



CITY AND BOROUGH OF SITKA

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

Minutes - Final City and Borough Assembly

Mayor Cheryl Westover
Deputy Mayor Pete Esquiro, Vice-Deputy Mayor Thor
Christianson,
Terry Blake, Phyllis Hackett, Mim McConnell, and Mike Reif

Municipal Administrator: Jim Dinley
Municipal Attorney: Theresa Hillhouse
Municipal Clerk: Colleen Ingman, MMC

Tuesday, November 15, 2011

6:00 PM

Assembly Chambers

REGULAR MEETING

Present: 7 - Westover, McConnell, Blake, Christianson, Esquiro, Reif, and Hackett

I. CALL TO ORDER

II. FLAG SALUTE

III. ROLL CALL

Present: 7 - Westover, McConnell, Blake, Christianson, Esquiro, Reif, and Hackett

IV. CORRESPONDENCE/AGENDA CHANGES

Administrator Dinley mentioned Item F would not be acted on in the absence of both the Assessor and Municipal Attorney.

SHS Student and Sitka School District Updates

SHS Representative, Jessica Bartels, spoke to recent and future events at Sitka High School. Tim Fulton, Sitka School Board member, mentioned the Board recently attended the annual conference of the Alaska Association of School Boards and introduced the newest school board member, Tonia Rioux.

V. PERSONS TO BE HEARD

Matt Donohoe foresees a problem with the proposed electrical surcharge rates. In his view, people who burned less fuel would pay more instead of the other way around.

VI. SPECIAL MUNICIPAL/COMMITTEE/COMMISSION REPORTS:

Utility Director, Chris Brewton, reviewed projects and offered updates on Sitka's Hydroelectric System with regard to Takatz and Blue Lakes. He announced the NHA Annual Conference would be held in Sitka August 21, 22, 2012 and introduced Mark Beauchamp who would be working on a "Cost of Service Study, and Rate Design".

Jay Sweeney, Finance Director, informed a second bond issue would be required to complete the project at the \$100 M level. The additional bonding requirement would be around \$20 M.

Brewton noted Green Lake was 18' below and Blue Lake was 14' below. Brewton said the Electric Department had started running diesel. When at full production Brewton noted they would be burning 900 gallons of diesel an hour at a cost of \$125,000/day.

VII. REPORTS

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

Mayor – Attended AML. She indicated Rick Harris of Sealaska was ready to proceed with an MOA between the USFS and CBS. She congratulated the Mt.Edgecumbe Girls' Volleyball team for winning their division at state.

Administrator - Reported on the PERS Termination Study.

Clerk – Informed she was re-elected to the AAMC Executive Board for a two-year term.

Other - Reif thanked the city for sending him to AML. He spoke with regard to the per diem he was provided. It turned out that it was in excess since many meals were provided. He refunded the difference and would like to see others follow his example. Mayor mentioned the drive to get 26,000 signatures to support Alaska maintaining its control of the Coastal Management Program; she planned to help obtain signatures. McConnell attended the National Community Land Trust Network Conference and reported it was excellent, Community Land Trust's are a good fit for Sitka to help with affordable housing. She also attended the Puget Sound Grant Writers Annual Conference.

VIII. CONSENT AGENDA

- A [11-216](#) Approve the minutes of the October 11 and 25 regular assembly meetings

This item was APPROVED ON THE CONSENT AGENDA.

- B [11-217](#) Approve liquor license renewals: 1) Sea Mountain Restaurant & 19th Hole, 2) House of Liquor, 3) Little Tokyo, 4) Roma's and 5) Agave Mexican Restaurant

This item was APPROVED ON THE CONSENT AGENDA.

IX. UNFINISHED BUSINESS:

- C [11-215](#) 2) Liaison Appointment - Sitka School Board

Nominations were made for Deputy and Vice Deputy Mayor. Esquiro received the majority of votes for Deputy Mayor and Christianson received the majority of votes for Vice-Deputy.

It was decided to discuss liaison appointments at the end of the meeting.

D ORD 11-40

Adjusting the FY10 and FY11 Budgets for changes identified during the Fourth Quarter FY10 Formal Budget Execution Review.

A motion was made by Christianson that this Ordinance be PASSED ON SECOND READING. The motion PASSED by the following vote.

Yes: 7 - Westover, McConnell, Blake, Christianson, Esquiro, Reif, and Hackett

E ORD 11-45

Amending SGC Section 4.09.100 to identify possible sales tax holidays for certain sales in 2011 - November 25 & 26.

A motion was made by Hackett that this Ordinance be PASSED ON SECOND READING. The motion PASSED by the following vote.

Yes: 7 - Westover, McConnell, Blake, Christianson, Esquiro, Reif, and Hackett

F ORD 11-23

Amending SGC Chapter 4.12.025 entitled "Exemptions" to clarify mandatory and optional property tax exemptions and procedures.

This item was POSTPONED.

X. NEW BUSINESS:

New Business First Reading

G ORD 11-37

Amending the SGC Chapter 15.01 Electrical Utility Policies at Section 15.01.020 Electrical Rates by amending Subsection G now entitled "Fuel Surcharge" to clarify how the fuel surcharge is now assessed in order to recover the Electric Department's costs of supplemental diesel operations.

Utility Director, Chris Brewton, explained the purpose was to fine tune the ordinance.

Matt Donohoe stated he accepted the need for a fuel surcharge, however, saw a problem with citizens paying in the fall for electricity generated in the summer months.

Clyde Bright blamed the fish processors. He stated rates needed to be fairly distributed to all users across the board. He suggested increasing commercial rates during summer.

Brewton explained the formula for determining the surcharge amount. He noted the majority of load growth was residential. The numbers were fairly consistent year round with the highest use in the winter. He added with the rate design study, the idea of seasonal rates etc. would be explored. During construction of the dam, Brewton said the projected cost for diesel fuel would be approximately \$21,000 per day.

A motion was made by Christianson that this Ordinance be PASSED ON FIRST READING . The motion PASSED by the following vote.

Yes: 7 - Westover, McConnell, Blake, Christianson, Esquiro, Reif, and Hackett

H ORD 11-46 S

Rezoning a 40.333 acre portion on the Northeasterly corner of the Remaining Portion of Lot 5 Sheldon Jackson College USS 407 Tract B

A motion was made by McConnell that this Ordinance be PASSED ON FIRST READING. The motion PASSED by the following vote.

Yes: 7 - Westover, McConnell, Blake, Christianson, Esquiro, Reif, and Hackett

I **ORD 11-47**

Consenting to the Security Assignment of a Tidelands Lease to First Bank by Whitecap Properties, LLC. regarding Tideland Lease No. ADL 24391

This item was PASSED ON FIRST READING.

Yes: 7 - Westover, McConnell, Blake, Christianson, Esquiro, Reif, and Hackett

J **ORD 11-48**

Regarding repayment of expenses and interest associated with purchase, development and sale of Benchland properties to the Sitka General Fund and other funds, and deposit net proceeds from sales into the Sitka Permanent Fund

A motion was made by Reif to AMEND Section 4. Enactment B. to read: Reimbursement to the Sitka General Fund and other CBS funds includes not only the actual costs and expenses associated with the purchase, development and sales of the Benchlands, but also the direct staff time associated with all related projects. All associated project costs are to be reimbursed after application of an inflationary factor based on the Consumer Price Index for Anchorage.

The motion to AMEND PASSED by the following vote.

Yes: 6 - Westover, McConnell, Blake, Esquiro, Reif, and Hackett

No: 1 - Christianson

Assembly members discussed the associated costs and proceeds of continued development of the Benchland properties. It was determined that a worksession surrounding this topic and the municipality's options should be scheduled in the near future.

A motion was made by Hackett that this Ordinance be PASSED ON FIRST READING as amended. Due to the amendment the ordinance will require two more readings. The motion PASSED by the following vote.

Yes: 7 - Westover, McConnell, Blake, Christianson, Esquiro, Reif, and Hackett

Additional New Business Items

K **11-219**

Authorize the acceptance of a 2011 COPS Grant to fund a full time police officer for a three year period

Esquiro expressed concern with the fourth and potential following years of funding. Chief Schmitt and Administrator Dinley explained that there is such a high turnover of police officers that after the grant has expired the position rolls into one of the budgeted vacant police officer slots. Historically they have also found that the grant gets refunded. Reif and others appreciated this position would be totally funded for three years through this program.

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

Yes: 7 - Westover, McConnell, Blake, Christianson, Esquiro, Reif, and Hackett

- L** [11-218](#) Consider and/or approve any or all Marine Passenger Fee Fund proposed projects for: 1) FY 2011 and 2) FY 2012
- A discussion amongst Assembly members ensued. It was felt the information provided was insufficient and the memo was confusing. The assembly asked that the public be provided more information and that the recommendations be rewritten for clarity. They also extended their apologies to the citizens for the delay.*
- A motion was made by Christianson that this Item be POSTPONED until additional information is made available to the public. The motion PASSED by the following vote.**

Yes: 7 - Westover, McConnell, Blake, Christianson, Esquiro, Reif, and Hackett

- C 2** [11-215](#) 2) Liaison Appointment - Sitka School Board

A discussion took place on the importance of committees having an assembly liaison. It was decided to go ahead with the appointments and then if a committee did not see the value in having an assembly liaison then one would not be assigned. Some of the more active committees were also assigned a backup in the event the primary member could not be in attendance.

Convention & Visitors Bureau - Esquiro/Westover

Historic Preservation - Christianson

Sitka Community Hospital - Hackett/Westover

Investment Committee - Reif

Library - McConnell/Christianson

LEPC - Westover

Parks & Rec. - Hackett

Planning - Opted out

Police & Fire - Blake

Ports and Harbors - Blake/Hackett

Sawmill Cove Board - Esquiro/Reif

Tourism Commission - Christianson/McConnell

Tree & Landscape - McConnell

Sitka Tribe of Alaska - Reif/Esquiro

Sitka School Board - TBD

XI. PERSONS TO BE HEARD:

Evyn Kinnear spoke to the Marine Passenger Fee funds. She believed it was being dealt with in a very subjective way. Kinnear stated the current method was not transparent, nor did it represent the full-spectrum of the community. She suggested the method of a point system where the process was done by a commission opposed to administration be adopted.

XII. ADJOURNMENT

Reif moved to ADJOURN the meeting. Hearing no objections the meeting ADJOURNED at 10:03 PM.

ATTEST: _____

**Colleen Ingman, MMC
Municipal Clerk**