

CONSENT AGENDA

POSSIBLE MOTION

**I MOVE TO APPROVE THE CONSENT AGENDA
CONSISTING OF ITEMS A & B**

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
October 22 Assembly meeting.



CITY AND BOROUGH OF SITKA

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

Minutes - Draft

City and Borough Assembly

*Mayor Gary Paxton
Deputy Mayor Steven Eisenbeisz,
Vice Deputy Mayor Kevin Mosher,
Kevin Knox, Dr. Richard Wein, Valorie Nelson, Thor Christianson*

*Interim Municipal Administrator: Hugh Bevan
Municipal Attorney: Brian Hanson
Municipal Clerk: Sara Peterson*

Tuesday, October 22, 2019

6:00 PM

Assembly Chambers

REGULAR MEETING

I. CALL TO ORDER

II. FLAG SALUTE

III. ROLL CALL

Present: 7 - Christianson, Eisenbeisz, Knox, Wein, Paxton, Mosher, and Nelson

IV. CORRESPONDENCE/AGENDA CHANGES

19-235 Reminders, Calendars, and General Correspondence

V. CEREMONIAL MATTERS

19-231 Proclamation - Veteran's Day

Mayor Paxton read and presented a proclamation honoring Veteran's Day to Jack Greenhalgh, Sam Pointer, and Richard Meunier of the Elks Veterans Association.

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.

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

Mayor - Paxton relayed he had participated in a teleconference call with lobbying team Larry Markley, Ken Cameron, Interim Administrator Bevan, and C.J. Zane from the law firm that represents Shee Atika Inc. to review Sitka's needs. Paxton noted Zane had expertise with FERC requirements and permitting. Paxton noted he had asked Zane to send additional information on fees associated with their firm and suggested it may be worth the Assembly retaining the firm for a variety of services.

Interim Administrator - Bevan thanked staff for their work, spoke to various meetings he had attended, and stated progress was being made on the Assembly Action Plans.

Attorney - Hanson noted he had recently returned from vacation and was working on a number of litigation cases.

Liaison Representatives - Christianson spoke to the recent Gary Paxton Industrial Park Board meeting, Nelson reported on the Local Emergency Planning Commission, Knox summarized the Port and Harbors Commission meeting, and Wein reported on his attendance at the Health Needs and Human Services Commission and Tree and Landscape Committee meetings.

Clerk - Peterson reminded the next regular meeting was November 12 and reviewed vacancies on various Boards and Commissions.

IX. CONSENT AGENDA

A 19-230 Approve the minutes of the October 8 Assembly meeting

A motion was made by Knox that this Item be APPROVED. The motion PASSED by unanimous consent.

B RES 19-25 Supporting the Sitka Trail Works, Inc. grant application to the State of Alaska Recreational Trails Program for repairs to the Sea Lion Cove Trail

Lynne Brandon of Sitka Trail Works spoke to the project. She noted no involvement was needed from the City other than the resolution. The Assembly thanked Brandon for her work.

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

Yes: 7 - Christianson, Eisenbeisz, Knox, Wein, Paxton, Mosher, and Nelson

X. BOARD, COMMISSION, COMMITTEE APPOINTMENTS

None.

XI. UNFINISHED BUSINESS:

C 19-225 Approve the Employment Agreement between the City and Borough of Sitka and John Leach as Municipal Administrator

Wein thanked Municipal Attorney Brian Hanson for putting the document together and reviewed highlights for the public. Eisenbeisz reminded he was not at the meeting, nor was Christianson, when the decision was made to extend an offer to Leach. He asked members to share why they chose Leach. Mosher spoke to Section 4.01 of the Charter stating the administrator be appointed solely on the basis of his executive and administrative qualifications. He stated Leach was well qualified and had the willingness and ability to learn. Nelson stated there were four members who wished to hire Leach and noted Knox had requested the Assembly wait until Eisenbeisz was present before making a decision. She added, if the Assembly provided good guidance, Leach would be a great Administrator. Wein believed Leach to be an outstanding candidate with enormous potential. Christianson noted he had spoke with Leach while he was in town and had no objections. Paxton relayed Leach had answered the interview questions intuitively, had an unassuming demeanor, understood how to get closure on items, and was overall an outstanding candidate. Eisenbeisz thanked members for their responses.

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

Yes: 7 - Christianson, Eisenbeisz, Knox, Wein, Paxton, Mosher, and Nelson

D 19-221 Discussion / Direction on the possibility of Closed Captioning for Assembly meetings

Municipal Attorney Brian Hanson noted at the October 8 meeting the Assembly had asked him to research ADA requirements and what the City was required to observe for closed captioning. He stated he had been unable to complete that review. IT Director Grant Turner provided a demo of one option which would be of no cost to the City.

A motion was made by Nelson that this Item be POSTPONED to the November 12 meeting. The motion FAILED by the following vote.

Yes: 2 - Mosher and Nelson

No: 5 - Wein, Knox, Eisenbeisz, Paxton, and Christianson

Nelson stated she was willing to give direction but not willing to vote until hearing from the Municipal Attorney. Eisenbeisz thanked Turner for exploring options. Christianson didn't see a downside to giving it a try. After further discussion, it was decided to wait until the Municipal Attorney had a chance to report back on his research.

XII. NEW BUSINESS:

New Business First Reading

E ORD 19-38 Making supplemental appropriations for fiscal year 2020 (Homeland Security Grants)

Chief Finance and Administrative Officer Jay Sweeney stated while the grant funds had been awarded, in order to expend the funds, a supplemental appropriation was required. Police Chief Robert Baty commented the \$63,000 amount would be used to upgrade the jail camera system from analog to digital. Nelson wondered how the recent

\$300,000 grant/contribution from Sitka Tribe of Alaska fit into the equation. Baty stated they went hand in hand. The money received from Sitka Tribe of Alaska supplemented the capital budget already approved for the report management system. Interim Administrator Hugh Bevan stated the \$33,000 appropriation would be used to put the hardware in place for the report management system software.

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

Yes: 7 - Christianson, Eisenbeisz, Knox, Wein, Paxton, Mosher, and Nelson

Additional New Business Items

F 19-233 Discussion / Direction / Decision to lift the hiring freeze and dissolve the Assembly Position Subcommittee

Nelson felt the item was unexpected and wished to hear from the Interim Administrator. Bevan noted the subcommittee was unpopular and overall cast a pallor with staff. He added he was unaware of the affects it had on recruitment. Nelson stated the previous Assembly was trying to staunch the flow of outgoing funds, not hurt staff morale. Wein said the subcommittee helped him understand the flow of employees and why positions were needed. He reminded the subcommittee was not inhibiting hiring but rather monitoring the ebb and flow of personnel and represented a transparency to the community. He added the subcommittee gave him the opportunity to read job descriptions, understand what employees did, and monitor performance at City Hall. Christianson commented he understood the reasons for the subcommittee and applauded the previous Assembly. That said, he believed the subcommittee created operational inefficiencies. In addition, he stated the day-to-day operations of the City were the responsibility of the Administrator. Knox spoke to perception. He believed having the subcommittee had clouded public perception. He told of social media posts in which individuals had asked citizens to contact the subcommittee to support their hire. Knox reminded the Assembly had two employees (Administrator and Attorney). Mosher stated the intent behind the subcommittee was to control costs and look at efficiencies throughout the organization. He requested it stay in place through the next budget season. Nelson expressed frustration and believed it to be a slam to subcommittee members. She reminded the subcommittee had not refused any positions. Knox clarified and stated he did not feel the subcommittee had done a poor job. Instead, he believed the Assembly had stepped beyond its duties by having such a subcommittee. Paxton reminded the position of the Assembly was to set policy and strategy. He added the overreach of the Assembly into details of management was debilitating. He thanked the subcommittee for their work.

A motion was made by Knox to lift the hiring freeze and dissolve the Assembly Position Subcommittee. The motion PASSED by the following vote.

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

No: 3 - Wein, Mosher, and Nelson

G 19-232 Discussion / Direction / Decision on accepting title to land in the Takatz Lake area

Interim Administrator Hugh Bevan provided a summary. He explained the item had been initiated by a letter from the Department of Natural Resources (DNR) noticing the City lands that had been approved for conveyance around Takatz Lake to the City in 1981 were now being considered for full conveyance. Municipal Attorney Brian Hanson

reiterated DNR had approved the land conveyance, it had been in withdrawal status for decades and was now coming out of that status. He didn't believe the City had anything to lose. Interim Utility Director Jeff Wheeler agreed and suggested the land be conveyed to the City rather than another entity. Wheeler added the City couldn't afford to develop the area for hydroelectric now and relayed development costs years ago were estimated at \$355 million. Nelson spoke in support of the conveyance as did Christianson. Hanson stated there were no use requirements as far as development.

A motion was made by Christianson to accept title to lands in the Takatz Lake area as referenced in the attached letter to the Alaska Department of Natural Resources and authorize the Interim Municipal Administrator to sign the letter. The motion PASSED by the following vote.

Yes: 7 - Christianson, Eisenbeisz, Knox, Wein, Paxton, Mosher, and Nelson

H 19-234

Approve the reallocation of Electric Fund capital projects

Interim Administrator Hugh Bevan stated the Marine Street substation project was a critical piece of infrastructure. He noted over 80% of electric customers were served from the 40 year-old Marine Street substation. In 2016 the Assembly had approved an overall capital project plan for the Electric Department which included a \$4.3 million estimate for the substation project. The project was to be funded by unspent bond funds and did not require new sources of funding. It was noted that several issues had developed as project construction had progressed. The cost overruns resulted in a shortage of \$1.71 million to complete the project. Bevan noted the needed funds would come from a restructuring of the overall Electric Fund capital improvement program. He had high expectations that the City would come away with a significant amount of contingency remaining that the Assembly in turn could reallocate to the FY21 capital budget.

Nelson wondered if action on this project would warrant a rate increase. Bevan didn't believe this particular project would generate a rate increase but noted the overall financial structure of the Electric Department had major challenges. Eisenbeisz wondered how much of the \$1.7 million was for unforeseen construction costs and how much had been allocated for additional capacity. Eisenbeisz reminded in 2016, a line to Japonski Island/SEARHC hospital, for additional capacity needs, was not planned. Interim Utility Director Jeff Wheeler stated this would be considered a new service and he was of the understanding SEARHC planned to pay for the infrastructure as would be required of any line extension or new service. The City would then take it over and maintain. Eisenbeisz also inquired about the Jarvis Street Fuel System Repairs and Storage Tanks reallocation and the Blue Lake FERC License Mitigation projects. Wein asked for an explanation of what the restructuring of the Electric Fund capital improvement program looked like. Chief Finance and Administrative Officer Jay Sweeney reported the Electric Fund had approximately \$9 million of prior capital appropriations that had been appropriated but yet to be spent. Various pieces of the \$9 million had been juggled in order to cover the substation project. The balance remained the same. In addition he explained how the present Electric Fund cash flow did not support the magnitude of the future needs of the enterprise fund. Sweeney stated the Electric Fund generated approximately \$1 million in unrestricted cash flow each year, however, that \$1 million was needed to provide for all annual capital appropriations needed. Sweeney noted the controlled variables were to reduce expenditures, raise rates, or try to keep rates the same and increase the amount of electricity sold.

A motion was made by Knox to reallocate funding to increase the Marine Street N-1 capital project by \$1.7 million per the Interim Administrator's recommendation. The motion PASSED by the following vote.

Yes: 7 - Christianson, Eisenbeisz, Knox, Wein, Paxton, Mosher, and Nelson

XIII. PERSONS TO BE HEARD:

Police Chief Baty reminded November was Native American Heritage Month and urged participation in the parade on November 1. Christopher Brewton applauded the Assembly for approving the agenda item to accept title to lands in the Takatz Lake area.

XIV. EXECUTIVE SESSION

None.

XV. ADJOURNMENT

A motion was made by Mosher to ADJOURN. Hearing no objections, the meeting ADJOURNED at 8:05 p.m.

ATTEST: _____
Sara Peterson, MMC
Municipal Clerk