

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

POSSIBLE MOTION

I MOVE TO approve the minutes of the April 22 and May 5, 2014 Assembly/Board of Equalization meetings.



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*

Tuesday, April 22, 2014

6:00 PM

Assembly Chambers

WORK SESSION 5:00 PM

14-076 Harrigan Centennial Hall - 35% Design, Cost Estimate & Funding

The Harrigan Hall Project Team and McCool Carlson Green architects provided an update on 35% design, cost estimate and funding.

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

14-075 Correspondence for April 22, 2014

V. CEREMONIAL MATTERS

Mayor McConnell presented service awards to retiring employees Lt. Barry Allen, Marjorie Parmelee, and Dave Patt.

Michael Bricker presented an award to Ashley Sagoonick for her service with Sitka Youth Court.

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

Sitka Tribe of Alaska General Manager, Lawrence SpottedBird, introduced himself

and expressed his eagerness to work with the Assembly and citizens of Sitka.

14-072 Blue Lake Expansion Project Construction - One Year Later

Jessica Stockel, Project Assistant with McMillen LLC, provided a viewing of the Blue Lake Expansion Project Construction video for the Assembly.

VII. PERSONS TO BE HEARD

None.

VIII. REPORTS

Mayor McConnell: Attended the Local Emergency Planning Commission Meeting, planned to attend Blue Lake Dam Tour Wednesday with Sitka Tribe of Alaska, and welcomed new STA General Manager Lawrence SpottedBird.

Administrator: Updated the Assembly on the General Fund Master Plan Process and firm selected, noted the Rasmuson Foundation would be in Sitka on May 5 to conduct a Library site visit, attended the STA Council meeting, met with State of Alaska and Alaska Arts Southeast staff regarding the City taking ownership of the side road by Stratton Library, and reminded the public and Assembly he would be presenting at the Chamber of Commerce lunch on April 23.

Attorney: Reported on property issues regarding citizens maintaining lodges in R-1 residential zones.

Liaisons: Hackett attended Tree and Landscape Committee meeting, Hunter attended Port and Harbors Meeting and noted a special meeting would be held on May 5 regarding float homes in the harbor system, Miyasato attended Parks and Recreation Committee and Library Commission meetings, Swanson reported on the Police and Fire Commission meeting.

Clerk: Noted the initiatives that were originally going to be on the State Primary Ballot were instead going to be on the General Election ballot.

Other: Reif made a correction to a statement he had made during Administrator's evaluation. Reif stated he had said there needed to be closer attention to the amount of outside consultant work. Reif clarified that Gorman had done exactly what had been asked of him and that the Assembly instead needed to pay closer attention. Hunter applauded Jessica Stockel and Dean Orbison for the fantastic tour they provided to his Mt. Edgecumbe High School physics class. Mayor added she had recently spoke to the Pacific High School government class.

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

IX. CONSENT AGENDA

A 14-069 Approve the minutes of the April 8, 2014 Assembly meeting

This item was APPROVED on the Consent Agenda.

B 14-071 Reappoint James Kinsman to a term on the Historic Preservation

Commission and Appoint Rachel Moreno to the Sitka Convention and Visitor's Bureau

This item was APPROVED on the Consent Agenda.

- C 14-070** Authorize amending a Professional Services Agreement between JWA, Inc. and the CBS for the Jarvis Street Diesel Plant Capacity Addition Project

This item was APPROVED on the Consent Agenda.

X. UNFINISHED BUSINESS:

- D ORD 14-06** Authorizing Sublease of space by Island Girl Coffee LLC at the Sitka Rocky Gutierrez Airport Terminal Building

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

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

- E ORD 14-09** Amending the Sublease with Ostrov Enterprises d/b/a Airport Gift Shop at the Sitka Rocky Gutierrez Airport Terminal Building to modify Lease Space and Square Footage due to the sale of Espresso Stand

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

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

XI. NEW BUSINESS:

New Business First Reading

- F RES 14-05** Supporting the CBS's application to the Alaska Federal Lands Access Program (FLAP) Grant Program for Preconstruction Planning and Design of the Sitka Seawalk Phase II

Hackett noted this item had been discussed during a Tree and Landscape Committee meeting and expressed appreciation to City staff for their work.

Reif asked Municipal Engineer, Stephen Weatherman, and Senior Engineer, Dan Tadic, to come forward and explain the FLAP grant request. Tadic explained the second phase of the project would continue the Sea Walk from Crescent Harbor around Harrigan Hall and Library and then along Harbor Drive to the O'Connell Bridge Lightering Facility.

Tadic noted there would be money available from the CPET funds to cover the required City match.

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

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

G RES 14-06

Supporting the CBS's application to the Alaska Federal Lands Access Program (FLAP) Grant Program for \$250,000 for Planning and Design of Phase Six of the Cross Trail Multimodal Pathway

Deborah Lyons of Sitka Trail Works spoke in support of the application.

Esquiro wondered if this agenda item and the previous item would be in competition with one another. Gary Baugher, Maintenance and Operations Superintendent, stated they were not and verification of this had been received from the FLAP staff. (Note: It was later clarified after this meeting that the FLAP grants would compete with one another. It was staff's recommendation to proceed with both applications. There was no prohibition for an agency to submit more than one application and staff felt both applications were competitive).

Baugher provided a brief description of Phase Six and explained the new trail would require minimal maintenance. Baugher added this trail would also serve as an emergency bi-way.

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

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

H ORD 14-11

Authorizing the sale of Lot 1 South Sitka Sound Seafoods Subdivision to North Pacific Seafoods

Chief Finance and Administrative Officer, Jay Sweeney, stated net proceeds from the sale would go into the Permanent Fund.

Reif expressed appreciation for the item coming forward and wondered if there would be additional properties coming forward. Municipal Administrator Gorman mentioned he would like to have a worksession later on the issue.

A motion was made by Hunter that this Ordinance be APPROVED on first reading. The motion PASSED by the following vote.

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

I ORD 14-10

Amending SGC Chapter 15.01 entitled "Electric Utility Policies" by adding a New Section 15.01.090 entitled "Rebate Program for Electric Heat Pump Heating Systems"

Utility Director, Chris Brewton, came forward and explained the specifics of the rebate program clarifying the intent was to encourage heat pumps in lieu of other heating systems. This would allow CBS to maximize revenue utilizing new hydro capacity in the most effective way.

Reif expressed concern with the rebate program citing the initial rebate program urged residents to reduce electrical usage and this particular rebate program did just the opposite. Reif suggested the Assembly instead use the \$50,000 to devise a strategy to control demand for the new Blue Lake capacity.

Brewton noted there were two issues of concern. The first was for the need to reserve new hydro capacity for the best possible use. The second was to avoid a utility death spiral in which the rates were raised so high that residents were forced to conserve electricity which in turn caused the rates to be increased again. Brewton expressed the need for a community planning session.

Hackett also wondered if the money could be better spent on reinitiating a campaign to educate folks on the community wide energy issue.

Brewton clarified CBS was not telling folks to decommission a second heating source.

Hunter noted there were more heat pumps in Sitka than in all other cities combined throughout the State. He suggested the \$50,000 could be saved or better spent.

A motion was made by Hunter to APPROVE this item. The motion FAILED by the following vote.

Yes: 1 - Miyasato

No: 6 - McConnell, Hunter, Hackett, Esquiro, Reif, and Swanson

A recess was taken from 7:18pm to 7:25pm

Additional New Business Items

- J 14-074** Approval of the design and bid of all phases of Harrigan Centennial Hall and the proposed funding including applying for additional grant funding from the Rasmussen Foundation

John Stein, President of Sitka Historical Society, spoke in support of the project.

Finance Director, Jay Sweeney, stated repayment of loan with CPET funds would be acceptable.

Public Works Director, Michael Harmon, clarified the funding source as outlined in his memo.

A motion was made by Hunter and later AMENDED by Reif to read "I move to approve the design and bid and commit to funding the full scope of Harrigan Centennial Hall remodel as described in Harmon's April 16, 2014 Memorandum with the exact mechanism of local funding (if needed) to be determined at a later date, and further approve applying for additional grant funding from the Rasmuson Foundation to assist in the completion of all phases of this project. The main motion as AMENDED PASSED by the following vote.

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

- K 14-073** Approve award of a Professional Engineering Services Contract for the Sawmill Cove Industrial Park Dock Project to Moffatt & Nichol not to exceed \$790,114.00

Garry White, Director of Sawmill Cove Industrial Park, came forward to explain the project. White said the dock would be ready late 2015, early 2016.

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

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

L 14-077 Approve the Police Lieutenant Hire

Police Chief Schmitt noted there were two internal candidates who chose to withdraw their applications. There were three external candidates. Police Chief Schmitt explained the recruitment incentives as listed in the motion.

Administrator Gorman informed the Assembly he had met both finalists and was impressed with both. He encouraged the chief to consider the other finalist for any future openings.

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

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

XII. PERSONS TO BE HEARD:

STA General Manager, Lawrence SpottedBird, offered his expertise regarding the cultural aesthetics of the Harrigan Hall Renewal Project.

XIII. EXECUTIVE SESSION

None.

XIV. ADJOURNMENT

A motion was made by Hackett to ADJOURN. Hearing no objections the meeting ADJOURNED at 8:03pm.

ATTEST: _____
Colleen Ingman, MMC
Municipal Clerk



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

Monday, May 5, 2014

6:00 PM

Assembly Chambers

SPECIAL MEETING

- I. CALL TO ORDER

- II. FLAG SALUTE

- III. ROLL CALL

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

IV. NEW BUSINESS:

Board of Equalization

All sides received or had access to the packet that included an overview memo on procedures. Presentations could also be provided orally. It was noted the Assessor would present first, then Appellants. Any witnesses would speak and then the BOE would deliberate. The main purpose being to get all the information needed to make a decision. A written decision would also need to be done. It was stated the decision needed to be made seven days after the closure of the hearing. Municipal Attorney Koutchak reminded that the burden of proof was on the tax payer for the property tax appeals. Any appeal of this board would be to the Alaska Supreme Court.

Mayor McConnell outlined the presentation, assigned 3 minutes for each testimony/rebuttal, and asked if there were any objections to proceeding in this manner - none were heard.

Disclosures: None noted.

- A 14-088 Hear an appeal and reach findings and decision filed by Ty Barkhoefer in regard to Lot 3 A, Wingert Subdivision - Parcel 3-0645-003

Municipal Assessor, Randy Hughes, presented his oral argument. Hughes stated he consistently used a cost approach method using the Marshall and Swift cost

estimator. He argued that his recommended land and improvements values were appropriate and were in accordance with State Statutes.

Appellants Ty and Valerie Barkhoefer were not present.

A motion was made by Hackett to convene as the Board of Equalization. The motion passed by unanimous consent.

A motion was made by Hackett to direct the Municipal Attorney to formalize the board's findings. The findings and decision on the Ty and Valerie Barkhoefer valuation of real property appeal were as follows:

- 1. The Assessor consistently values all residential improvements within the CBS reconciling on the cost approach method.**
- 2. The use of the Marshall and Swift cost estimator was appropriate**
- 3. The Assessor's recommended land and improvement values were appropriate.**

Based on these findings and the following roll call vote the appeal was DENIED.

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

B 14-089

Hear an appeal and reach findings and decision filed by Chris Fondell Lot 2, Bayview Subdivision - Parcel 1-1180-000-0000

Assessor Argument

Assessor Hughes gave his formal argument. He informed he consistently valued all commercial improvement within the City and Borough of Sitka reconciling on the cost approach method. Hughes stated he uses the Marshall and Swift cost estimator and believed that to be appropriate and what was recommended by the State. He believed his recommendation on the land and improvement values were appropriate and within the guidelines and percentages set out.

Appellants Fondell Argument

Fondells argued they had a recent appraisal from a respected appraising firm that showed the value less than that of the Assessor. They noted this was the document that the banks went to and officially processed loans from and not from the city's assessment values. Fondells favored a market approach and believed that was fair. They added the market was not there.

Assessor Rebuttal

Assessor Hughes continued to contend that his valuations were fair and appropriate. He did note that it was difficult to do commercial valuations, especially since there were a very limited amount of comparisons. It would take another year to determine if the market had softened.

Appellants Rebuttal

Again the Fondell's mentioned their appraisal document and suggested that the BOE take into consideration that the market had changed. Their assessment did not take into consideration the market. They feared the values would drop even farther over the next year. They noted they have had to lower their rents and were still experiencing difficulty getting renters for their commercial operations. Their residential operations were rented but they were not experiencing the demand of years past. They added, that as the Assessor said, he would not know for another

year when sales go in to effect if the market had really softened. He also said he had very few commercial comparables.

Assessors Closing Argument

Hughes reiterated what he had already said. Municipal Attorney Koutchak pointed out that the appellants provided no evidence that the market was soft. Another sticking point was the value needed to be excessive. She added that under court law the court favored uniformity versus actual value. Unless the value was grossly disproportionate or intentional then you would find in the courts that the deck was stacked against you. The courts believed that the Assessor had the job of assessing uniformity.

Appellants Closing Argument

Fondell's didn't have much to add. They still were seeking fairness and believed their appraisal and the fact that the market was soft should be contributing factors in consideration to their appeal.

After some clarifying edits to her motion, Hackett moved to direct the Municipal Attorney to formalize the board's findings and decision on the Chris and Tamara Fondell valuation of real property appeal. Based upon the evidence and arguments presented at the hearing of May 5, 2014, the Board of Equalization denies the appeal based on the following findings:

- 1. The Assessor consistently values all commercial improvements within the CBS reconciling on the cost approach method.**
- 2. The use of the Marshall and Swift cost estimator was appropriate.**
- 3. The Assessor's recommended land and improvements values were appropriate.**

On the following roll call vote the appeal was DENIED.

A motion was made by Hackett to reconvene as the Assembly in regular session. The BOE reconvened as the Assembly in regular session.

Yes: 4 - McConnell, Hunter, Esquiro, and Reif

No: 3 - Hackett, Swanson, and Miyasato

A motion was made by Hackett to reconvene as the Assembly in regular session. The BOE reconvened as the Assembly in regular session.

V. PERSONS TO BE HEARD:

None.

VI. ADJOURNMENT

A motion was made by Hackett that the meeting be ADJOURNED. The motion PASSED by a unanimous vote. The meeting ADJOURNED at 6:50 PM.

ATTEST:

Colleen Ingman, MMC
Municipal Clerk