

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
July 10 Assembly meeting.



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 Steven Eisenbeisz,
Vice Deputy Mayor Bob Potrzuski,
Aaron Bean, Kevin Knox, Dr. Richard Wein,
Benjamin Miyasato*

*Municipal Administrator: Keith Brady
Municipal Attorney: Brian Hanson
Municipal Clerk: Sara Peterson*

Tuesday, July 10, 2018

6:00 PM

Assembly Chambers

WORK SESSION 5:00 PM

18-130

Work Session: Continuation of Sitka local hazard mitigation plan project development (Maegan Bosak and Jill Missal)

Community Affairs Director Maegan Bosak and Jill Missal with Missal LLC., reviewed requirements for the Local Hazard Mitigation plan, the 2010 plan projects, and reviewed and edited the proposed projects of the new version.

REGULAR MEETING

This meeting recessed at 10:29 p.m. on July 10 and reconvened on July 11 at 6:00 p.m.

I. CALL TO ORDER

II. FLAG SALUTE

III. ROLL CALL

Present: 6 - Miyasato, Eisenbeisz, Hunter, Knox, Bean, and Wein

Absent: 1 - Potrzuski

IV. CORRESPONDENCE/AGENDA CHANGES

None.

18-135

Reminders, Calendars and General Correspondence

V. CEREMONIAL MATTERS

18-128 Ceremonial - Sitka Community Playground Volunteers

Mayor Hunter read and gave certificates of appreciation to the Sitka Community Playground volunteers. Bridget Hitchcock thanked the volunteers and businesses involved with the four year project.

VI. SPECIAL REPORTS: Government to Government, Municipal Boards/Commissions/Committees, Sitka Community Hospital, Municipal Departments, School District, Students and Guests (five minute time limit)**18-129 Special Reports: 1) Hospital RFP Consultants - Sarah Cave and Steve Huebner and 2) Sitka Community Hospital - Rob Allen**

Sitka Community Hospital CEO Rob Allen gave an update on financials, a new doctor, Cerner, and mentioned there would be a July 26 board meeting. Sarah Cave and Steve Huebner gave a report on the Sitka Community Hospital RFP process and site visits that would take place over the next two days. Ms. Cave told of next steps in the process and of a Town Hall meeting date change to August 20. Wein wondered of the possibility of a local facilitator. Municipal Attorney Brian Hanson told of perception of a conflict by hiring a local facilitator.

VII. PERSONS TO BE HEARD

Alene Henning spoke on the removal of the senior sales tax and asked the Assembly for alternatives. Shirley Robards told of her petition of reinstating the senior sales tax exemption. John Stein gave thanks to Alaska Waste with regards to dealing with garbage and bears in the area of Cedar Beach Road.

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

Mayor - Hunter attended the USCG change of command ceremony, thanked Capt. Lewin and welcomed the new commander and others.

Administrator - Brady attended the USCG change of command and many of the 4th of July festivities including the playground ribbon cutting.

Liaisons - Knox reported on the Parks and Recreation Committee meeting. Mayor Hunter told of the upcoming Library Commission meeting.

Clerk - Henshaw mentioned that candidate packets would be available in the clerk's office beginning July 16. The filing period ended August 3rd at 5:00 p.m. and highlighted the recent vacancy for the Planning Commission.

IX. CONSENT AGENDA

A motion was made by Knox that the Consent Agenda consisting of items A and D be APPROVED. The motion PASSED by the following vote.

Yes: 6 - Miyasato, Eisenbeisz, Hunter, Knox, Bean, and Wein

Absent: 1 - Potrzuski

- A 18-131** Approve the minutes of the June 26 Assembly meeting

This item was APPROVED ON THE CONSENT AGENDA.

- B 18-132** Approve a standard marijuana cultivation facility license renewal for Michael Daly dba Northern Lights Indoor Gardens, LLC at 1321 Sawmill Creek Road Suite O and P

Eisenbeisz recused himself from the item, noting he was in business with the entity.
Mayor Hunter noted the thorough amount of paperwork from the state.

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

Yes: 5 - Miyasato, Hunter, Knox, Bean, and Wein

Absent: 1 - Potrzuski

Recused: 1 - Eisenbeisz

- C 18-133** Approve a retail marijuana store license renewal for Michael Daly dba Northern Lights Indoor Gardens, LLC at 1321 Sawmill Creek Road Suite O and P

Eisenbeisz recused himself from the item, noting he was in business with the entity.

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

Yes: 5 - Miyasato, Hunter, Knox, Bean, and Wein

Absent: 1 - Potrzuski

Recused: 1 - Eisenbeisz

- D 18-134** Approve a retail marijuana store license renewal for Anna M Cleaver dba Weed Dudes at 1321 Sawmill Creek Road Suite J

This item was APPROVED ON THE CONSENT AGENDA.

X. BOARD, COMMISSION, COMMITTEE APPOINTMENTS

None.

XI. UNFINISHED BUSINESS:

- E 18-126** Discussion / Direction / Decision on the contract with the Greater Sitka

Chamber of Commerce, Inc., provider of Convention and Visitor Bureau Services (*executive session*)

Municipal Attorney Hanson recommended going into executive session to discuss contract negotiations and terms.

John Stein and Ann Bills, wondered why the Greater Sitka Chamber of Commerce and Visit Sitka staff were not invited in.

A motion was made by Miyasato to go into executive session to discuss legal matters affecting the municipality with respect to the municipalities contractual relationship with the Greater Sitka Chamber of Commerce, Inc., the immediate knowledge of which would adversely affect the finances of the municipality, and/or communications with the Municipal Attorney concerning legal matters affecting the municipality or legal consequences of past, present or future municipal actions, and invite in if desired and when ready, Don Kluting and Maegan Bosak.

Yes: 6 - Miyasato, Eisenbeisz, Hunter, Knox, Bean, and Wein

Absent: 1 - Potrzuski

The Assembly was in executive session from 6:33 p.m. to 7:33 p.m.

A motion was made by Bean to RECONVENE as the Assembly in regular session. The motion PASSED by unanimous voice vote.

Ann Bills, John Stein, Regional Director of Sales and Marketing for Aspen Hotels of Alaska Carol Fraser, Andrew Thoms, Jim Michener, Executive Director of Alaska Raptor Center Jennifer Cross, Sheila Finkenbinder, Brit Galanin, Kevin Mosher, Lana Petersen were not in support of the month to month contract. Executive Director of the Chamber and Visit Sitka Rachel Roy told of goals, metrics to execute contract, marketing plan, reports provided, the request for proposals, and encouraged current or increased funding. John Dunlap was in support of Visit Sitka and cautioned the assembly to make sure city funds were being used wisely and for the benefit of all. Chris Spivey was in support of the Chamber and Visit Sitka and reminded that the Comprehensive Plan stated the need for strong marketing.

Wein was not in favor of the month to month contract, but that it allowed the opportunity to negotiate a new contract. He noted the budget for tourism needed to be increased and should be a focus. Eisenbeisz expressed that the month to month contract was less than ideal, however with the situation, there was still work to do with regards to the contract. Knox did not disagree that a month to month contract was less than ideal, however the contract needed more work to be long term. Bean indicated that the month to month did not mean that less money should be spent on marketing Sitka, but that there was more negotiating that was needed to make the contract better for the people of Sitka. Miyasato agreed and asked for patience for a better contract to be negotiated. Mayor Hunter thanked the parties involved, noted the remarkable changes in marketing and thanked staff. He stated the contract needed to be done right before signing long term.

A motion was made by Bean to direct the Administrator to negotiate a month to month contract with staff reporting back at the September 11, 2018 regular assembly meeting. The motion PASSED by the following vote.

Yes: 6 - Miyasato, Eisenbeisz, Hunter, Knox, Bean, and Wein

Absent: 1 - Potrzuski

A motion was made by Eisenbeisz to appoint an Assembly Liaison for contract negotiations with the Greater Sitka Chamber of Commerce regarding visitor services. The motion PASSED by the following vote.

Yes: 6 - Miyasato, Eisenbeisz, Hunter, Knox, Bean, and Wein

Absent: 1 - Potrzuski

- F 18-114** Approve a lease agreement between Trident Seafoods Corporation and the City and Borough of Sitka for Block 4, Lot 6 of the Gary Paxton Industrial Park - request to rescind action taken June 26, 2018

Wein was in support to rescind and stated this was a lease that was negotiated and approved by the Gary Paxton Industrial Park Board of Directors. He told of circumstances at the last meeting of time constraints and he had concerns that there was decision fatigue. Bean agreed with the time constraints at the last meeting, however, was still not in support of the lease. He stated storage was not creating jobs which was not the vision and purpose of the park, and commented that Trident would not sell their fish in Sitka. Eisenbeisz and Knox were not in favor of the idea to rescind a motion. Mayor Hunter realized that this storage would be for boats that do not process fish in Sitka, therefore, the raw fish tax money would not stay in Sitka and noted lack of job creation for the purpose of storage. He stated it would take five affirmative votes to rescind. Wein agreed with the short term lease of three years, and said just because they weren't going to process here, didn't mean that they shouldn't have a lease.

A motion was made by Wein to rescind the motion that failed at the June 26 Assembly meeting to approve a lease agreement between Trident Seafoods Corporation and the City and Borough of Sitka for Block 4, Lot 6 of the Gary Paxton Industrial Park. The motion FAILED by the following vote.

Yes: 1 - Wein

No: 5 - Miyasato, Eisenbeisz, Hunter, Knox, and Bean

Absent: 1 - Potrzuski

XII. NEW BUSINESS:

- G 18-137** Approve the proposed adjustments to the Gary Paxton Industrial Park Port Tariff No. 1

Eisenbeisz was in support of the proposed adjustments. Garry White, Gary Paxton Industrial Park Director stated that these adjustments were a work in progress, the goal to make the facility user friendly for the community, and to have rules and regulations that benefit users.

A motion was made by Miyasato to approve, as recommended by the Gary Paxton Industrial Park Board, the proposed adjustments to the GPIIP Port Tariff Fee Schedule No. 1. The motion PASSED by the following vote.

Yes: 6 - Miyasato, Eisenbeisz, Hunter, Knox, Bean, and Wein

Absent: 1 - Potrzuski

H 18-136 Approve a lease agreement between the Sitka Historical Society, Inc. and the City and Borough of Sitka for a portion of 330 Harbor Drive

Executive Director of the Sitka History Museum Hal Spackman mentioned the July 26 grand opening date for the museum noting the museum had been in existence since 1957. Spackman told of lease amendments he felt the museum needed and several members of the audience showed their support for the museum by raising hands. Amendments included a sign outside of the museum by approval of the assembly, a waiver of utility fees, a waiver of rental fees for foyer use for special events not to conflict with other activities, and a waiver of property tax.

Municipal Attorney Brian Hanson stated the lease came to the legal department many months ago, that it has been challenging to work through as the previous lease was decades old. Don Kluting, Harrigan Centennial Hall (HCH) Director spoke of concerns with the sign amendments in conjunction to the master plan of the entire HCH campus. He told of utility costs and noted if the fees were waived, the overall HCH budget would need to increase. He mentioned concern with use of the foyer since it was the main entrance, that it would need to be coordinated, and HCH staff would be required to be on duty for events which would add additional costs.

Bean had concerns, but thought all parties could get to a place where everyone agreed, or mentioned to shorten the term. Wein wanted more information regarding the sign amendment. Eisenbeisz had concerns with the unlimited utilities and the need to increase the HCH budget to subsidize utilities. He noted that the amendments were shifting the burden back to the city and therefore the public, and wondered if the museum would offer free access to public. Spackman noted that most museums were ran by the city and felt it was a great service provided at less expense to the city. He stated the museum needed time and monetary relief. Knox voiced that a thirty year term was long, and that the Historical Society provided a benefit. He would like to know the cost of the amendments. Mayor Hunter clarified historically they had been charged, however relayed the funding the city paid to the Historical Society had decreased over the years. He thought it was a reasonable expenditure from the Visitor's Enhancement Fund. He mentioned granting the waivers for a period of time in order to know the costs. Miyasato agreed and voiced a one year waiver. He was in support of a long term lease. Wein was in support of the subsidization. Bean agreed with Hunter and Wein, and offered a 24 month term. Knox wished to go forward with the long term lease but on a short term basis for the utilities and property tax waiver to be revisited in 24 months. Mayor Hunter stated he would like to approve the lease and then make amendments. Eisenbeisz reminded that the sign code needed to be followed, was amendable to the waiver of property tax, but thought utilities should be paid.

A motion was made by Miyasato to approve a lease agreement between the Sitka Historical Society, Inc. and the City and Borough of Sitka for a portion of 330 Harbor Drive and authorize the Municipal Administrator to execute this document.

Yes: 4 - Miyasato, Hunter, Knox, and Wein

No: 2 - Eisenbeisz, and Bean

Absent: 1 - Potrzuski

John Stein noted the items were a public trust and the artifacts were irreplaceable.

Eisenbeisz requested a financial review and confirmed with Spackman that the timing of the 24 months coming due in the summer season would not cause concern. Bean

was also in favor of a financial review. Miyasato was in support.

A motion was made by Knox to direct staff to execute within the terms of the lease with the Sitka Historical Society, Inc., a waiver of utilities and property taxes for a period of 24 months at which time it would be revisited.

Yes: 6 - Miyasato, Eisenbeisz, Hunter, Knox, Bean, and Wein

Absent: 1 - Potrzuski

I 18-138 Approve the Extension of Agreement between Seafood Producers Cooperative and the City and Borough of Sitka regarding the Sitka Marine Service Center

Municipal Attorney Brian Hanson felt that lease extensions needed to come forward to the Assembly. Eisenbeisz expressed lease extensions should be processed by staff. Wein had concerns of liability for the city with possible lack of general liability insurance. Chief Finance and Administrative Officer Jay Sweeney explained there was approximately a \$2 million balance in the Marine Service Center Fund and noted that the bulk head was owned by the Harbor Fund. Brady stated the lease had expired June 30th, that this was signed by Administration, however needed the assembly to ratify it. Staff had been working internally to changes in the contract. Hanson recommend postponement in order to look at the risk of insurance.

A motion was made by Miyasato to POSTPONE this item to the July 24, 2018 Assembly meeting. The motion PASSED by the following vote.

Yes: 6 - Miyasato, Eisenbeisz, Hunter, Knox, Bean, and Wein

Absent: 1 - Potrzuski

J ORD 18-30 Making supplemental appropriations for Fiscal Year 2019 (*E911 Software System Acquisition*)

IT Director Ron Duvall stated this ordinance was moving dedicated E911 funds to MIS funds for the project. He told approval of the contract, not to exceed \$285,000, would be at the next regular meeting. He communicated the reasoning of this ordinance coming prior to the contract was because it took two readings and the second reading of this ordinance and the contract approval would be placed on the agenda for the next meeting together. Duvall noted funds were available, yet no money would be issued until the contract was approved. Bean inquired if the police department would move to a different location that the system could be moved. Duvall confirmed and noted that this system was for both the police department and fire department. Mayor Hunter voiced this was the process that had been done previously, and it was a matter of style yet the effect was the same.

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

Yes: 5 - Miyasato, Eisenbeisz, Hunter, Knox, and Bean

No: 1 - Wein

Absent: 1 - Potrzuski

K ORD 18-31 Amending Title 4 "Revenue and Finance" of the Sitka General Code by modifying Chapter 4.09 "Sales Tax" at Section 4.09.100 "Exemptions" by including an exemption for sales tax on groceries and residential utilities and

amending Section 4.09.420 "Definitions" by adding a definition for groceries
(1st reading)

Kevin Mosher was not in support of the ordinance. Chris Spivey was not in support but noted revenues were needed.

Knox stated his intent as a sponsor was to address the inequality in the tax code and that two separate ordinances were needed. He thought this would help the lower income level. Wein was disappointed there was not documentation about the revenue change in the packet, he was not in support. Bean stated he was not in support, he noted the previous millage rate increase did not pass at the last election. He stated there were no guarantees that future assemblies wouldn't reinstitute the tax and then the sales tax and property tax would increase. Mayor Hunter explained that according to state law, a ballot initiative could only state one topic which accounted for the separation of this agenda item for removal of the sales tax on groceries and utilities and the following agenda item ordinance of a millage rate increase. His concern was regarding lack of revenues from possible future property value decreases. Knox spoke to the reasoning of the definitions of groceries for simplification. He told of state law with regards to property values and noted that the assembly did not have control over the values.

A motion was made by Miyasato to EXTEND to 11:00 p.m. The motion FAILED by the following vote.

Yes: 4 - Miyasato, Hunter, Knox, and Bean

No: 2 - Eisenbeisz, and Wein

Absent: 1 - Potrzuski

With only a couple minutes remaining until 10:30 p.m., Mayor Hunter called for a recess until 6:00 p.m. July 11 to reconvene and finish the remaining agenda items.

The meeting RECONVENED at 6:00 p.m. on Wednesday, July 11, 2018.

Present: 6 - Miyasato, Eisenbeisz, Hunter, Knox, Bean, and Wein

Absent: 1 - Potrzuski

Eisenbeisz communicated that retailers point of sale systems should be able to handle the tax or no tax on different items. He expressed concern to see another millage rate increase on the ballot especially with the defeat of the one last year. Wein reiterated the two items should not to be linked. He was not in favor of some of the tax free items, and thought to craft a healthier way. He voiced that any millage rate increase would be passed along to those that have the most difficulty to pay, for example the trailer court tenants. He was not in support of this ordinance. Knox stated the tax system was regressive and this would shift the burden by reducing the taxes on the utilities to help low and middle income people. Mayor Hunter thought that necessities should not be taxed and reiterated his concerns with housing uncertainty in regards to landslide mapping. He commented that Sitka had the lowest millage rate in southeast and stated he was in support. Municipal Administrator Keith Brady estimated the sales tax revenue on utilities at \$1 million and on non prepared foods the estimate was \$2 million in revenue. Knox offered the idea of amendments to non exempt items like soda, soft drinks, or other similiar beverages, heated and prepared meals, food and beverage sold on site for consumption, candy, and confectioners. Wein was in

agreement to the non exempt items, however due to the linkage to the millage rate, he would not be in support.

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

Yes: 2 - Hunter, and Knox

No: 4 - Miyasato, Eisenbeisz, Bean, and Wein

Absent: 1 - Potrzuski

- L ORD 18-32** Amending Article XIII "Taxation", Section 13.03 "Property Tax Limit", of the Home Rule Charter of the City and Borough of Sitka, by increasing the property tax levy limit by two tenths of one percent (2 mills), from six tenths of one percent (6 mills) to eight tenths of one percent (8 mills) of the assessed valuation of the property to be taxed; and, submitting the question of such an amendment to the qualified voters at a regular election on October 2, 2018 *(1st reading - ballot proposition)*

A motion was made by Eisenbeisz that this ordinance be POSTPONED INDEFINITELY. The motion PASSED by the following vote.

Yes: 6 - Miyasato, Eisenbeisz, Hunter, Knox, Bean, and Wein

Absent: 1 - Potrzuski

- M ORD 18-33** Amending Title 4 "Revenue and Finance" of the Sitka General Code by modifying Chapter 4.24 "Transient Lodging Tax" and Chapter 4.09 "Sales Tax", by exempting transient lodging rent from sales tax

Carol Fraser representing Aspen Hotel stated the need to work together to bring more visitors to Sitka. She expressed that at 14%, it would be the highest rate of bed tax in the state. She felt if Sitka become more expensive, less tourists would come.

Mayor Hunter stated this was in conjunction with the following ordinance on the agenda noting if the sales tax was removed and the bed tax increased, it would set the highest rate of tax in order for future assemblies to increase the alcohol tax. Eisenbeisz wondered how to make up the lost revenue in the General Fund. He was not in agreement of the purpose to raise this in order to raise the tax on alcohol. Mayor Hunter stated his intent was for half of the revenue of lodging tax go into the General Fund, and the other to the Visitor's Enhancement Fund to market Sitka. Wein would have liked to have financials laid out to know where funds would be lost and what would be gained. He stated he did not like the linkage of the two ordinances and that the citizens needed to know the motivation would be to raise the alcohol tax. He told of concerns that he did not want to stop any movement towards tourism and he was not in support. Bean was not in support and noted that Alaska had the highest alcohol tax in the nation. Knox felt there was not enough public trust in the assembly, so it was necessary to have them linked to show intent, and then go to the voters.

Municipal Attorney Brian Hanson communicated that the sponsors could put the intent in the purpose and that an informational note could be placed on the ballot. He did not feel it was a material change, since it was background information. Knox expressed that this could be a way to grow the fund. Bean stated instead to not to spend as

much in order to not tax as much. He spoke of letting businesses be independent, and let the market be what it was. Wein believed that bed taxes would affect businesses. Miyasato was not in support of being the highest bed tax in the state and felt the timing was not good. Mayor Hunter mentioned the timing was in order to place this on the ballot, and noted the effective date. Knox wondered if the taxes were to be amended to 12% if it would change the discussion.

Fraser stated their company was against targeting one industry by giving an example of the cruise industry tax of \$50 per head where there were other places giving free water, and utilities to collect revenue.

A motion was made by Knox that this ordinance be APPROVED on FIRST READING. The motion PASSED by the following vote. (Note: Section 3.02 of the Home Rule Charter states the only way an ordinance fails on first reading is if there are four votes in opposition.)

Yes: 3 - Miyasato, Hunter, and Knox

No: 3 - Eisenbeisz, Bean, and Wein

Absent: 1 - Potrzuski

N ORD 18-34A

Amending Title 4 "Revenue and Finance" of the Sitka General Code, by modifying Chapter 4.24 "Transient Lodging Tax", Section 4.24.020 "Imposition of Transient Lodging Tax"; and, submitting the question of such an amendment to the qualified voters at a regular election on October 2, 2018 *(1st reading as previously amended - ballot proposition)*

Rachel Roy Executive Director for Greater Sitka Chamber of Commerce had concerns with Sitka being the highest tax, she told of the need to support and grow the number of tourists and asked for full funding for visitor marketing. Larry Crews was not in support and had concerns of over charging visitors. Kevin Mosher was not in support of increasing taxes and/or targeting taxes. Carol Fraser told that increasing taxes and targeting taxes was not the answer and encouraged everyone to invest in the industry and community. Sheila Finkenbinder was not in support of increasing the bed tax to 14%. Sherry Aitken Executive Director of Tourism for the Greater Sitka Chamber of Commerce echoed Ms. Roy's comments. She stated the alcohol industry should be here to represent if the intent was to increase the alcohol tax. She wondered if there was a way to grow the base rather than to raise the taxes.

Knox gave statistics of the police and fire calls involving alcohol and stated he was in support of moving this forward to put on the ballot for the October election.

A motion was made by Knox that this ordinance be APPROVED on FIRST READING.

Wein appreciated bringing the percentage down to 12%, however it opened the door for future assemblies to raise other taxes, he was not in favor. Eisenbeisz and Bean were not in support overall, however, were in support of the amendment.

A motion was made by Knox to AMEND the transient lodging tax from 14% to 12%. The motion PASSED by the following vote.

Yes: 5 - Miyasato, Eisenbeisz, Hunter, Knox, and Bean

No: 1 - Wein

Absent: 1 - Potrzuski

Eisenbeisz wondered if it was possible to allocate funds on the ballot. Wein thought that all revenue for the tax should go to the Visitor Enhancement Fund. Hunter gave an estimated amount of 1% of bed taxes totaled approximately \$100,000, and estimated \$25,000 for a 1% increase in the winter months per fund. Eisenbeisz thought that by contributing to the Visitor Enhancement Fund it would leave a gap in the General Fund. Municipal Attorney Brian Hanson noted Sitka General Code Section 4.24.070 B stated all bed tax must go to the Visitor Enhancement Fund. He said that code provision would need to be changed, in order to designate funds 50/50.

A motion was made by Knox to AMEND the ordinance to split the transient lodging tax revenue to be split equally between the General Fund and Visitor Enhancement Fund. The motion FAILED by the following vote.

No: 6 - Miyasato, Eisenbeisz, Hunter, Knox, Bean, and Wein

Absent: 1 - Potrzuski

The MAIN MOTION AS AMENDED to change the percentage from 14% to 12% PASSED by the following vote. (Note: Section 3.02 of the Home Rule Charter states the only way an ordinance fails on first reading is if there are four votes in opposition.)

Yes: 3 - Miyasato, Hunter, and Knox

No: 3 - Eisenbeisz, Bean, and Wein

Absent: 1 - Potrzuski

XIII. PERSONS TO BE HEARD:

Chris Spivey stated his concerns of property tax getting passed to the lower income folks through rentals and concerns of homeowners leaving town. Larry Crews suggested to collaborate with legislators for a state sales tax, and told of home value increases in the recent past. He was in agreement with the assembly decision of not placing a 2 mill increase on the ballot. Steven Courtright thanked the assembly for the difficult discussions and tough decisions. He stated his concerns of Dr. Wein's recent comments in an interview as a candidate for state office in which he also identified himself as a member of the assembly. Kevin Mosher clarified that raising property values was administered by the assessor, not the assembly.

XIV. EXECUTIVE SESSION

Executive session was held under item E.

XV. ADJOURNMENT

July 11 (meeting continuation)

A motion was made by Miyasato to ADJOURN. Hearing no objections, the meeting ADJOURNED at 8:12 p.m.

ATTEST: _____
Melissa Henshaw, CMC
Acting Municipal Clerk