



# CITY AND BOROUGH OF SITKA

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

## Minutes - Draft 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*

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Tuesday, May 28, 2013

6:00 PM

Assembly Chambers

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### REGULAR MEETING

#### I. CALL TO ORDER

#### II. FLAG SALUTE

#### III. ROLL CALL

**Present:** 7 - Christianson, Esquiro, Reif, Hunter, Putz, McConnell, and Hackett

#### IV. CORRESPONDENCE/AGENDA CHANGES

##### **13-096** Correspondence Materials

Hackett called attention to the Energy Star Rebate Program stating it served 194 individuals and equated to a substantial savings of kilowatts per year or 20 households. She added Sitka was the leader in the State boasting the greatest number of heat pumps. Reif echoed her comments and added Sitka was really receptive to being energy efficient.

#### V. CEREMONIAL MATTERS

##### **13-094** Certificates: Sitka Sound Seafoods and Seafood Producers Cooperative - Fish to Schools Program

Mayor McConnell presented certificates to Sitka Sound Seafoods (SSS) and Seafood Producers Cooperative (SPC) for their support in the Fish to Schools Program.

**VI. SPECIAL REPORTS: Government to Government, Municipal Boards/Commissions/Committees, Municipal Departments, School District, Students and Guests (time limits apply)**

**VII. PERSONS TO BE HEARD**

Paul Columb read a letter that he had forwarded to the Assembly urging continued recycling efforts for Sitka.

Linda Moreland mentioned Portland, Oregon had voted 60% to not add fluoride to their water. She believed it to be toxic to the human body. Moreland noted anyone interested could go to: [www.cleanwaterportland](http://www.cleanwaterportland).

Volney Smith spoke to "Agenda 21" which he felt was an action plan to control all means of production.

**VIII. REPORTS**

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

Mayor - Attended STA, Sawmill Cove Industrial Park, Centennial Hall Building Design, Downtown Revitalization, Bear Task Force meetings and a United Way presentation at Chamber. She also met with Representative Jonathan Kreiss-Tomkins.

Interim Administrator - Attended graduations, BMS Pops Concert and the Memorial Day Celebration, Bear Task Force, Downtown Revitalization, and Sawmill Cove Industrial Park, Self Insurance Group meetings. He met with folks from STA exploring direction on Community Ride. He added Utility Director Chris Brewton had learned recruitment of electrical engineers was a challenge nationally and perhaps internationally. Sweeney noted Recycling was in transition and staff was actively exploring options for recycling and stated the plan was to continue to the greatest extent possible.

Attorney - Ketchikan Superior Judge heard Nelson vs. CBS and she expected an outcome in a month. Koutchak noted the Police Department was in the process of working to bring forward a new ordinance on parking.

Liaisons - Assembly Members Hackett, Putz, Christianson, and Esquiro shared information from the recent Board/Commission/Committee meetings they attended.

Clerk - Asked for clarification on the Strategic Planning Session scheduled for June 10. It was determined it would be a worksession and would be held at Centennial Hall beginning at 6:00 PM.

Other - Reif mentioned Mr. and Mrs. Dinley were leaving town Wednesday. Mr. Dinley spent over five years in the role of Administrator addressing matters that were of importance to us and the community. Tommy Dinley spent much of her time volunteering at Sitka Community

Hospital. Reif noted as a community it was important to thank them both for their service and wish them the best.

Esquiro stated he preferred a shorter agenda and hoped we could strive for that in the future.

**IX. CONSENT AGENDA**

- A 13-093** Approve the minutes of the May 14, 2013 Assembly Meeting
- B RES 13-08** Setting the Millage Rates for the Fiscal Year July 1, 2013 through June 30, 2014
- A motion was made by Hackett to Approve the Consent Agenda consisting of Items A & B. The motion PASSED by a unanimous vote.**

**X. UNFINISHED BUSINESS:**

- C ORD 13-24** Authorizing a three month lease of municipal property above the Kimsham Ball Field eastern parking lot with New Cingular Wireless PCS, LLC.
- Public Works Director, Michael Harmon, this was not committing us to a permanent lease.
- A motion was made by Christianson that this Ordinance be APPROVED. The motion PASSED by the following vote.**
- Yes:** 7 - Christianson, Esquiro, Reif, Hunter, Putz, McConnell, and Hackett
- D ORD 13-25** Amending SGC Section 6.16.010 Entitled "Sales - Permit, Fees and Regulations" to expand permitted activities to include food sales on public property and add Section 6.16.015 Entitled "Retail Sales of Food from Mobile, Non-Motorized Vehicles" to establish permits, fees and regulations for such sales.
- A motion was made by Hackett that this Ordinance be PASSED ON SECOND READING. The motion PASSED by the following vote.**
- Yes:** 7 - Christianson, Esquiro, Reif, Hunter, Putz, McConnell, and Hackett
- E ORD 13-26** Amending SGC Chapter 4.12.025 Entitled "Exemptions" Subsection G. to define "Good Cause" for approval of late filed applications for real property tax exemptions.
- A motion was made by Hackett that this Ordinance be PASSED ON SECOND READING. The motion PASSED by the following vote.**

**Yes:** 7 - Christianson, Esquiro, Reif, Hunter, Putz, McConnell, and Hackett

**F      ORD 13-27**

Adopting Budgets for the Fiscal Year July 1, 2013 through June 30, 2014.

Hunter inquired when the non-profit grants would be brought forward. The Mayor informed it would follow passage of the budget. Reif pointed out we would not be getting funds such as "stumpage" and "secure rural schools;" adding we used a lot of surplus money was used to balance the budget. He spoke to the budget increase that would be required in wages alone. Hackett hoped in the near future there could be help to prioritize what services citizens could do without. Esquiro was very concerned about the budget and didn't approve of spending money before it was in the bank. He felt strongly of a need to fundamentally change how the budget was handled and be more realistic. He feared the current method was unattainable and stated he could not vote for this budget and would not support deficit spending. Esquiro further stated he believed we should fundamentally cure the ill we had made for ourselves. For Reif a red flag was the School District funding over the past five years; noting we could not continue to endure that hardship. Putz hoped citizens would comment to all members and not just an individual Assembly member.

Note: A non-amended ordinance was placed in the packet so this ordinance was to be heard again at a Special Meeting on June 3, with a final reading scheduled for June 11.

**A motion was made by Putz that this Ordinance be PASSED ON SECOND READING. The motion PASSED by the following vote.**

**Yes:** 6 - Christianson, Reif, Hunter, Putz, McConnell, and Hackett

**No:** 1 - Esquiro

**G      ORD 13-28**

Amending SGC Section 15.01.020 entitled "Electric Rates" by adjusting rates for all customer classes to fund voter approved improvement for the Blue Lake Hydroelectric Expansion Project and Implementing Rate Structures for General Service - Small, General Service - Large, and General Service - Public Authority Class Customers.

Interim Administrator, Jay Sweeney, clarified this was a readjustment of electric rates and not a rate increase per se. There would be a rate increase in July of 2014 in accordance with bonding.

**A motion was made by Hackett that this Ordinance be PASSED ON SECOND READING. The motion PASSED by the following vote.**

**Yes:** 7 - Christianson, Esquiro, Reif, Hunter, Putz, McConnell, and Hackett

**XI.    NEW BUSINESS:**

**New Business First Reading**

- H RES 13-09** Amending a matching grant from the Alaska Department of Environmental Conservation for the UV Disinfection Facility
- Linda Moreland inquired whether this was mandated. Christianson responded "yes." Public Works Director, Michael Harmon, explained the State had stated a UV Disinfection Facility would need to be in place and was much cheaper than filtration. Hunter wondered what the consequences would be if the City did not comply. Harmon responded the City would be fined daily - at a very high cost.

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

**Yes:** 7 - Christianson, Esquiro, Reif, Hunter, Putz, McConnell, and Hackett

**Additional New Business Items**

- I 13-092** Downtown Revitalization Group update and authorization to reappropriate \$25,000 from the FY13 budget to be used to support the efforts of the Downtown Revitalization Group

Downtown Revitalization Group Chair Doug Osborne, Co-Chair Angela McGraw, and Chamber representative Bob Medinger gave a presentation on what the group had come up with so far.

Putz expressed her concern with the need to vent ideas through the Historic Preservation Commission and believed there needed to be some level of approval. Esquiro inquired as to how they envision an increase in downtown housing. Osborne replied by increasing the height of some of the downtown buildings. Hackett attended many of the meetings spoke in support of the group. Reif spoke to the allocation and would like to see the Administrator work with the group and bring back a list for Assembly approval. Esquiro shared Reif's concern and stated there needed to be ways to evaluate whether any of these projects would bring more people to town. Christianson felt there needed to be a more holistic approach, little things like the bike ramp shaped like a fish could make Sitka a nicer place to visit.

In Sweeney's opinion many of the items didn't fall to City government but rather a creative partnership with the private sector with some seed money. Esquiro didn't have a problem with the suggestions and supported replacing some of the garbage cans etc. Hunter pointed out none of the ideas were permanent, with the exception of shutting down Lincoln Street. This idea concerned him as he felt there would be strong feelings on the subject.

Osborne informed the group planned to continue meeting through the

summer and make as much happen using volunteers. Osborne envisioned working together with Public Works to accomplish these tasks. Public Works Director, Michael Harmon, stated the Public Works Department absolutely needed the groups help and could not do it without their support and involvement. Harmon explained they could order things and look into pressure washer contracts etc., but made it clear there was not available staffing to do more.

Christianson urged the need to trust the Interim Administrator to follow through with this. Putz would like to hear from downtown businesses as to whether or not they would really like to see the changes made.

Both Reif and Esquiro spoke to their concerns with service creep. Reif also had issues with the one way and the closure for Lincoln Street. A discussion occurred on whether the Historic Preservation Commission needed to be involved; a difference of opinion was voiced. No amendments were offered. Osborne clarified the possible one way or partial closure of Lincoln Street was not on their immediate radar.

**J      13-090**

Approve a lease for Block 2, Lot 1, of Sawmill Cove Industrial Park for a minimum of two years to S&S General Contractors

Putz inquired what "develop" meant and what the value was. Garry White offered the property was currently undeveloped - basically trees and hillside. He stated there were no utilities which limited the use.

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

**Yes:** 7 - Christianson, Esquiro, Reif, Hunter, Putz, McConnell, and Hackett

**K      13-095**

Award a contract to design the 60% expansion of Kettleson Memorial Library to MRV Architects in the amount of \$661,544

Municipal Engineer, Stephen Weatherman, explained Public Works would be bringing the two concepts (Kettleson Memorial Library and Centennial Hall) together as the projects moved forward; neither one would be a major departure or change from what was currently in place. Library Director, Sarah Bell, thanked the Assembly for the process and appreciated their support and interest.

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

**Yes:** 7 - Christianson, Esquiro, Reif, Hunter, Putz, McConnell, and Hackett

**XII.    PERSONS TO BE HEARD:**

None.

**XIII.   EXECUTIVE SESSION**

Hackett recused herself because she had had a conversation with Mr. Iwamoto on a plane recently in this regard. Putz stated she worked with his wife but did not believe that would affect her participation. Reif offered he had talked with Mr. Iwamoto about his business, but didn't discuss his debt.

Sitka Sentinel Reporter Shannon Haugland testified that she recalled similar discussions had taken place in the public in the past. Raven Radio Reporter Ed Ronco seconded Haugland's comments and encouraged the Assembly to offer as much information as possible in a public forum. He appreciated the fact that Iwamoto had been asked if he was willing to have the matter heard in public.

**A motion was made by Christianson to go into Executive Session with Acting Finance Director Mike Middleton and Sawmill Cove Industrial Park Director Garry White to discuss matters which may have legal and financial impacts on the City and Borough of Sitka, the immediate knowledge of which would adversely affect the finances of the CBS and/or involve legal matters having legal consequences for the CBS and invite Ed Iwamoto of Theobroma Chocolate in when ready. This motion PASSED by unanimous consent with Hackett recused.**

**A motion was made by Christianson to reconvene as the Assembly in regular session. This motion PASSED by unanimous consent with Hackett recused.**

**The Mayor announced that the Assembly was directing staff to rewrite the loan with Theobroma Chocolate.**

**Yes: 6 - Christianson, Esquiro, Reif, Hunter, Putz, and McConnell**

**Recused: 1 - Hackett**

#### **XIV. ADJOURNMENT**

**A motion was made by Christianson that this meeting be ADJOURNED . The motion PASSED by a unanimous vote and the meeting adjourned at 10:05 PM.**

**ATTEST:**

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**Colleen Ingman, MMC  
Municipal Clerk**



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Monday, June 3, 2013

6:00 PM

Assembly Chambers

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Worksessions: 1) Centennial Hall Update 2) Public Safety Update

### SPECIAL MEETING

#### I. CALL TO ORDER

The meeting was called to order at 8:10 p.m.

#### II. FLAG SALUTE

#### III. ROLL CALL

**Present:** 6 - Christianson, Esquiro, Hunter, Putz, McConnell, and Hackett

**Absent:** 1 - Reif

#### IV. PERSONS TO BE HEARD

Assembly Member Putz, liaison to STA, noted she would be out of town for the June 19 meeting and asked if someone could attend in her place.

#### V. UNFINISHED BUSINESS:

##### A ORD 13-27 Adopting Budgets for the Fiscal Year July 1, 2013 through June 30, 2014.

Interim Administrator, Jay Sweeney, explained the amended version of the ordinance was not included in the May 28 Assembly packet thus the reason for the Special Meeting. Sweeney stated final reading of the ordinance would occur at the June 11 Assembly meeting.

**A motion was made by Christianson that this Ordinance be PASSED ON SECOND READING. The motion PASSED by the following vote.**



**Yes:** 5 - Christianson, Hunter, Putz, McConnell, and Hackett

**No:** 1 - Esquiro

**Absent:** 1 - Reif

**VI. ADJOURNMENT**

A motion was made by Esquiro to ADJOURN. The meeting ADJOURNED at 8:14 pm by unanimous voice vote.

**ATTEST:**

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Sara Peterson, CMC  
Deputy Clerk