



CITY AND BOROUGH OF SITKA

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

Minutes - Final City Assembly

MAYOR Scott McAdams
Jack Ozment, Deputy Mayor - Reber Stein, Vice Deputy Mayor
Cheryl Westover - Mim McConnell
Phyllis Hackett - Larry Crews

MUNICIPAL ADMINISTRATOR: Jim Dinley
MUNICIPAL ATTORNEY: Theresa Hillhouse
MUNICIPAL CLERK: Colleen Ingman, MMC

Tuesday, August 24, 2010

6:00 PM

Assembly Chambers

REGULAR MEETING

I. CALL TO ORDER

Present: 6 - McAdams, Ozment, Stein, Westover, Crews, and Hackett

Telephonic: 1 - McConnell

II. FLAG SALUTE

III. ROLL CALL

IV. CORRESPONDENCE/AGENDA CHANGES

Government-to-Government Update with Sitka Tribe of Alaska

George Paul spoke to a newspaper article that stated that SEARHC and STA are working jointly to promote local hire.

V. CEREMONIAL

A 10-145 Certificates of Achievement - Ellie Cagle and J.J. Ganitano

Deputy Mayor Ozment presented Certificates of Achievement to Ellie Cagle and J.J. Ganitano for their accomplishments at the Hershey's Track and Field Games North American Final.

10-146 Proclamation - Alcohol and Drug Addiction Recovery Month

Mayor McAdams read a Proclamation declaring September as Alcohol and Drug Addiction Recovery Month.

VI. PERSONS TO BE HEARD

Bob Medinger introduced Dusty Kidd and gave a brief report on the Russian American Conference.

Silver Bay CEO, Rich Riggs complimented the City in establishing royalty rates on rock. He respectfully requested the Sawmill Cove Industrial Park quarry item to go through a Conditional Use Permit process before proceeding to the next step.

Sitka Historical Society and Museum Director, Bob Medinger expressed their need for a minimum of an additional \$25k to fund a curator. Their Rasmuson Grant was not awarded. He mentioned that the nonprofit grant money of \$7k is also contingent on hiring a curator.

VII. SPECIAL MUNICIPAL REPORT

B 10-139 Whitcomb Heights - South Benchlands Utility Cost Update

Planning Director Wells Williams and Landscape Architect Bob Droll gave an update on the Whitcomb Heights – South Benchlands Cost Development including utilities. Jeff Logan representing USKH was also present. He recommended the Assembly consider Scenario 4, and develop Jacobs Circle first.

A recess was taken from 6:48 PM until 6:55 PM.

VIII. REPORTS

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

Mayor- He and other municipal representatives recently attended the Alaska Municipal League Summer Conference where they received a report explaining that PERS/TERS, particularly PERS has a 10-12 billion dollar unfunded liability. The State of Alaska has been working hard to off-set that liability. However, one concept that was especially alarming was referred to as "Termination Fees." Basically what this means is that anyone that gets hired by a political subdivision, like the municipality of Sitka, even for a year, perhaps grant funded. Under the Termination Fee scenario may make the City of Sitka liable for paying a portion of that person's retirement for the next 25 years or throughout the course or term of that position. This could end up costing this community not only in payroll but also in opportunity dollars. He urged citizens to contact their legislators.

Administrator- Also reported on his attendance at the Alaska Manager's Meeting at AML Summer meeting. Next year Sitka will serve as the host city.

Attorney- Addressed specific legislation regarding the Termination Fees and reiterated the state will be heavily impacted as well.

Liaison Representatives- Hackett informed Doug Gasek from the State Historic Preservation office will be in town later this week to hold training for the HPC and any interested public. Stein attended STA's last council meeting and reported on the slate of municipal ballot questions for the October 5 Municipal Election. He advised Community Ride will be adding mass transient pull outs on the State Highway Improvement Plan. He also heard testimony on the difficulty in securing work intended for Native hire.

Clerk- Advised on a special meeting called for next Tuesday, August 31 beginning at 6PM.

Other- Stein acknowledged our local School Superintendent Steve Bradshaw was recognized as the Superintendent of the Year by the Alaska Association of School Administrators. Ozment attend a group meeting with the Undersecretary of Agriculture and the new supervisor of the Tongass National Forest to get comments on the Transition Plan from Old Growth to New Growth.

IX. CONSENT AGENDA

- D 10-144 Approve the minutes of the August 10, 2010 Assembly meeting.

This matter was APPROVED ON THE CONSENT AGENDA

X. UNFINISHED BUSINESS:

- E ORD 10-23 Amending Sitka General Code Chapter 20.04 by amending the title from "Floodplain Regulations" to "Floodplain Management," making amendments consistent with federal law requirements, and adopting regulations.

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

Yes: 7 - McAdams, Ozment, Stein, Westover, Crews, Hackett, and McConnell

- F 10-131 Approve a \$750,000 Public Infrastructure Revolving Loan from the Southeast Economic Development Fund to Sitka Community Hospital for a temporary medical office building.

Finance Director, David Wolff, reported there is \$2,073,000 in the fund. Wolff's recommendation was to set the interest rate at 3%.

Sitka Community Hospital CEO, Hugh Hallgren, spoke to the plans for the facility. It will be well insulated and have the needed wiring requirements etc. He noted that the "temporary" is not a good term to use. It is built very solid, but can be moved.

A motion was made by Crews that the percentage be AMENDED to 3% for a fix ten year loan. The motion on the amendment PASSED by the following vote:

Yes: 7 - McAdams, Ozment, Stein, Westover, Crews, Hackett, and McConnell

A motion was made by Ozment that this item be APPROVED. The motion PASSED as previously amended by the following vote:

Yes: 7 - McAdams, Ozment, Stein, Westover, Crews, Hackett, and McConnell

XI. NEW BUSINESS:

New Business First Reading

- G RES 10-21 Authorizing a grant application to the Alaska Renewable Energy Fund for the Takatz Lake hydroelectric feasibility analysis.

A motion was made by Stein that this Resolution be APPROVED. The motion PASSED by the following vote:

Yes: 7 - McAdams, Ozment, Stein, Westover, Crews, Hackett, and McConnell

H RES 10-22

In support of Sitka transportation projects for the Statewide Transportation Improvement Program (STIP).

Garry White, Sawmill Cove Industrial Park Director, appreciated the importance of all the projects, but would like to see the Sawmill Cove Waterfront project moved up in the priorities list.

Public Works Director, Michael Harmon, clarified the Assembly is to prioritize the list. Everything below the top ten priorities is not in any order. McConnell and Hackett pointed out the problems with the ramp at Baranof Warm Springs and that the dock is used by an incredible number of people. Hackett brought up that the float plane dock has severed from the main dock and that makes it challenging. Westover pointed out that the state owns the Baranof Warm Springs dock.

Westover asked what Number 7 - Intermodal and Harbor Systems Analysis contained. Harmon hoped it would be a partnership with the CORP of Engineers, an all encompassing study of the harbor system and the marine environment from cruise ships, NOAA, fishing industry, and existing harbors needs.

McConnell asked if there was another one that could be moved off the top ten so that Baranof Warm Springs could remain. Harmon recommended Number 6- ANB Harbor Replacement.

A motion was made by Westover that this Resolution be AMENDED by switching the existing Priority 10 Baranof Warm Springs State Dock Construction with Sawmill Cove Industrial Park Waterfront Development. The motion on the amendment FAILED by the following vote:

Yes: 3 - Ozment, Westover, and Crews

No: 4 - McAdams, Stein, Hackett, and McConnell

A motion was made by Hackett that this Resolution be AMENDED by replacing Priority 6 - ANB Harbor Replacement with Sawmill Cove Industrial Park Waterfront Development. The motion FAILED by the following vote:

Yes: 3 - Westover, Crews, and Hackett

No: 4 - McAdams, Ozment, Stein, and McConnell

Mayor McAdams suggested making the Sawmill Cove Industrial Park Waterfront Development a federal legislative priority opposed to a state priority.

A motion was made by Ozment that this Resolution be APPROVED. The motion PASSED by the following vote:

Yes: 6 - McAdams, Ozment, Stein, Westover, Hackett, and McConnell

No: 1 - Crews

I ORD 10-25

Amending Sitka General Code at Title 8, Chapter 4, entitled "Animal Protection and Control," regarding fees and fines.

Hillhouse wanted to make clear that there is a limit of \$500 and conviction will not exceed \$500.

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

Yes: 6 - McAdams, Ozment, Westover, Crews, Hackett, and McConnell

No: 1 - Stein

Additional New Business Items

- J 10-141** Reappoint Mary Stensvold to a three-year term on the Sitka Convention & Visitor's Bureau Board and appoint PJ Ford Slack to an unexpired term on the Library Commission.
- A motion was made by Stein that this Item be APPROVED. The motion PASSED by the following vote:**
- Yes:** 7 - McAdams, Ozment, Stein, Westover, Crews, Hackett, and McConnell
- K 10-143** Approve the FY11 Non-Profit Grant allocation amounts as recommended by the review committee.
- Both McConnell and Stein recused themselves from voting on this item due to potential conflicts of interest.*
- A motion was made by Westover that Line 18 - Whale Fest be severed from the combined vote. The motion PASSED by the following vote:**
- Yes:** 5 - McAdams, Ozment, Westover, Crews, and Hackett
- Recused:** 2 - Stein, and McConnell
- McConnell was recused from voting since several of the non-profit grant recipients were her clients.*
- A motion was made by Ozment that this Item be APPROVED. The motion PASSED by the following vote:**
- Yes:** 4 - McAdams, Ozment, Stein, and Westover
- No:** 2 - Crews, and Hackett
- Recused:** 1 - McConnell
- L 10-136** Authorize the Administrator to combine the Planning Department and the Building Official functions to create a Community Development Department.- potential executive session.
- Jeremy Twaddle, a member of the Planning Commission, wanted to know what would happen to the Planning Commission he has served on.*
- Mike Reif spoke against the proposal and does not see this as a long-term solution. He recommended the Assembly not support this.*
- Administrator Dinley asked that the Assembly to approve this. He believes it would result in a greater focus on permitting and review and also provide a greater redundancy and support for a more efficient CBS operation without adding a position. The Planning Commission would stay, there is a need for additional support for the Historical Preservation Commission, code enforcement, and for working with the Comprehensive Plan. For these reasons he recommends approval. Dinley added this is a more economic way to address this without having to upgrade any other positions.*

Westover asked Williams to explain his views on the reorganization. Williams took the opportunity to reintroduce himself as Planning Director and went on to address his qualifications, accomplishments, training and service over the past 22 years; adding that he does have a Master's degree in planning. He reviewed the major projects he has been involved in, and recent work on the GIS program. Williams stressed that his job evaluations have been good to excellent, yet he is being demoted from his position as a department head.

A discussion amongst the Assembly ensued.

A recess was taken from 9:10 until 9:22 PM

A motion was made by Westover to authorize the Administrator to combine the Planning Department and the Building Official functions to create a Community Development Department with Preston O'Connell as Department Head. As Department Head Preston O'Connell's salary will be raised to \$74,064 plus a one-time forty hour vacation add-on.

A motion was made by McConnell that this Item be POSTPONED. The motion to POSTPONE PASSED by the following vote:

Yes: 6 - McAdams, Ozment, Stein, Crews, Hackett, and McConnell

No: 1 - Westover

M 10-138

Approve a Material Sales Agreement for the sale of rock from the SCIP quarry site with a royalty fee of \$1.35/CY in place.

Garry Smith pointed out that the Sawmill Cove Board of Directors voted on this item, including the price and supported it.

Hugh Bevan informed that much of his analysis of the quarry came from the GIS site, which is an excellent tool. His primary concerns are: 1) Does the proposed quarry have an Assembly approved conditional use permit per SGC? 2) Section 4.3 of the agreement states that the city has already obtained Army Corp permit for the quarry. Will the city also obtain a State of Alaska Coastal Zone Consistency Determination for the project (typically an owner responsibility)? 3) Assuming this project is approved, what process would the city use to select an entity to develop this property?

Public Works Director, Michael Harmon, explained the Planning Department did authorize the conditional use with conditions that are part of that package. The conditional use process for SMCIIP is different than elsewhere. The fact it went through the Planning Commission is an extra layer that wasn't necessary, but a good public process. He noted the City has applied for a CORP permit and that triggers Coastal Zone Management. Those documents/permits will need to be in place before any sale can take place. He stated there are a number of interested parties that are associated with the airport.

Harmon said it was made clear the City did not assure or make any representation that the rock meets any specifications for any given project. The contractor would need to hire professionals and submit a plan from a mining engineer that demonstrates there would not be any damage created to the road etc. The state has a vested interest in removing this rock from a safety aspect and also for their airport.

A motion was made by Stein that this material sales agreement with contingency be APPROVED. The motion PASSED by the following vote:

Yes: 7 - McAdams, Ozment, Stein, Westover, Crews, Hackett, and McConnell

N 10-140

Authorize the Administrator to execute the agreement between the City and Borough of Sitka and the Public Safety Employees Association.

Stein recused himself due to his employment affiliation. Administrator Dinley complimented Gearity and Human Resources Director, Mark Danielson, on coming to an agreement and reviewed the decision points.

Westover wanted to know about the possibility of reopening negotiations within in a year. Administrator Dinley said it would be determined by the financial strength of the economy and city at that time as to whether negotiations would reopen or not.

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

Yes: 6 - McAdams, Ozment, Westover, Crews, Hackett, and McConnell

Recused: 1 - Stein

O 10-142

Approve terminating the contract for professional consulting services with Akros, Inc. by mutual agreement.

Hillhouse explained the requirement and request to terminate.

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

Yes: 7 - McAdams, Ozment, Stein, Westover, Crews, Hackett, and McConnell

XII. PERSONS TO BE HEARD:

George Paul brought up an issue surrounding Native hire. He related that four employees went to the Juneau Assembly and got a health committee to research the issue and that he would like to see something similar here from Sitka's Assembly.

XIII. ADJOURNMENT

A motion was made by Westover that this meeting be ADJOURNED. The motion PASSED unanimously. The meeting adjourned at 10:05 PM.

