

CONSENT AGENDA

POSSIBLE MOTION

**I MOVE TO APPROVE THE CONSENT AGENDA
CONSISTING OF ITEM A**

I wish to remove Item(s) _____

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

Should this item be pulled from the Consent Agenda the following motion is suggested:

POSSIBLE MOTION

I MOVE TO approve the minutes of the February 14th, 16th, and 20th Assembly meetings.



CITY AND BOROUGH OF SITKA

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

Minutes - Draft

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, February 14, 2017

6:00 PM

Assembly Chambers

REGULAR MEETING

I. CALL TO ORDER

II. FLAG SALUTE

III. ROLL CALL

Present: 7 - Swanson, Eisenbeisz, Guevin, Potrzuski, Hunter, Knox, and Bean

IV. CORRESPONDENCE/AGENDA CHANGES

17-019 Reminders, Calendars and General Correspondence

V. CEREMONIAL MATTERS

17-013 Proclamation - 70th Anniversary of Mt. Edgecumbe High School

Mayor Hunter read a proclamation in recognition of Mt. Edgecumbe High School's 70th anniversary.

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

US Forest Service District Ranger, Perry Edwards, informed the public of upcoming events: Resource Advisory Committee Meeting, Katlian Recreation Plan Open House on March 2nd, National Civilian Community Corp visiting late March through late May.

17-014 Special Reports: 1) Alaska Permanent Capital Management, 2) Sitka

Community Hospital Board Chair: Update on SEARHC/SCH Collaboration Project

Alaska Permanent Capital Management representatives Laura Bruce and Blake Phillips reviewed the performance of the Sitka Permanent fund.

Sitka Community Hospital Board Chair, Bryan Bertacchi, provided an update on the SEARHC/SCH Collaboration Project. In his summary, Bertacchi reported it had been determined that a joint management structure nor a joint ownership structure would be successful. He noted a written assessment would be forthcoming from consultant, ECG, in which a merger acquisition by SEARHC would be likely recommended.

VII. PERSONS TO BE HEARD

Libby Stortz offered ideas for paying down the cost of the dam and assisting those unable to afford utility costs. She suggested a program be modeled after the Nenana Ice Classic.

Michelle Putz informed the public of an upcoming visit from a representative of the Citizens Climate Lobby and the Reusable Bag Roundup event.

Rich McClear offered ideas for use of the Alaska Marine Highway vessel Taku, currently for sale by the State of Alaska.

Charles Horan, member of the Catholic Community Services (CCS) Board of Directors, reported on the services of CCS at the Swan Lake Senior Center.

VIII. REPORTS

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

Mayor - Hunter told of his meeting with Robert Venables of Southeast Conference regarding the proposed reorganization of the Alaska Marine Highway System. Hunter also met with Sitka Community Hospital (SCH) CEO, Rob Allen, to discuss the SEARHC/SCH Collaboration Project.

Administrator - Gorman thanked the Sitka High School shop class for new nameplates, provided a list of five energy projects to Senator Murkowski's Energy Committee for a possible Federal program to create economic growth, and announced a grant in the amount of \$125,000 had been received from land and water conservation agency for the Crescent Harbor Playground project.

Liaisons - Potrzuski, Guevin, Knox, Eisenbeisz, and Hunter offered reports on the following, respectively: Local Emergency Planning Commission, Investment Committee, Planning Commission, Hospital Board, and Port and Harbors Commission.

Clerk - Peterson reminded the Assembly of a special meeting on February 16.

IX. CONSENT AGENDA

A motion was made by Swanson that the Consent Agenda consisting of items A, B, & D be APPROVED. The motion PASSED by a unanimous voice vote.

- A 17-010** Approve the minutes of the January 24 and January 31 Assembly meetings

This item was APPROVED ON THE CONSENT AGENDA.

- B 17-011** Approve a liquor license renewal application for The Channel, LLC dba Channel Club

This item was APPROVED ON THE CONSENT AGENDA.

- C 17-015** Approve the Health Needs and Human Services Commission goals for 2017

Assembly members Eisenbeisz and Bean spoke in opposition to the goals (raising the age for tobacco purchases to 21 and imposing a tax on sugar-sweetened beverages) stating they took away from personal choices and freedoms. Other Assembly members spoke in support of the process and reminded approval of the goals would give the Commission an opportunity to reach out to the public for input before coming back to the Assembly for further debate and decision.

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

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

No: 3 - Swanson, Eisenbeisz, and Bean

- D 17-016** Approve Health Needs and Human Services Commission member, Anthony Treas, to serve as an official City and Borough of Sitka liaison to the H.O.P.E. Coalition

This item was APPROVED ON THE CONSENT AGENDA.

- E RES 17-03** Adopting an alternative allocation method for the FY17 Shared Fisheries Business Tax Program and certifying that this allocation method fairly represents the distribution of significant effects of fisheries business activity in FMA 18: Central Southeast

Jay Sweeney, Chief Finance and Administrative Officer, explained the City had participated in this program for a number of years and applied by way of resolution; the alternative method listed. Sitka was expected to received a little over \$30,000.

A motion was made by Potrzuski that this Resolution be APPROVED on FIRST AND FINAL READING. The motion PASSED by the following vote.

Yes: 7 - Swanson, Eisenbeisz, Guevin, Potrzuski, Hunter, Knox, and Bean

F RES 17-04 Supporting the Affordable Care Act

Wendy Alderson spoke in support of the Affordable Care Act.

Eisenbeisz, while aware of both sides of the issue, cautioned the Assembly in taking a stand on national politics. Guevin stated decisions being made at the Federal levels were having huge impacts on communities and cited the numbers of Alaskans receiving care. He also stated the Affordable Care Act (ACA) was helping Sitka Community Hospital financially. Potrzuski noted it was important to recognize that while the ACA was beneficial to people it was also critical to note that there were some aspects of ACA that were hurting others, e.g., cost and access. Guevin requested the resolution be sent to the Congressional Delegation and the Department of Health and Human Services.

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

Yes: 6 - Swanson, Guevin, Potrzuski, Hunter, Knox, and Bean

No: 1 - Eisenbeisz

X. BOARD, COMMISSION, COMMITTEE APPOINTMENTS

G 17-012 Appoint Nicole Filipek to a term on the Library Commission and reappoint Charles Horan to fill a term on the Gary Paxton Industrial Park Board through July 2017

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

Yes: 7 - Swanson, Eisenbeisz, Guevin, Potrzuski, Hunter, Knox, and Bean

XI. UNFINISHED BUSINESS:

H 17-008 Approve sending either an Assembly member or City and Borough of Sitka staff representative to attend the Seatrade Cruise Global event in Fort Lauderdale, FL

Chris McGraw of the Old Sitka Dock urged the Assembly to send a representative. McGraw stated cruise ship passenger numbers had doubled in the last five years since attending Seatrade. He added that every Alaska port was competing for cruise ships and it was important to stand out from other communities. McGraw proceeded to explain that he had never seen a government representative from other communities attend and cruise ship officials had been impressed in past years to see a local government official present.

A motion was made by Bean to approve sending Assembly member Eisenbeisz to the Seatrade Cruise Global event in Fort Lauderdale, FL with expenses to be paid from the Visitor Activities Enhancement Fund. The motion PASSED by the

following vote.

Yes: 7 - Swanson, Eisenbeisz, Guevin, Potrzuski, Hunter, Knox, and Bean

- I **ORD 17-03** Amending Sitka General Code Chapter 4.09 "Sales Tax" at Section 4.09.100 "Exemptions" at (N) "Over Three Thousand Dollars on Sales and Rents of Tangible Personal Property and on Sales of Services, and Over Three Thousand Dollars in Rent or Lease of Real Property on a Monthly Basis"

Mayor Hunter explained this ordinance would raise the sales tax cap from \$3,000 to \$12,000.

Bean, a charter fisherman, asked for clarification on sales tax due on 2018 reservations that had been booked before October 1, 2017.

Jay Sweeney, Chief Finance and Administrative Officer, stated the sales tax due would be at the rate in effect at the time the service was provided. For example, if a customer in the summer of 2017, paid for an excursion in the summer of 2018, the amount of tax due by the provider would be subject to the \$12,000.

Assembly member Bean wondered if there might be a way to remedy this issue and amend the code. Assembly members Knox, Potrzuski, Hunter, Guevin and Eisenbeisz spoke in support of approving the ordinance as written and recognizing the complexity of the sales tax code recommended any amendments be brought back at a later date rather than making amendments at the table which could have unintended consequences.

An AMENDMENT was made by Bean to make this Ordinance effective October 1, 2017. All sales made prior to October 1, 2017 are subject to the \$3,000 tax cap even if services are rendered after October 1, 2017. The amendment FAILED by the following vote.

Yes: 1 - Bean

No: 6 - Swanson, Eisenbeisz, Guevin, Potrzuski, Hunter, and Knox

Administrator Gorman anticipated an additional \$800,000 in revenue from the sales tax cap increase.

- J **ORD 17-02** Amending Sitka General Code Section 4.19.020 "Annual Transfer of Permanent Fund"

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

Yes: 7 - Swanson, Eisenbeisz, Guevin, Potrzuski, Hunter, Knox, and Bean

XII. NEW BUSINESS:

New Business First Reading

- K ORD 17-04** Adjusting the FY17 Budget (Finance Department operations, pass-thru grant for Crescent Harbor Playground Renovation Project, Sitka Community Hospital equipment lease)
- Guevin recognized the work of the Community Playground group.
- Steve Hartford of Sitka Community Hospital (SCH) explained the equipment lease would be a liability of the hospital and would be treated as such if a merger were to happen between SEARHC and SCH.
- A motion was made by Potrzuski that this Ordinance be APPROVED on FIRST READING. The motion PASSED by the following vote.**
- Yes:** 7 - Swanson, Eisenbeisz, Guevin, Potrzuski, Hunter, Knox, and Bean

Additional New Business Items

- L 17-017** Discussion/Direction on electric utility rate increases
- Utility Director, Bryan Bertacchi, summarized the key rate issues for FY18: 1) approximately \$2.2 million/year needed for FY18 and forward, 2) residential rate increase of 13 to 15 cents/kwhr needed, 3) the load was the variable - leveling to 103-105 million kwhr/yr.
- Bertacchi presented options to balance the enterprise fund: 1) ballot initiative to increase the property tax, 2) increase summer sales tax from 6% to 7%, 3) severance tax on fish and gravel, 4) rate increase of 15%, 5) impose early rate increase to help FY17 electric fund deficit of approximately \$589,000.
- Assembly members expressed a desire to consider two ordinances, 1) that would look at seasonal rates and 2) a flat rate (no tiers) including what would be needed for the next few years, with the exception of an annual CPI adjustment. Assembly members commented citizens were quickly tiring of frequent rate discussions. Guevin added he would like to see a subsidy for low income households.
- M 17-018** Discussion/Direction/Decision on extending an invitation to President Donald Trump to the Sesquicentennial Commemoration in October 2017
- Wendy Alderson spoke in opposition to extending an invite to President Trump stating it would create further divisiveness within the community.
- The Assembly discussed the pros and cons of extending an invitation however after deliberating took no action.

XIII. PERSONS TO BE HEARD:

Loyd Platson of the Health Needs and Human Services Commission provided an update to the Assembly on the activities of the Commission.

Chris Brewton urged the Assembly to explore implementing an agricultural electric rate.

Alexander Allision voiced concern of rising electric rates and urged the Assembly to explore ideas for economic growth.

XIV. EXECUTIVE SESSION

None.

XV. ADJOURNMENT

A motion was made by Swanson to ADJOURN. Hearing no objections, the meeting ADJOURNED at 9:36pm.

ATTEST: _____
Sara Peterson, CMC
Municipal Clerk



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City and Borough Assembly

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Tristan Guevin, Kevin Knox
Aaron Bean, and Aaron Swanson

Municipal Administrator: Mark Gorman
Municipal Attorney: Brian Hanson
Municipal Clerk: Sara Peterson

Thursday, February 16, 2017

6:00 PM

Assembly Chambers

SPECIAL MEETING

I. CALL TO ORDER

II. FLAG SALUTE

III. ROLL CALL

Present: 7 - Swanson, Eisenbeisz, Guevin, Potrzuski, Hunter, Knox, and Bean

IV. CORRESPONDENCE/AGENDA CHANGES

None.

V. PERSONS TO BE HEARD

None.

VI. NEW BUSINESS:

A 17-020

Discussion/Direction to 1) short-list Municipal Administrator candidates for in-person and/or videoconferencing interviews with the Assembly, and, 2) schedule interview date(s), time(s) and location(s)

Assembly members Hunter and Eisenbeisz disclosed they were volunteers at the Fire Department, operating under officers who reported to the Fire Chief, an applicant for the Municipal Administrator position. Both felt they could be impartial to discussions. Deputy Mayor Potrzuski ruled there was not a conflict with either participating and thanked the two for their disclosure.

Mark Danielson, Human Resources Director, provided an overview of the process. Of the 48 applicants, Assembly members named those individuals who they were

interested in interviewing. Those receiving two or more votes were:

- Bryan Bertacchi
- Dan Bishop
- Dianne Blumer
- Ann Capela
- Jade Goroski
- Rick Hohnbaum
- Linda Hopper
- Patrick Jordan
- Carey Meyer
- David Miller
- Kevin Opple
- Cynthia Rogers
- Michael Scott
- Harry Staven
- Tony Stobbe
- Thomas Williams

The Assembly decided to meet on February 20, 2017 at 6pm to further discuss the above applicants and reduce the short-list to approximately 10 applicants.

VII. PERSONS TO BE HEARD:

None.

VIII. EXECUTIVE SESSION

None.

IX. ADJOURNMENT

A motion was made by Potrzuski to ADJOURN. Hearing no objections, the meeting ADJOURNED at 6:45pm.

ATTEST: _____
Sara Peterson, CMC
Municipal Clerk



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Monday, February 20, 2017

6:00 PM

Assembly Chambers

SPECIAL MEETING

I. CALL TO ORDER

II. FLAG SALUTE

III. ROLL CALL

Present: 7 - Swanson, Eisenbeisz, Guevin, Potrzuski, Hunter, Knox, and Bean

IV. PERSONS TO BE HEARD

None.

V. UNFINISHED BUSINESS:

A 17-021

Further Discussion/Direction to 1) short-list Municipal Administrator candidates for in-person and/or videoconferencing interviews with the Assembly, and, 2) schedule interview date(s), time(s) and location(s)

For the next step in the review process, Assembly members expressed a desire to request candidates submit writing samples to be reviewed at a special meeting on March 7 at 6pm. Supplemental questions to be asked: 1) Please describe your management style, including communication and interpersonal relationship skills that you would utilize to enhance working relationships with Department Heads, other City staff and the public, 2) What have you learned about the Municipal Administrator position with the City and Borough of Sitka and why is now a good time in your career to consider this position? Why is now a good time to move to and live in Sitka?

A motion was made by Swanson to remove Bishop and Hohnbaum from the list of candidates to be considered. The motion PASSED by unanimous consent.

Of the remaining 14 candidates, Assembly members named those candidates whom they wished to further consider. Those receiving three or more votes were:

1. Bryan Bertacchi
2. Patrick Jordan
3. Carey Meyer
4. David Miller
5. Kevin Opple
6. Michael Scott
7. Harry Staven
8. Tony Stobbe

Human Resources Director, Mark Danielson stated he would contact each applicant and inform them of the writing assignment due March 3 for consideration at a special meeting on March 7 at 6pm.

VI. EXECUTIVE SESSION

None.

VII. ADJOURNMENT

A motion was made by Swanson to ADJOURN. Hearing no objections, the meeting ADJOURNED at 6:38pm.

ATTEST: _____
Sara Peterson, CMC
Municipal Clerk