the subsidy was dependent on electric consumption through the remainder of the year. That said, it was recommended the Assembly appropriate \$400,000 as an additional subsidy in order to afford Administration the latitude to meet covenant requirements if the \$235,000 was insufficient. It was recommended the General Fund be the source of the additional funding.
- A motion was made by Guevin to direct the Administrator to appropriate \$400,000 for an additional subsidy to the Electric Fund from the General Fund unassigned balance. The motion PASSED by the following vote.**
- Yes:** 4 - Guevin, Potrzuski, Hunter, and Knox
- No:** 1 - Bean
- Absent:** 2 - Swanson, and Eisenbeisz
- J [17-082](#) Authorize the Municipal Administrator to enter into an Investment Management Contract with Alaska Permanent Capital Management for Operating Investments
- Potrzuski wondered of the risk. Chief Finance and Administrative Officer, Jay Sweeney, stated there was risk in not taking action. As an institutional manager of funds, Sweeney had an investment policy to follow, however, did not have the resources that would be made available to a professional investor. He offered that of all municipalities in Alaska, of the same size as Sitka or larger, Sitka was the only municipality that managed its own operating funds. Guevin noted the Investment Committee was in support of this decision.
- A motion was made by Potrzuski to authorize the Municipal Administrator to enter into an Investment Management Contract with Alaska Permanent Capital Management for Operating Investments. The motion PASSED by the following vote.**
- Yes:** 5 - Guevin, Potrzuski, Hunter, Knox, and Bean
- Absent:** 2 - Swanson, and Eisenbeisz
- K [17-080](#) Reassignment of Assembly Liaisons: Gary Paxton Industrial Park Board, Sitka Community Hospital Board, SEDA
- Mayor Hunter noted Assembly member Eisenbeisz had chosen three of the busiest assignments. Since publication of the agenda, Eisenbeisz had requested to remain the liaison for the Sitka Community Hospital Board. Potrzuski offered to take over the liaison seat on the Gary Paxton Industrial Park Board and Bean offered to be the Assembly liaison for the Sitka Economic Development Association.

XIII. PERSONS TO BE HEARD:

None.

XIV. EXECUTIVE SESSION

L [17-079](#) Possible Executive Session: Litigation Update - Dapcevich Lawsuit

Municipal Attorney, Brian Hanson, reported Michael Gatti (outside legal counsel) was unavailable this evening and therefore this item would be discussed at the next meeting.

XV. ADJOURNMENT

A motion was made by Potrzuski to ADJOURN. Hearing no objections, the meeting ADJOURNED at 7:58pm.

ATTEST: _____
Sara Peterson, CMC
Municipal Clerk