



CITY AND BOROUGH OF SITKA

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

Minutes - Final

City and Borough Assembly

Mayor Gary Paxton
Deputy Mayor Steven Eisenbeisz,
Vice Deputy Mayor Kevin Mosher,
Kevin Knox, Dr. Richard Wein, Valorie Nelson, Thor
Christianson

Municipal Administrator: John Leach
Municipal Attorney: Brian Hanson
Municipal Clerk: Sara Peterson

Tuesday, August 25, 2020

6:00 PM

Assembly Chambers

WORK SESSION 5:00 P.M.

[20-166](#)

Work Session: Pre-Audit Orientation

Joy Merriner with BDO presented the overall audit strategy, planned scope, and timeline.

REGULAR MEETING

I. CALL TO ORDER

II. FLAG SALUTE

III. ROLL CALL

Knox participated by videoconference.

Present: 5 - Knox, Wein, Paxton, Mosher, and Nelson

Absent: 2 - Christianson, and Eisenbeisz

IV. CORRESPONDENCE/AGENDA CHANGES

No agenda changes.

[20-172](#)

Reminders, Calendars, and General Correspondence

V. CEREMONIAL MATTERS

[20-167](#)

Service Award - Howie Pitts

Mayor Paxton read a service award honoring Howie Pitts for his personal time in

maintaining the grounds of the Animal Shelter. Wein thanked Pitts for his service.

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

Municipal Administrator John Leach spoke to the new reporting being used by Sitka Unified Command. Leach commented it was in alignment with the State's recommendations with emphasis on local mitigation. He stated a team from Sitka Unified Command was working to build a COVID-19 data dashboard with helpful information for the community. He noted the current alert level was at moderate.

VII. PERSONS TO BE HEARD

None.

VIII. CONSENT AGENDA - No items.

None.

IX. BOARD, COMMISSION, COMMITTEE APPOINTMENTS

None.

X. UNFINISHED BUSINESS:

None.

XI. NEW BUSINESS:

New Business First Reading

- A** [ORD 20-45](#) Amending the official zoning map to rezone Lot 2-2, Sheldon Jackson Campus Subdivision Number 2 from multifamily residential (R-2) to Cemetery (C)

Steve Hartford, Legal Director with Sitka Tribe of Alaska (STA), spoke in support stating STA saw the historic cemetery on Sawmill Creek Road as a cultural site. He told of graves there that were ancestors of tribal citizens along with orphans that were brought to Sitka of native origin and were buried there. He stated the new zoning designation allowed for maintaining or upgrading the property and would allow for grant funding.

Wein was in support of the rezoning. He recalled when the topic first came to Assembly's attention from a previous rezoning that included more commercial uses and within that rezoning was the cemetery area. He was happy it was removed from that original zoning request and felt it long overdue.

A motion was made by Mosher that this ordinance be APPROVED on FIRST READING. The motion PASSED by the following vote.

Yes: 5 - Knox, Wein, Paxton, Mosher, and Nelson

Absent: 2 - Christianson, and Eisenbeisz

B [ORD 20-46](#) Making supplemental appropriations for fiscal year 2021 (*FY2020 purchase orders*)

Controller Melissa Haley explained the ordinance was needed to reduce FY2020 appropriations and move to FY2021 for expenditures in progress that had not been paid for. She gave the example of outstanding purchase orders and noted a significant portion were in Central Garage because of COVID-19 shutdowns and delays in procuring equipment.

A motion was made by Nelson that this ordinance be APPROVED on FIRST READING. The motion PASSED by the following vote.

Yes: 5 - Knox, Wein, Paxton, Mosher, and Nelson

Absent: 2 - Christianson, and Eisenbeisz

C [ORD 20-47](#) Making supplemental appropriations for fiscal year 2020 and 2021 (re-appropriations and supplemental appropriations)

Controller Melissa Haley explained the recording of depreciation, the Fisheries Enhancement Fund overage, and reappropriating fixed assets based on grants for police equipment.

A motion was made by Nelson that this ordinance be APPROVED on FIRST READING. The motion PASSED by the following vote.

Yes: 5 - Knox, Wein, Paxton, Mosher, and Nelson

Absent: 2 - Christianson, and Eisenbeisz

D [ORD 20-48](#) Making supplemental appropriations for fiscal year 2021 (*Green Lake Phase I Supplemental Capital Appropriation*)

Wein wondered why a \$1.3 million cash appropriation needed to be made, if the loan was guaranteed, and if not, what was plan B. He pointed out the \$2 million bracket in the Electric Department and wondered how it would shape up in context. Nelson stated her main concern going forward with a capital improvement was possible rate increases for the public.

Municipal Administrator John Leach noted that the Green Lake hydro rehab was past due and told of the risk. He explained the first phase of the three phase project was anticipated to be \$3 million through a USDA loan, that USDA was backlogged and was taking more time to get loan approval. He reiterated the risk of deferred maintenance and higher possibility of failure which have lead to discussions of possible rate increases with the insurance carrier. Controller Melissa Haley stated the hope of not having to use the appropriation, but that with it, it allowed awarding of the bid. She told of the refunded callable bonds that resulted in significant savings which allowed for working capital to be put towards the project. She stated that capital spending did not impact bond covenants. Utility Director Scott Elder noted because of the timeline, the project needed to get started and if it were delayed, it would cost the City time and money. He stated it was in the best fiscal interest to move forward in this manner.

A motion was made by Nelson that this ordinance be APPROVE on FIRST READING. The motion PASSED by the following vote.

Yes: 5 - Knox, Wein, Paxton, Mosher, and Nelson

Absent: 2 - Christianson, and Eisenbeisz

Additional New Business Items

- E** [20-169](#) Update / Discussion on the CARES Act Working Group progress (*public comment to be taken*)
- Marshall Albertson spoke to his CARES Act funding grant applications stating his disapproval of being eligible for one grant, but that he had three essential businesses under one umbrella with separate sales tax accounts. He said that if he filed a lawsuit, it would delay the distribution of the funding to all applicants.
- Assembly Discussion:
- Nelson felt that if applicants had separate sales tax accounts, each of the accounts should qualify to receive funding. She stated the City shouldn't be making it harder for people and noted that many people had several businesses and separate sales tax accounts. Paxton noted the need to distribute the funding fairly to businesses and that this was for the benefit and survivability of Sitka. He stated if funding remained, then adjustments could be made and that it was a complex process. Wein asked of the decision making process and reasoning. He thought that the simplest way to distribute would be using the sales tax account number or EIN number. He felt that it should have been approved to allow for largest distribution. Mosher a member of the CARES Act Funding Working Group (WG) stated the decision made was to be as fair as possible, he was not in support of starting the process over, and noted that decisions could be made on how to distribute the remaining funds. Knox a WG member spoke to the discussion from the WG of going the route of using the EIN number. He told of the need to distribute to nonprofit organizations and other entities without sales tax account numbers. He stated it was a way to capture the validity of the organization as nonprofits had EIN. He anticipated having funds leftover and there could be another application period to provide funding, but that by using the EIN it was a way to get money out quickly then revisit in phase 2 as more targeted. He thought it important to point out that there wasn't a lot of guidance given by the Feds on how to spend the funding. Nelson preferred to continue the round as progress was being made and money disbursed, although noted there was room for improvement.
- Municipal Administrator John Leach told of the process that began in March, the appeal process, and options noting the Assembly could decide on how to disburse the remaining funds. He relayed that the WG had begun discussions for the remaining funds. Leach explained that the WG realized there were a number of businesses without a sales tax account number. He reminded the application was presented to the Assembly in July. He provided an update on each of the funding categories. He gave final points: 1) it was important to understand the Grant Analyst was not the authority on whether the application was approved or denied, and 2) the citizens had been the top priority in distributing funds.
- F** [20-168](#) Discussion / Direction on the City and Borough of Sitka seal project
- Knox introduced the item and went over the process of receiving feedback from boards/commissions/committees and in public sessions. He noted the interest in the ones that stood out and the idea of approaching the artists to make changes. He asked for direction from the Assembly suggesting to bring back the top three. Members offered opinions on their preferences. Mosher suggested when the entries

came back to the Assembly for review, that they be on letterhead as an example.

Planning Director Amy Ainslie shared data from the public outreach stating that the Sitka Tribe of Alaska had submitted feedback.

It was determined that the top five designed would be brought back in a month with modifications.

G [20-171](#)

Approve the promotion of Melissa Haley from Controller to Finance Director

Nelson told of her concerns with the starting rate of pay. Wein felt that Haley's credentials were sterling and looked forward to her ability to help steer the City in a good financial way. Mosher agreed stating that Haley was the person for the job and worth the pay. Paxton expressed his delight.

Municipal Administrator John Leach spoke that he made the offer based on her record and experience.

A motion was made by Mosher that this item be APPROVED. The motion PASSED by the following vote.

Yes: 5 - Knox, Wein, Paxton, Mosher, and Nelson

Absent: 2 - Christianson, and Eisenbeisz

H [20-170](#)

Approve the promotion of Antonio Rosas from Harrigan Centennial Hall Building Supervisor to Harrigan Centennial Hall Building Manager

Wein felt this was a great choice as Tony had been with the city for a long time and knew the job. He felt there would be a good transition. Paxton stated the City was lucky to have Tony and thanked Don Kluting for his job.

A motion was made by Mosher that this item be APPROVED. The motion PASSED by the following vote.

Yes: 5 - Knox, Wein, Paxton, Mosher, and Nelson

Absent: 2 - Christianson, and Eisenbeisz

XII. PERSONS TO BE HEARD:

None.

XIII. REPORTS

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

Administrator - Leach spoke to alert levels, urged citizens to apply for CARES Act grant funding, and temporary employee openings.

Liaison Representatives - Wein reported on the Tree and Landscape Committee and Health Needs and Human Services Commission. Nelson on the Local Emergency Planning Committee.

Clerk - Peterson reported on the upcoming October 6 Municipal Election and voting

options. She reminded folks of the 2020 Census and read through vacancies for boards and commissions.

XIV. EXECUTIVE SESSION

None.

XV. ADJOURNMENT

A motion was made by Nelson to ADJOURN. Hearing no objections, the meeting ADJOURNED at 7:50 p.m.

ATTEST: _____
Melissa Henshaw, CMC
Deputy Clerk