



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 Valorie Nelson,
Aaron Bean, Kevin Knox, Dr. Richard Wein, Kevin Mosher

Interim Municipal Administrator: Dave Miller
Municipal Attorney: Brian Hanson
Municipal Clerk: Sara Peterson

Tuesday, September 10, 2019

6:00 PM

Assembly Chambers

REGULAR MEETING

I. CALL TO ORDER

II. FLAG SALUTE

III. ROLL CALL

Present: 6 - Eisenbeisz, Knox, Bean, Wein, Paxton, and Mosher

Absent: 1 - Nelson

IV. CORRESPONDENCE/AGENDA CHANGES

[19-201](#) Reminders, Calenders and General Correspondence

V. CEREMONIAL MATTERS

None.

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

None.

VII. PERSONS TO BE HEARD

Maegan Bosak, Director of Marketing and Communications for SEARHC, provided an update on Sitka's Integrated Health Care team. Bosak reported the transition was official on August 1. Bosak reported of name changes to a variety of facilities, reminded emergency services were available at Mt. Edgecumbe Medical Center only, urgent care was open 7 days a week for non emergent needs, stated SEARHC was providing a full

schedule of specialty clinic, and said patients may see a delay in billing due to the finalization of regulatory documents pertaining to the integration.

Richard Wein spoke to a recent fire caused by a plugged dryer vent and reminded residents to clean out their vent; told of Fitch, a credit rating agency, downgrading general obligation bonds for the State of Alaska; stated the Permanent Fund had increased its value by \$1.4 billion and challenged people to think of how it had increased. He told of the Rehabilitation for Multiemployer Pension Act bill recently passed by the House of Representatives and stated this would allow a taxpayer bailout for underfunded union liabilities. In closing, he spoke to the significance of 9/11 and urged citizens to take a moment and reflect on that day.

VIII. REPORTS

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

Interim Administrator - Miller announced the new police department study was available for review, told flashing lights had been installed at the Blatchley Middle School crosswalk, reported on a water line break near Sea Mart, and announced the Fire Hall would commemorate 9/11 with a walk from the Fire Hall across O'Connell Bridge at 5:30 p.m.

Attorney - Hanson reported he had been working on a number of projects including litigation matters.

Liaison Representatives - Wein reported on the recent Police and Fire Commission meeting and Knox on the Parks and Recreation Committee meeting. Knox reminded Port and Harbors was scheduled to meet September 11.

Clerk - Peterson reminded of the special meeting September 12, read through the current vacancy list for City Boards and Commissions, and told of the schedule for Advanced/Absentee Voting at City Hall September 16-30.

IX. CONSENT AGENDA

- A** [19-195](#) Approve the minutes of the August 22, 27, 29, and September 3 Assembly meetings

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

Yes: 6 - Eisenbeisz, Knox, Bean, Wein, Paxton, and Mosher

Absent: 1 - Nelson

X. BOARD, COMMISSION, COMMITTEE APPOINTMENTS

None.

XI. UNFINISHED BUSINESS:

- B** [ORD 19-35](#) Making supplemental appropriations for FY2020 (FY2019 Encumbrances)

Jay Sweeney, Chief Finance and Administrative Officer, explained operating appropriations lapsed on June 30 except if funds were encumbered. He noted the accounting system did not allow for two fiscal years to be open at the same time and the solution was to take those funds and reappropriate them into the next year.

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

Yes: 6 - Eisenbeisz, Knox, Bean, Wein, Paxton, and Mosher

Absent: 1 - Nelson

C [ORD 19-36](#)

Making supplemental appropriations for FY2020 (electrical work at former Sitka Community Hospital facility)

Chief Finance and Administrative Officer Jay Sweeney spoke to his email regarding the Sitka Community Hospital electrical assessment report prepared by AWA Electrical Consultants, Inc. Sweeney stated he could not speak specifically to the report but had located it for the Assembly to review. Bean stated he would vote in opposition noting the report had only been emailed an hour before the meeting. Eisenbeisz believed the City was contractually obligated to go forward with the repairs. Wein commented that while the City may be contractually obligated he wondered how well this item had been negotiated. Mosher reminded the City had given their word and needed to follow through.

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

Yes: 4 - Eisenbeisz, Knox, Paxton, and Mosher

No: 2 - Bean, and Wein

Absent: 1 - Nelson

D [ORD 19-37](#)

Making supplemental appropriations for FY2020 (Seaplane Base Grant - Environmental Assessment and Aviation Planning)

Public Works Director Michael Harmon stated passage of the ordinance did not obligate the City, however, in the future once the City decided to enter into the design and land acquisition, the City would be obligated. He reminded this step was the environmental stage and clarified any impacts this project would have on the environment, noise, and public use issues. He noted all permitting agencies would be involved and stated the City was working on a business plan for the facility. Bean suggested the facility be a standalone enterprise fund. Wein stated he had read the quit claim deed and noted there was a potential encroachment by the US Coast Guard. He was perplexed why a study would need to be done on such a high use area.

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

Yes: 6 - Eisenbeisz, Knox, Bean, Wein, Paxton, and Mosher

Absent: 1 - Nelson

XII. NEW BUSINESS:

E [19-196](#) Approve the 2019-2022 Alaska State Employees Association (ASEA) Collective Bargaining Agreement

Kimberly Gearity, outside legal counsel for the City, reviewed the ASEA discussion points and stated the pay increases to payroll were 2.5% for FY2020, 2.5% for FY2021, and 2.5% for FY2022. The cumulative increase for the three fiscal years was 7.69%.

Lizzie Solger, ASEA Business Agent, and Kenny Winger, ASEA Board President and City Public Works Facilities Maintenance Specialist, addressed the Assembly. Solger reported the 45 employees represented by ASEA had provided the City and School District with a unique opportunity to save a combined \$2 million in health insurance discounts. The projected savings from participating in the ASEA Health Trust was memorialized in the FY2020 budget worksheets. Solger and Winger thanked the Assembly for supporting the ASEA Collective Bargaining Agreement.

Wein commented the insurance negotiation was a big deal and benefited the School District and the City. He reviewed the cost: 7.69% over a three-year period at a cost of \$537,813.56. Wein noted all four unions together, over that three year negotiated time period, represented \$1,282,461.82. He reminded these were not one time appropriations but rather yearly.

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

Yes: 6 - Eisenbeisz, Knox, Bean, Wein, Paxton, and Mosher

Absent: 1 - Nelson

F [19-199](#) Approve the 2019-2022 Public Safety Employees Association (PSEA) Collective Bargaining Agreement

Outside legal counsel, Kimberly Gearity, reviewed the discussion points of the PSEA Collective Bargaining Agreement. Gearity explained former Police Chief Jeff Ankerfelt in January 2019 made a presentation to the Assembly recommending a \$5.00 increase to the hourly rates of the pay for police. His presentation had focused on the recruitment and retention problems of the Sitka Police Department. Given upcoming negotiations, his recommendations were not acted upon at that time. Gearity stated upon Chief Baty's arrival, similar concerns were expressed and became the focus of the negotiations. Gearity reviewed the pay increases and stated the increase for FY2020 equaled 4.53%, which included the payroll costs on top of the percentage increase. The increase for FY2021 equaled 2.26% and in the increase for FY2022 equaled 2.01%. The cumulative effect was 8.51%.

Dave Nelson, PSEA Chapter President and City Jail Supervisor, and Jayson Christner, PSEA Chapter Vice President, told of the research the Chapter had performed with regards to negotiations and relayed the union was understanding and took into consideration the local budget crisis and state budget crisis. Nelson stated some of the supervisory positions had agreed to take a pay cut in order to help with recruitment and retention. Bean wondered how many sergeant positions there were. Christner stated there were five sergeant positions, however, the department was now at four. Wein reviewed the percentage increase and overall cost over three years at \$160,196.93. Wein spoke to the pay matrix. Gearity stated the Administrator did not have the authority, because of the collective bargaining agreement, to unilaterally modify the pay matrix. She shared the Administrator did have the authority, upon

recommendation of the Police Chief, to place a new hire (not an existing employee) at a step other than step A.

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

Yes: 6 - Eisenbeisz, Knox, Bean, Wein, Paxton, and Mosher

Absent: 1 - Nelson

G [19-200](#)

Authorize the City and Borough of Sitka to accept the Historic Revitalization Subgrant Program in the amount of \$238,033

Chief Finance and Administrative Officer Jay Sweeney and Controller Melissa Haley provided an explanation of the Historic Revitalization Subgrant program. While the goals of the program were noble, Sweeney and Haley expressed concern that the City could not administer the program without additional resources. Haley stated the intent of the program was to create a competitive subgrant program for historic preservation projects, there were extensive requirements, no City department had the existing expertise, and costs were unknown. She stated one of the biggest challenges was that the City had decentralized procurement. With a subgrant program, all procurement needed to be monitored. Paxton told of an individual in town who had experience in administering grants and suggested a meeting be set up. Sweeney stated the program could not be outsourced, a significant amount of management would still need to come from City staff. If the City were a program administrator the City would be put into the position required by federal law of making value judgements on the risk of awarding a grant to an applicant. If the risk were not evaluated properly, then the liability would revert back to the City. Sweeney stated accepting a program like this, and not putting the proper attention and resources towards it, could result in an audit finding which would be disadvantageous to the City.

Assembly members expressed concern with the subgrant program putting an undue burden on staff.

Rebecca Poulson thanked staff for considering the program given such a tight timeline from the federal government.

A motion was made by Bean to APPROVE this Item. The motion FAILED by the following vote.

No: 6 - Eisenbeisz, Knox, Bean, Wein, Paxton, and Mosher

Absent: 1 - Nelson

H [RES 19-24](#)

Declaring the eligibility of the City and Borough of Sitka to submit an application to the Alaska Department of Transportation and Public Facilities (ADOT&PF) for the Community Transportation Program for the Lincoln Street & Katlian Avenue paving & improvements project in Sitka, Alaska, and authorizing the Interim Municipal Administrator to sign the application and future project agreements, and directing the Administrator to set the match commitment at a certain level

Public Works Director Michael Harmon explained the Alaska Statewide Transportation Improvement Program was a federally funded program for local municipalities to take advantage of. Public Works was proposing an application be submitted for the Lincoln Street (Jeff Davis to 100 Lincoln Street) & Katlian Avenue Paving & Improvements Project; project cost estimated at \$12 million. Harmon believed the project would score

well based on economics and passenger flows. He noted the application required a minimum match commitment of \$857,850 (9.03%) and said the more match funds committed would yield a higher score. Each 1% of local match above and beyond the 9.03% would add 1 point to the project scoring. Harmon explained to date, the Assembly had set aside \$3,917,868 through multiple appropriations to begin saving for these particular projects with an estimated cost of \$9.5 million. Committing all available funds would yield 32 additional points (a total of 310 possible). Harmon stated if project funds were awarded the State of Alaska would administer the federal funds. The act of applying did not commit the City. If awarded, the City would have an opportunity to pass at the agreement phase. Harmon relayed the Edgum Drive rehabilitation project was funded in this manner.

Paxton spoke in support of applying and reminded, if awarded, the funding agreement could be declined in the future. Mosher expressed hesitation in committing to something that was not 100% funded. While he believed there was a need, he stated the plans presented now may end up being a different reality, and reminded that estimates typically went over budget. Wein reminded there was no guarantee a full match would be received. If a smaller amount was received, he expressed concern with still being required to move forward with the project. Bean didn't believe the process to be transparent to agencies reviewing the applications when the project hadn't been approved by the Assembly. Harmon clarified that money was being saved for the project and if the Assembly wasn't interested in proceeding with the he'd like to know sooner rather than later. Eisenbeisz stated the projects were in the queue and this opportunity was an alternative funding source. Wein reminded the estimated cost of the project was \$12 million. If only half of the project cost was awarded, he questioned whether the City could afford another \$6 million.

Melissa Haley and Sherry Aitken spoke in support of the resolution. Pat Alexander voiced support for the Katlian Street portion of the project.

A motion was made by Knox that this Resolution be APPROVED on FIRST AND FINAL READING and direct the Interim Administrator to set the match commitment at \$2.3 million dollars. The motion FAILED by the following vote.

Yes: 3 - Eisenbeisz, Knox, and Paxton

No: 3 - Bean, Wein, and Mosher

Absent: 1 - Nelson

I [19-197](#)

Decision on whether to allow sales tax free day(s) following the Thanksgiving holiday and set date(s)

Eisenbeisz, a business owner, asked to be recused. The Mayor agreed.

A motion was made by Knox to authorize November 29 and November 30 as sales tax free days for 2019 noting the sales tax free days will not be applicable to any sale of fuel, alcoholic beverages, tobacco products, and marijuana, nor affect any sale which is part of a continuing obligation of the buyer to pay the seller over time. The motion PASSED by the following vote.

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

Absent: 1 - Nelson

Recused: 1 - Eisenbeisz

J [19-198](#) Discussion / Direction on the Administrator recruitment process

Interim Administrator Dave Miller stated for health reasons he was stepping down as Interim Administrator. The Assembly accepted his resignation and thanked him for serving. Assembly members discussed ideas for appointing a new Interim; it was decided to place on item on the September 12 agenda for further discussion.

XIII. PERSONS TO BE HEARD:

Leo Jimmy spoke to his request for a letter of support regarding a treatment facility and wondered if the Assembly had questions.

XIV. EXECUTIVE SESSION

None.

XV. ADJOURNMENT

A motion was made by Mosher to ADJOURN. Hearing no objections, the meeting ADJOURNED at 8:42 p.m.

ATTEST: _____

**Sara Peterson, MMC
Municipal Clerk**