

CITY AND BOROUGH OF SITKA

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



Meeting Agenda

Tuesday, January 22, 2013

6:00 PM

Assembly Chambers

City and Borough Assembly

*Mayor Mim McConnell
Deputy Mayor Pete Esquiro,
Vice Deputy Mayor Thor Christianson,
Phyllis Hackett, Matthew Hunter, Mike Reif and Michelle Putz*

*Interim Municipal Administrator: John P. Sweeney III
Municipal Attorney: Robin L. Koutchak
Municipal Clerk: Colleen Ingman, MMC*

Worksession: Harrigan Hall Renovation Project 5pm**REGULAR MEETING****I. CALL TO ORDER****II. FLAG SALUTE****III. ROLL CALL****IV. CORRESPONDENCE/AGENDA CHANGES**

[13-103](#) Correspondence Attachments

Attachments: [COR012213](#)

Government-to-Government Update with Sitka Tribe of Alaska**Sitka School Board Update/Student Update****V. CEREMONIAL****VI. PERSONS TO BE HEARD****VII. REPORTS****a. Mayor, b. Administrator, c. Attorney, d. Liaison Representatives, e. Clerk, f. Other****VIII. CONSENT AGENDA**

A [13-008](#) Approve the minutes of the January 8, 2013 Assembly meeting

Attachments: [Draft Assembly Minutes Jan 8](#)

Assembly Member Putz noted an error in the vote on Item Q of the January 8 minutes. The correct vote was 6-1, with Putz opposed. The Clerk noted it was a clerical error and would make the correction.

B [13-009](#) Authorize the Municipal Administrator to execute Joint Funding Agreement No. 13WAAK000000007 with the USGS for continued operation, maintenance and support for Takatz Lake Stream Gages

Attachments: [USGS Takatz Lake Stream Gaging](#)

C [13-012](#) Award a bid to Yukon Equipment, Inc. to furnish a 2013 Elgin Pelican Mechanical Broom Sweeper for the amount of \$171,550.00, minus the trade-in value of \$10,000 for a total cost of \$161,550.00

Attachments: [Replacement of Sweeper](#)

IX. UNFINISHED BUSINESS:

- D** [ORD 13-01](#) Authorizing the issuance of harbor facilities revenue bonds in the principal amount of not to exceed \$4,600,000 to finance a portion of the cost of certain capital improvements to Sitka's harbor facilities; authorizing the sale of the bonds to the Alaska Municipal Bond Bank on the terms and conditions provided in this ordinance and in a loan agreement authorized to be entered into with the Bond Bank; and providing the terms and conditions for issuing additional harbor facilities revenue bonds on a parity with the bonds authorized by this ordinance

Attachments: [Memo Harbor Moorage Revenue Bond Ordinance](#)

[Ord 2013-01 Harbor Bonds](#)

[ORD 13-01 Passed](#)

Assembly members asked questions of Finance Director, Jay Sweeney, and Bond Counsel, David Thompson of K&L Gates LLP.

Hunter wondered if a future sale of the Marine Service bulkhead would pose a problem. Municipal Attorney Hillhouse noted the City's bond counsel stated it would not be an issue.

- E** [ORD 13-02](#) Authorizing the issuance of junior lien electric revenue bonds of the City in the principal amount of not to exceed \$45,000,000 to finance a portion of the cost of expanding the Blue Lake hydroelectric project; and authorizing the sale of the bonds to the Alaska Municipal Bond Bank on the terms and conditions provided in this ordinance

Attachments: [Memo Electric Revenue Bond Ordinance](#)

[Ord 2013-02 Electric Bonds](#)

[ORD 13-02 Passed](#)

Assembly members Hackett and Christianson thanked Finance Director, Jay Sweeney, for providing thorough information.

Sweeney explained staff and administration tried to avoid imposing steep and hard rate increases.

Rusty Sutton, Matt Donohoe, and Valorie Nelson spoke in opposition to the ordinance. Andrew Thoms spoke in favor of the ordinance. Vaughn Hazel voiced questions regarding the ordinance.

Utility Director, Chris Brewton, stated the Blue Lake Dam expansion project was a viable project and important to the future of Sitka.

Assembly members offered their comments.

- F** [ORD 12-46A](#) Amending Sitka General Code Title 4, Chapter 9 entitled "Sales Tax" and making corresponding changes in Sitka General Code Title 4, Chapter 24 entitled "Hotel, Motel and Bed and Breakfast Transient Room Tax"

Attachments: [Ord 2012-46A Sales Tax](#)[Ord 12-46A Passed](#)

Finance Director, Jay Sweeney, explained the ordinance had been two years in the making and represented the Sales Tax Department's efforts to clean up inconsistencies in the Code, eliminate duplicated provisions, and help with clarification.

Assembly members asked questions of Sweeney on the following issues: sales of goods or services outside the City and Borough, annual reports filed by non-profit organizations, and improper use of purchase made with exemption certificate.

The Assembly further discussed issues such as seasonal sales tax, bonding, tax rates and exemptions, and the residential construction tax refund.

Assembly members asked questions of Finance Director, Jay Sweeney, related to certain exemptions: veterinary services, government funded agencies and persons who had reached the age of sixty-five. Rusty Sutton wondered how this ordinance would affect tourism and taxes. The Assembly stated this ordinance would not increase taxes; it was a housekeeping measure.

Hackett thanked the Finance Department for their work.

- G** [ORD 13-04](#) Authorizing Amendment No. 1 to the Agreement for Material Sale from Municipally owned property with Southeast Earthmovers, Inc. at Site 5 of the Granite Creek Industrial Area

Attachments: [Ord 2013-04 SE Earthmovers Lease Amendment](#)[Ord 13-04 Passed](#)

Municipal Attorney Hillhouse provided a summary of events leading up to this ordinance. Assembly Member Christianson thanked staff for working with all parties to reach a solution.

Connor Nelson spoke in opposition to the Ordinance.

Public Works Director, Michael Harmon, and Municipal Attorney, Theresa Hillhouse, explained the Ordinance; an authorization of a lease amendment with Southeast Earthmovers, Inc. for Granite Creek Site 5.

- H** [ORD 13-03](#) Consenting to the Assignment of Agreement for Material Sale from Municipally owned property to S&S General Contractors and Equipment Rentals, Inc. from Southeast Earthmovers, Inc.

Attachments: [Ord 2013-03 SE Earthmovers to S&S](#)[Ord 13-03 Passed](#)

Municipal Attorney provided background information and noted there would be an amendment coming forward for in-kind service.

Theresa Hillhouse, Municipal Attorney, explained this was an assignment of a current lease from Southeast Earthmovers to S&S General Contractors.

- I** [ORD 12-47](#) Authorizing Amendment No. 1 to the lease agreement with S&S General Contractors & Equipment Rentals Inc. regarding property at the Granite Creek Industrial Area, "Pit Run" Site

Attachments: [Ord 2012-47 S&S Pit Run Site](#)
[ORD 12-47 Passed](#)

Connor Nelson spoke in opposition to the Ordinance.

Tim Eddy of S&S General Contractors came forward and explained the site was used for rock storage.

X. NEW BUSINESS:

New Business First Reading

J [ORD 13-05](#) Adjusting the FY2013 Budget for funding of the Public Infrastructure Fund

Attachments: [Memo Ord 2013-05 Adjusting FY13 Budget](#)
[Ord 2013-05 Adjusting FY13 Budget](#)
[ORD 13-05 Passed](#)

Reif explained his reason for cosponsoring. Reif asked Public Works Director, Michael Harmon, to come forward and give examples of when the sinking fund would be beneficial to have: transition of heating systems to heat pumps, parks, streets, and facilities.

A discussion ensued among Assembly members.

Connor Nelson stated the money in the sinking fund should be spent now while it was worth something.

Ryan Kauffman spoke in support of the Ordinance.

K [ORD 13-06](#) Amending Section 15.01.020 of the Sitka General Code entitled "Electrical Rates" by increasing rates for all customers to fund approved electrical utility capital projects including the Blue Lake Hydroelectric Expansion Project

Attachments: [Memo Ord 2013-06 Electrical Rates](#)
[Ord 2013-06 Electrical Rates increase](#)
[ORD 13-06 Passed](#)

Valorie Nelson, Matt Donohoe, and Rusty Sutton spoke in opposition to the Ordinance.

Mayor McConnell noted this Ordinance, if passed, would go into effect July 1, 2013.

Utility Director, Chris Brewton, stated the 15% rate increase was required to meet the bond covenants.

Additional New Business Items

L [13-011](#) Approve a contract for Attorney services of Theresa Hillhouse during transition before and immediately after new Municipal Attorney is selected; also discussion regarding new Municipal Attorney selection

process

Attachments: [Contract for Attorney Services](#)

Assembly members thanked Ms. Hillhouse for her service and willingness to help with the transition.

- M** [13-010](#) **** DELETED **** Discussion/Decision regarding notice to remove a member of a board/commission/committee - potential executive session

Attachments: [Discussion Decision regarding notice to remove](#)

XI. PERSONS TO BE HEARD:

XII. EXECUTIVE SESSION

XIII. ADJOURNMENT