



# 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*

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Tuesday, March 28, 2017

6:00 PM

Assembly Chambers

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#### REGULAR MEETING

#### I. CALL TO ORDER

#### II. FLAG SALUTE

#### III. ROLL CALL

**Present:** 5 - Swanson, Guevin, Hunter, Knox, and Bean

**Absent:** 2 - Eisenbeisz, and Potrzuski

#### IV. CORRESPONDENCE/AGENDA CHANGES

None.

#### V. CEREMONIAL MATTERS

[17-052](#)

Proclamation - AmeriCorps Day

Mayor Hunter read and presented a proclamation declaring April 4th as AmeriCorps Day in Sitka.

#### 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 Chair, Kathy Hope Erickson, provided an overview of recent events.

[17-053](#)

Sea Lion Education - NOAA, Kim Raum Suryan

Kim Raum-Suryan of NOAA shared information on the problems associated with feeding sea lions: habituation, aggression, negative impacts on fisheries,

entanglement, injury and death. Raum-Suryan stressed the importance of not feeding sea lions, educating others about the negative impacts of feeding sea lions, encouraged communities to establish a "no feeding" policy, and to keep docks and boats clean and dispose of fishwaste properly.

Wyn Menefee, Deputy Director of the Trust Land Office for Alaska Mental Health Trust Authority, reported on a proposed land exchange with the US Forest Service in various locations in Southeast Alaska.

## VII. PERSONS TO BE HEARD

Lynne Brandon, representing the Sitka Community Playground Committee, announced a fundraising event scheduled for April 1 at the Sheet'ka Kwaan Naa Kahidi Tribal Community House.

## VIII. REPORTS

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

Acting Municipal Administrator, Jay Sweeney, announced Assembly member Potrzuski; Municipal Administrator, Mark Gorman; and Community Affairs Director, Maegan Bosak were in Washington, DC lobbying on behalf of the Municipality.

## IX. CONSENT AGENDA

**A motion was made by Swanson that the Consent Agenda consisting of Items A & B be APPROVED. The motion PASSED by the following vote.**

**Yes:** 5 - Swanson, Guevin, Hunter, Knox, and Bean

**Absent:** 2 - Eisenbeisz, and Potrzuski

**A**     [17-054](#)           Approve the minutes of the March 9, 14, and 16 Assembly meetings

**This item was APPROVED ON THE CONSENT AGENDA.**

**B**     [RES 17-06](#)           Authorizing a grant application to the Rasmuson Foundation for Crescent Harbor Playground renovation

**This item was APPROVED ON THE CONSENT AGENDA.**

## X. BOARD, COMMISSION, COMMITTEE APPOINTMENTS

**C**     [17-048](#)           Appoint: 1) Sheila Finkenbinder to a term on the Gary Paxton Industrial Park Board, and, 2) George D. Bennett Jr. and Shannon Freitas to terms on the Local Emergency Planning Committee

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

**Yes:** 5 - Swanson, Guevin, Hunter, Knox, and Bean

**Absent:** 2 - Eisenbeisz, and Potrzuski

**XI. UNFINISHED BUSINESS:**

**D**     [17-056](#)           Discussion/Direction regarding the Municipal Administrator selection process

Human Resources Director, Mark Danielson, stated applicant Bryan Bertacchi withdrew his application on March 27. Danielson reviewed the available options: 1) go forward with one or both of the current candidates (Dave Miller and Carey Meyer), 2) readvertise, or 3) hire a recruitment agency. Danielson estimated costs for a recruitment agency to be around \$30,000.

Some members voiced support for moving forward with the two current candidates. Others wished to explore the possibility of a recruitment firm or go back to the short list developed in February.

Members decided to postpone the discussion until the meeting of April 11 and review the short list developed in February of those applicants receiving at least one vote with the exception of those that had been removed.

**A motion was made by Knox that this Item be POSTPONED to the meeting of April 11 and at that time review the short list of candidates, developed in February, of those candidates who had received at least one vote, with the exception of those who had been removed since the initial short-list.**

**Yes:** 5 - Swanson, Guevin, Hunter, Knox, and Bean

**Absent:** 2 - Eisenbeisz, and Potrzuski

**E**     [ORD 17-05S](#)           RECONSIDERATION: Amending Sitka General Code Chapter 15.01 entitled "Electric Utility Policies" by amending Section 15.01.020 entitled "Electrical Rates"

Although difficult to raise rates, Hunter voiced support for the ordinance. Guevin spoke in opposition stating he would like a needs based subsidy to come forward first. Swanson and Bean also spoke in opposition. Bean urged the Assembly to explore becoming regulated by the Regulatory Commission of Alaska. Knox argued the Assembly was kicking the can down the road and reminded delaying passage of a rate increase exacerbated the financial problem of the Electric Fund.

Acting Administrator and Chief Finance and Administrative Officer, Jay Sweeney, stated that unless the rate increase was passed, there would need to be a transfer of \$500,000 to \$1 million transferred to the rate stabilization fund. If that transfer did not happen, the City would not meet the minimum required rate covenant of 125% of the annual debt service for the fiscal year which was measured June 30. At that point, the bond holder, would have the ability to direct an independent consultant to examine the utility and propose rates for consideration by the Assembly to restore the utility. If, at that point, the Assembly chose not to take that guidance, the City would then be in default of the bonds. This would preempt the City from having any ability to go forward to the Municipal Bond Bank authority with other general obligation bonds or revenue bonds unless the default was cured. Sweeney said it was unknown what the impact might be on the ability for the City to borrow in other capacities - e.g. DEC loans. He stated all funding for the City could be at risk.

**A motion was made by Knox that this Ordinance be APPROVED on SECOND AND FINAL READING. The motion FAILED by the following vote. Mayor Hunter moved for RECONSIDERATION of the motion at the April 11 Assembly meeting.**

**Yes:** 1 - Knox

**No:** 4 - Swanson, Guevin, Hunter, and Bean

**Absent:** 2 - Eisenbeisz, and Potrzuski

**F**     [ORD 17-06S](#)

Amending Sitka General Code Chapter 15.01 entitled "Electric Utility Policies" by amending Section 15.01.020 entitled "Electrical Rates" to allow for a seasonal increase in electrical rates

Scott Saline shared refrigeration terminology with the Assembly.

Bean noted he had spoke with some small business owners and believed a summer rate increase could put enough added financial pressure on businesses to close. Knox stated the seasonal adjustment would flatten out the annual rate overall and encourage people to use electricity in the winter time and discourage people from switching over to oil. He echoed Bean's concern of added financial pressure on summer businesses that didn't fall into the large user rate category.

Guevin wondered if an exemption for businesses had been explored and what the impact would be. Utility Director, Bryan Bertacchi, stated that exempting commercial users would significantly alter the proposed seasonal residential rates. He noted the Electric Department had notified eligible commercial users of the option to move to "large user" status or remain as a regular commercial user if this ordinance was approved.

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

**Yes:** 4 - Swanson, Guevin, Hunter, and Knox

**No:** 1 - Bean

**Absent:** 2 - Eisenbeisz, and Potrzuski

**G**     [ORD 17-07](#)

Adjusting the FY17 Budget (grants, Greater Sitka Chamber of Commerce, Inc.)

**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 - Swanson, Guevin, Hunter, Knox, and Bean

**Absent:** 2 - Eisenbeisz, and Potrzuski

**H**     [ORD 17-08](#)

Amending Sitka General Code Chapter 4.09 "Sales Tax" at 4.09.350 "Procedures on Delinquencies"

**A motion was made by Swanson that this Ordinance be APPROVED on SECOND AND FINAL READING.**

**Yes:** 5 - Swanson, Guevin, Hunter, Knox, and Bean

**Absent:** 2 - Eisenbeisz, and Potrzuski

**XII. NEW BUSINESS:**

**New Business First Reading**

**I**     [ORD 17-09](#)     Expanding the authorized uses of the Gary Paxton Industrial Park Contingency Fund and adjusting the FY17 Budget for appropriations from the Contingency Fund

Garry White, Executive Director of the Gary Paxton Industrial Park (GPIP), explained portions of the Park shoreline were eroding and endangering upland infrastructure. The GPIP Board recommended use of Environmental Contingency Funds to make the necessary repairs.

Acting Administrator and Chief Finance and Administrative Officer, Jay Sweeney, explained two appropriations were required: 1) to transfer and expense, and, 2) expand the allowable use of the Contingency Fund. Hanson clarified, the Contingency Fund's purpose was to address environmental concerns and was not earmarked for Park repair hence the need for the ordinance.

**A motion was made by Knox that this Ordinance be APPROVED on FIRST READING. The motion PASSED by the following vote.**

**Yes:** 5 - Swanson, Guevin, Hunter, Knox, and Bean

**Absent:** 2 - Eisenbeisz, and Potrzuski

**XIII. PERSONS TO BE HEARD:**

Anders Marius inquired as to the status of the Student Activities Dedicated Travel Fund. All proceeds from the State of Alaska for marijuana licensing fees were to be deposited and earmarked to assist with costs of student travel associated with school activities. Mayor Hunter stated the Assembly was prohibited from answering questions during "Persons to be Heard" but that he would speak with Mr. Marius after the meeting.

Hugh Bevan spoke to the Electric Enterprise Fund and its struggles. Bevan urged the Assembly to look at the City's finances in a more holistic manner breaking the budget into three parts (operating, capital and debt) and apply those to the debt.

**XIV. EXECUTIVE SESSION**

None.

**XV. ADJOURNMENT**

**A motion was made by Swanson to ADJOURN. Hearing no objections, the meeting ADJOURNED at 8:13pm.**

**ATTEST:** \_\_\_\_\_

Sara Peterson, CMC  
Municipal Clerk