

# **CONSENT AGENDA**

## **POSSIBLE MOTION**

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**I MOVE TO APPROVE THE CONSENT AGENDA  
CONSISTING OF ITEMS A, B, C & D**

**I wish to remove Item(s) \_\_\_\_, \_\_\_\_, \_\_\_\_**

**Roll call vote required**

**REMINDER – Read aloud a portion of each item being  
voted on that is included in the consent vote.**

If this item is pulled from the consent agenda the following motion would be in order:

**POSSIBLE MOTION**

**I MOVE TO** approve the minutes of the August 26, 2014 Assembly meeting.



# CITY AND BOROUGH OF SITKA

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

## Minutes - Draft

### City and Borough Assembly

*Mayor Mim McConnell*

*Deputy Mayor Matt Hunter*

*Vice-Deputy Mayor Phyllis Hackett, Pete Esquiro, Mike Reif,  
Benjamin Miyasato and Aaron Swanson*

*Municipal Administrator: Mark Gorman*

*Municipal Attorney: Robin L. Koutchak*

*Municipal Clerk: Colleen Ingman, MMC*

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Tuesday, August 26, 2014

6:00 PM

Assembly Chambers

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#### REGULAR MEETING

I. CALL TO ORDER

II. FLAG SALUTE

III. ROLL CALL

Present: 7 - McConnell, Hunter, Hackett, Esquiro, Reif, Swanson, and Miyasato

IV. CORRESPONDENCE/AGENDA CHANGES

None.

V. CEREMONIAL MATTERS

None.

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

STA General Manager, Lawrence SpottedBird, spoke of potential service opportunities. He reported STA was working to create new revenue and job opportunities. Of note was an environmental testing lab and a youth oriented sports enterprise.

VII. PERSONS TO BE HEARD

Chamber of Commerce Director, Jennifer Robinson, extended an invitation to the September 3rd Chamber Luncheon where Robinson noted the featured speaker would be Senator Mark Begich.

VIII. REPORTS

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

Mayor - Reported she and Administrator Gorman spent a day with Senator Lisa Murkowski in early August and had an opportunity to share what was happening in Sitka and further build a relationship with the Senator. Also met with the Executive Director of the US Superyacht Association and learned Sitka was one of the few communities in the Pacific Northwest that actively markets to superyachts. While en route to the Alaska Municipal League (AML) Summer Legislative Conference in Nome, she and Municipal Administrator Mark Gorman stopped at the Rasmuson Foundation to speak about the Library project. Attended the Alaska Conference of Mayors Meeting in Nome prior to the AML meeting. The Mayors adopted the following three resolutions: requested the governor and legislature increase the municipal revenue sharing back to normal levels of \$60 million; opposed the passage of the initiative to legalize recreational marijuana in Alaska and urge voters to defeat Ballot Measure 2; and recommended an amendment to Alaska Statutes that provide for stronger authority by local planning authorities for public projects. Reported during the AML meeting legislative priorities for 2015 were worked on. Those priorities remain PERS/TERS (concerning termination studies), Revenue Sharing, Unfunded Mandates, Energy and Transportation with the first three being the highest priority. McConnell reported she and the Administrator met with gubernatorial candidate Byron Mallott, at his campaigns request, and discussed what issues were important to Sitka. Met with the Tonia Puletau, Director of the Sitka Convention and Visitors Bureau (SCVB), to continue discussions about the visitor industry, the SCVB, the best way to address visitor industry issues, and marketing the community. Attended the Southeast Transportation Plan meeting and the ribbon cutting ceremony for the completion of the Sawmill Creek Road improvements. Attended an event at Sitka High School welcoming Sitka School District teachers back.

Administrator - Attended the decommissioning of the old hydro plant. Met with Andy Hughes of DOT to talk about the Transportation Plan expressing concern that Sitka was not a high priority. Reported the process of recruiting for the IT Director and Library Director was underway. Reported as of September 1st Alaska Pacific Environmental Services would be taking over the CBS recycling program. Received an email from a citizen suggesting CBS offer a round up option on utility bills to help those needing assistance.

Attorney - Met with an Anchorage law firm on tax issues and talked about different ways to raise revenues. Reif suggested an agenda item at a future meeting to discuss.

Liaisons - Hackett reported the Health Needs and Human Services Commission didn't have a quorum at their last meeting and reported the Tree and Landscape Committee was in need of more members. Hunter announced the Port and Harbors Commission would meet September 10th.

Clerk - Mentioned that everyone should have a copy of all the non-profit grant applicants. Grant awards were scheduled to occur at the September 9th Assembly meeting.

Other - Reif mentioned that neither he or Esquiro were running for reelection but was pleased to see seven candidates running. Mayor McConnell brought up a formal challenge to Assembly members for the ALS "Ice Bucket Challenge" to meet outside following tonight's meeting and be prepared to get wet. Sitka Fire Department would

do the honors.

## IX. CONSENT AGENDA

- A 14-169 Approve the minutes of the August 12, 2014 Assembly meeting.  
This item was APPROVED on the Consent Agenda.
- B 14-171 Reappoint Dr. David Hunt to a term on the Animal Hearing Board.  
This item was APPROVED ON THE CONSENT AGENDA.
- C 14-173 Approve a temporary month-to-month lease with Coastal Excavation for 17,000 sf of property in the Granite Creek Industrial Area, Pit Run Site  
This item was APPROVED on the Consent Agenda.

## X. UNFINISHED BUSINESS:

- D ORD 14-27 ORD 14-27 A: Amending SGC at Section 4.12.020 entitled "Property Subject to Tax" to increase the biennial motor vehicle registration tax to be used for municipal roads and municipal roads infrastructures such as sidewalks, gutters, bike lanes, sub grade and drainage systems. Alternatively, the Assembly will place on the October 2015 municipal election some form of a tax ballot measure (e.g. sales, fuel, property) that will produce revenues commensurate with the fees that would be generated by this proposed vehicle tax registration fee ordinance. The increased tax revenues will be dedicated to supporting the maintenance of the cbs roads. If the tax ballot measure is passed the vehicle registration fee outlined within this ordinance will not be implemented.

Mayor McConnell stated she planned to appoint an ad-hoc committee to research revenue generating streams that could be in place of a vehicle tax.

Lindsey Evans spoke in opposition to the vehicle tax and stated for her family it equated to \$225 every year - a large amount of money to them. She urged marketing Sitka water more aggressively.

Bobbie Daniels voiced frustration with the City on many levels and stood in opposition to any proposed vehicle tax. She continued to voice strong dissatisfaction with the City. She felt the City should instead be working with local businesses to help them succeed, and cited a few examples of how the City had raised the cost of doing business in Sitka. She read a lengthy statement and was encouraged to provide it to the City if she wanted it included in the record.

David Durham suggested the City use a simple criteria that addressed task, target and time. He stated the amount of money was not minor to many families. Durham stated the need to make sure we pay for usage and avoid a hasty decision.

Don McCarthy spoke in opposition to the vehicle tax. He stated he has three vehicles and cannot drive all three at once.

Reif spoke in favor of the tax because it provided people a choice on how to fund this, we have to do something. What he didn't want people to do was nothing. Reif asked about dust generated by gravel roads. Harmon expounded that everything attached to it and it made the regulations for fish streams very challenging. If the City was to go to gravel roads we would need to keep fresh gravel on it and keep it layered etc.

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

**Yes:** 4 - McConnell, Esquiro, Reif, and Miyasato

**No:** 3 - Hunter, Hackett, and Swanson

Miyasato recognized the opposition. He supported a tax increase because he felt it was essential, but didn't agree with the amounts that were being put forward.

Administrator Gorman commented on the proposed addition of taxing bicycles and indicated there was not an easy mechanism through the Department of Motor Vehicles to do that. The cost of implementation offset the revenue the stickers would generate.

Mayor McConnell didn't like the high rate for commercial vehicles. She felt that ultimately the community would adopt something in place of the vehicle tax. She also reminded that taking care of our roads had been an issue from the beginning and deemed that it was up to the Assembly to find the balance to provide the services that the public wanted.

Reif remarked that similar discussions took place twenty years ago and nothing happened. He liked the idea of an adhoc committee addressing the issue and providing a recommendation. He also expressed opposition to passing this problem on to future generations. "If not now, then when?"

Hackett noted she had received many comments. She stated she was sorry that our roads had been paved in the first place as it had created a massive burden for a small population. A few years ago, Hackett explained, a group had formed to look at the roads issue where many alternatives were brought forward but didn't pan out. She was most interested in pursuing some form of a fuel tax, which she said would be more fair. She too didn't want to hand this problem down to another Assembly in ten years. "The longer this goes on the more expensive it gets," she said. She does like that the management of a vehicle tax puts the burden on the state.

Hunter asked that citizens respect the democratic process. He maintained that the Assembly was simply trying to come up with solutions to the problem. This subject came up two years ago when he was running for Assembly and he was asked to serve on the review committee that favored a fuel tax. He stated this ordinance didn't sit well with him. He would rather go in the direction of a fuel tax.

Miyasato thanked the public for all the comments he had received and the Assembly for their historical background. He hoped more of the public would get involved in determining the best method to address this issue in 2015.

Mayor McConnell brought up the multiple vehicles issue suggesting the possibility of

a hanging tag might be one way around that.

Hackett mentioned that the Assembly took all comments seriously. She noted the problem she foresees with the ordinance was that historically voters didn't want to pay taxes to pay for services and an alternative would be voted down leading the process to start over again.

Municipal Attorney Koutchak informed that Sitka already taxes fuel, which goes into our General Fund. One of the things being talked about was dedicating that same tax to a specific purpose such as roads; but that would mean less money would go into the General Fund. This solved one problem and created another.

**A motion was made by Esquiro to AMEND by changing the dollar amounts beginning at Line 73 of the ordinance:**

**B from \$100 to \$45**

**C from \$200 to \$125**

**D from \$400 to \$450**

**The motion on the amendment PASSED on the following vote.**

**Yes:** 5 - McConnell, Hunter, Esquiro, Swanson, and Miyasato

**No:** 2 - Hackett, and Reif

#### **XI. NEW BUSINESS:**

##### **Additional New Business Items**

- E 14-172** Award a construction contract to Dawson Construction, Inc. for completion of the Kettleson Memorial Library Expansion Project - \$5,097,000 and authorize a transfer from the General Fund working capital fund balance
- Reif noted the City had received \$500,000 in community donations to help fund this project.
- Hunter reminded by using the state grant program that the City was saving the tax payers \$2 million as that what was needed in upgrades which the City would have had to pay for and the City was getting a bigger, newer, upgraded library out of the deal.
- Esquiro asked about the budget. Harmon would have liked to see a higher percentage in a contingency. If there were some funds left then it could be addressed. Dan Tadic explained that the \$344,868 expenditure included the \$200,000 from the Commercial Passenger Fee Tax.
- A motion was made by Miyasato to approve the Award of a Construction Contract to Dawson Construction, Inc. for completion of the Kettleson Memorial Library Expansion Project for the base bid amount of \$5,097,000 contingent upon the immediate execution of a deductive Change Order in the amount of \$312,497.**
- Authorize the transfer of \$357,114 from the undesignated General Fund working capital fund balance to the Kettleson Memorial Library Expansion Project (Project No. 90739).**
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And FURTHER authorize the transfer of \$200,000 of excess Commercial Passenger Excise Tax (CPET) funds previously dedicated to the Centennial Hall Parking Lot Project to the Kattleson Memorial Library Expansion Project (Project No. 90739) in accordance with the approved motion from the May 13, 2014 Assembly meeting.

The motion PASSED by the following vote.

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

No: 1 - Esquiro

**XII. PERSONS TO BE HEARD:**

None.

**XIII. ADJOURNMENT**

A motion was made by Swanson that this meeting be ADJOURNED. There were no objections and the meeting ADJOURNED at 7:50 PM.

ATTEST: \_\_\_\_\_  
Colleen Ingman, MMC  
Municipal Clerk