

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.**

If this item is pulled from the consent agenda the following motion would be in order:

POSSIBLE MOTION

I MOVE TO approve the minutes of the April 2, 9, and 14 Assembly meetings.



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

Municipal Administrator: John Leach
Municipal Attorney: Brian Hanson
Municipal Clerk: Sara Peterson

Thursday, April 2, 2020

6:00 PM

Assembly Chambers

SPECIAL MEETING

I. CALL TO ORDER

II. FLAG SALUTE

III. ROLL CALL

Members participated by videoconference.

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

IV. PERSONS TO BE HEARD

None.

V. NEW BUSINESS:

A 20-069 Discussion / Direction / Decision of the FY2021 Draft Administrator's Budget with focus on the Enterprise Funds and Internal Service Funds

Municipal Administrator John Leach stated the focus for this meeting was for enterprise and internal service funds. Controller Melissa Haley told of previous budget meetings and future meetings scheduled. She gave the approach to the Enterprise Funds with long-term fiscal models, monitoring performance of debt to equity ratio, and the need to keep up with industry standards.

Nelson wondered how to assist the public to make sure that Sitka's economy stayed healthy. She felt that the numbers were too optimistic. Paxton noted the uncertainties but that the budget needed to move forward for approval. He stated that budget adjustments could be made later. Christianson agreed with Paxton and noted there would most likely be more budget adjustments in the future. He said he was less concerned with the details as he felt the budget could be fluid. Wein's notion was that

the budget needed to be readjusted, was under a deficit currently, and discussions and addressing of the deficit was needed. Mosher agreed with Paxton and Christianson of the importance to pass the budget within the deadline, understanding there would be changes in the future.

Leach stated there were adjustments made for what was known from the COVID-19 emergency. He noted the Harbor Fund rate increase was proposed by the Port and Harbors Commission where there was assumed input from users.

Haley went over the Electric Fund history noting that there were no rate increases in the last two years, but critical infrastructure was needed. She stated finance would be watching the inflation rate closely. Haley stated the fund was stable, however without expansion of usage, additional rate increases may be needed. She showed a decrease in working capital and gave options with the General Fund subsidizing the Electric Fund. She noted the electric department had reprioritized twice in the last few months with regards to capital expenditures.

Nelson stressed the need to keep rates as low as possible while not defaulting on the bonds. Some members felt the rate increase should remain, some decrease, and others to decrease the rate due to COVID-19. Christianson felt there could be possible monies recouped from the federal government if a special rate was determined because of COVID-19. Sweeney stated FEMA funds were directly related to expenditures to mitigate the emergency. He relayed there was lots of conversation surrounding recouping revenue and that details were not yet known. Eisenbeisz felt all capital projects needed to be looked at for life/safety only.

Haley went over the Water Fund noting the context driving the fund was critical infrastructure. She stated there were no rate increases in FY2020, the FY2021 proposed rate increase was 2%, and no new debt was needed for future projects.

Haley stated the Wastewater Fund infrastructure was not fully known, that adequate working capital was important to fund unanticipated repairs if needed. She stated known repairs would be needed in 10-20 years and the rate increase proposed for FY2021 was 2%.

Haley stated the Solid Waste Fund was driven by contractual obligations and the national average was 4.4% as an inflationary rate. She noted this fund had been operating in the red since 2013 and the rate proposed was the same as FY2020 at 5.5%. She told that even with the rate increase(s), the fund would not be positive until 2028-2029.

Haley stated that the Harbor Fund was driven to prepare for significant harbor costs of replacement of Eliason in the future and the rate increase was proposed at 5% over the next three years. Nelson stated concerns of rates and allowing for public comment from harbor users. Mosher was not in support of the 5% increase.

Wein stated the fiscal plan for the harbor system and rate structure was unsustainable. He wondered when it would become a tipping point that it would affect the users but noted that the financial issues needed to be addressed. Christianson stated by raising rates sooner, it allowed a bigger impact in the future. Knox said that the harbor infrastructure may not be sustainable. Eisenbeisz wished to see a zero percent increase.

A motion was made by Mosher to reduce proposed harbor rate from 5% to 3%

for FY2021. The motion **FAILED** by the following vote.

Yes: - Mosher, Nelson

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

Haley told of changes of the Harbor Fund working capital, the proposed increase amount, capital projects and noted the inflationary costs for the Crescent Harbor project was higher than anticipated. Knox warned that delaying projects created high inflationary costs.

Haley reported on the Airport Terminal Fund noting the impact that would be likely with the slowed travel related to COVID-19. She felt that working capital would be negative going forward and there were projects that were needed.

Haley addressed the Marine Service Center Fund with the crane costs taken out as a previous directive from the Assembly. She stated the fund was losing money on an annual basis and at some point, there would have to be decisions on what to do. Christianson told the goal would be to no longer have this infrastructure.

Haley informed the Information Technology Fund existed to provide services to all city government. She showed the breakdown of departments. Sweeney stated the costs were allocated.

Haley stated the Central Garage Sinking Fund was for vehicle replacement and there was a guide supplied for details. She stated former Interim Municipal Administrator Hugh Bevan vetoed some vehicles that were previously on the list.

Haley went over the Building Maintenance Fund by giving a breakdown based on time, effort, and expense that it took to maintain each building or fund. Leach relayed the city/state building contract needed to be finalized by June and that communication would continue and the city would maintain its portion of the building.

B ORD 20-11

Temporarily amending Title 15 "Public Utilities" of the Sitka General Code by modifying Chapter 15.01 "Electric Utility Policies", Section 15.01.020 "Electrical Rates" which will temporarily extend the lower seasonal electric rate from April to June in 2020 only

Christianson explained the reasoning of the ordinance as a way to provide relief for citizens due to the COVID-19 pandemic. Wein noted this was for residential which averaged a savings of \$112 for the duration yet was approximately \$1 million decrease to the Electric Fund and wondered how that money would be recouped. Knox clarified it was for residential, small general services, and boats. Mosher stated while the intent was notable, he had concerns with the loss of revenue to the fund. Nelson stated she was in favor for first reading, felt that residential may not be the answer, that business owners were in danger of not being able to pay sales tax and bills. Christianson told of the thought process of helping people who were hurting right now and that there could be an extension of summer rates into the fall. He wondered if the lobbyists could research funding for lost revenues for Sitka. Paxton would like to see this on an as needed basis and noted the need for the Electric Fund to be stable.

Municipal Administrator John Leach relayed Senate Bill 241 passed through the Legislature to suspend disconnecting services of non-payment for utilities. He relayed that penalties for late payment and non-payments were suspended. Eisenbeisz agreed for the need to reduce the costs for citizens in the short-term, however, had concerns

with the long-term impacts and the possible need to transfer money from the General Fund to the Electric Fund to subsidize and what that meant for General Fund cuts. Knox suggested tasking lobbyists on opportunities to obtain monies. Christianson and Mosher agreed. Wein noted the drivers of the General Fund was tax revenue and felt that those revenues would also decline. He stated the need to think about the health of the General Fund.

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

Yes: 6 - Christianson, Eisenbeisz, Knox, Paxton, Mosher, and Nelson

No: 1 - Wein

VI. PERSONS TO BE HEARD:

Comments from Assembly members and staff:

Knox - Gave an update on the city seal process. He wondered if it were possible to release testing numbers with regards to COVID-19. He relayed that Ketchikan was not going to accept cruise ships this season and wondered if there had been conversations surrounding cruise ships coming into Sitka. He gave suggestions for masks and those that should be reserved for health care providers.

Nelson - Read an email from Camille Ferguson regarding concerns surrounding travel/tourism industry in Sitka. She told of the work session on April 9 to discuss economic impacts related to COVID-19. She stated her concerns with the property tax deadline and of the public comment process during the pandemic.

Mosher - Was in support of the work session and told his concern for Sitka's economy.

Leach - Told of three bills that have been signed that the lobbyist firm had summarized and highlighted what Sitka could be potential candidates for. He noted his discussions with Camille Ferguson and relayed that a fourth bill would be coming with potential economic stimulus.

Christianson - Wondered how to assist citizens in applying for various programs for economic assistance and gave encouragement for getting through this pandemic.

Paxton - Thanked Sitkans with all the volunteer efforts.

VII. EXECUTIVE SESSION

None.

VIII. ADJOURNMENT

A motion was made by Christianson to ADJOURN. Hearing no objections, the meeting ADJOURNED at 8:02 p.m.

ATTEST: _____
Melissa Henshaw, CMC
Deputy Clerk



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Municipal Administrator: John Leach
Municipal Attorney: Brian Hanson
Municipal Clerk: Sara Peterson

Thursday, April 9, 2020

6:00 PM

Assembly Chambers

WORK SESSION 5:00 P.M.

20-080 Options to reduce economic impacts on citizens/businesses related to the COVID-19 pandemic

Assembly members discussed ways to reduce economic impacts to citizens and businesses due to the COVID-19 pandemic.

SPECIAL MEETING

I. CALL TO ORDER

II. FLAG SALUTE

III. ROLL CALL

Members participated by video conference. Knox joined at 7:25 p.m.

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

IV. CORRESPONDENCE/AGENDA CHANGES

No agenda changes.

V. PERSONS TO BE HEARD

None.

VI. NEW BUSINESS:

A 20-077 Discussion / Direction / Decision of the FY2021 Draft Administrator's Budget with focus on the General Fund and Special Revenue Funds

Controller Melissa Haley stated the focus was on the General Fund and Special Revenue Funds. She noted revisions to the General Fund from external changes specifically from the COVID-19 pandemic, final rate proposal for health insurance (an increase of 5.5%), a decrease in sales tax revenue estimates, and state budget cuts. She went over expense reductions: capital projects, health insurance, operating expense, and a smaller transfer due to a decrease in sales tax revenue to the School Bond Debt Service Fund. Haley went over cut to operations that was directed by the Assembly which totaled \$764,344. Public Works Director Michael Harmon gave options and details to the revised budget of no new capital.

Assembly members requested more information and analysis with options and details of the Knutson Drive LID.

A motion was made by Eisenbeisz to remove the \$14,000 personnel cut in the library budget (in effect this would keep the Library open on Sundays). The motion PASSED by the following vote.

Yes - 5 - Christianson, Eisenbeisz, Wein, Paxton, and Mosher

No - 1 - Nelson

Absent - 1 - Knox

Haley gave details of the purpose, fund balance, and expected revenue for FY2021 for other governmental funds: trust, agency, special revenue funds including the Permanent Fund, Debt Service Fund of School Bonds, Pet Adoption Fund, Utility Subsidization Fund, Sitka Asset Forfeiture Fund, Justice Assistance Fund, Library Building Fund, Southeast Alaska Economic Development Fund, GPIIP Contingency Fund, Sitka Community Hospital Dedicated Fund (formerly Tobacco Excise Tax Fund), Student Activities Travel Fund, Fisheries Enhancement Fund, Commercial Passenger Vessel Excise Tax (CPET) Fund, Visitor Enhancement Fund, Revolving Fund, Guarantee Fund, Library Endowment Fund, Bulk Water Fund. She noted that the budget ordinances would come forward for first reading at the regular Assembly meeting on April 28. Assembly members stated they would like to revisit the Utility Subsidization Fund.

B 20-078

Appoint Assembly Member Wein as an Assembly Liaison to the Sitka Emergency Operations Center

Municipal Administrator John Leach stated he had invited Wein to Unified Command meetings and the Emergency Operations Center (EOC) which he found to be of help and value. He felt it appropriate for relaying information back to the Assembly. Knox was in support and stated it would be helpful in communicating a clear message to constituents. Christianson agreed; he volunteered as the Logistics Chief for the EOC and said it would be helpful to have an Assembly member present in that Assembly member role.

A motion was made by Mosher to appoint Assembly Member Wein as an Assembly Liaison to the Sitka Emergency Operations Center. The motion PASSED by the following vote.

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

C 20-079

Discussion / Direction on options available to reduce the economic impacts on citizens/businesses related to the COVID-19 pandemic

Public Comment

Mike Finn requested the city remove water, sewer, and garbage charges from utility bills for Sitka businesses that are required to close. He stated that the grant funding for COVID-19 was mostly allowed to be used for payroll. He noted that businesses were already losing profits and would struggle to get through the winter months with minimal or no summer season.

Municipal Attorney Brian Hanson stated he would research if delaying the property tax appeal deadline would need an ordinance. Nelson requested an ordinance for first reading be put on the agenda for the meeting on April 14.

A motion was made by Nelson to delay the property tax appeal deadline from April 15 to June 15. The motion PASSED by the following vote.

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

Eisenbeisz and Nelson disclosed they file sales tax. Mayor Paxton ruled no conflict. Municipal Administrator John Leach stated the delay in revenue would affect the General Fund. Nelson stated her concerns for small businesses in Sitka and if they were unable to open. She felt that there would be a delay but it would not affect the budget as it would be in the same fiscal year. Chief Finance and Administrative Officer Jay Sweeney spoke to the revenue stating that for every day that sales tax was not remitted to the municipality, interest was lost on the balance of the investments of the central treasury. He also noted that by delaying the reporting, an estimate of the effect from the economic slow down the Assembly previously requested would not be possible.

Wein stated the sales tax money collected was from consumers and in essence by delaying it by two months, represented a loan that could be minimal. He felt this was a way to ease the loss for businesses.

A motion was made by Nelson to push the filing due date back for first quarter sales tax by two months to the end of June and waive fees and late payments. The motion PASSED by the following vote.

Yes - 5 Christianson, Knox, Wein, Paxton, and Nelson

No - 2 Eisenbeisz, and Mosher

Nelson wondered if there were economic development funds available for Sitka businesses that may be failing to assist with reopening. Christianson would like to look into a Sitka version of the CARE Act. Mosher brought up the idea of a sales tax free weekend each month.

VII. PERSONS TO BE HEARD:

Jay Sweeney informed that he would research items that were discussed. He told of a reporting deadline for sales tax that was in the Sitka General Code, therefore an ordinance would be necessary to delay that deadline.

VIII. EXECUTIVE SESSION

None.

IX. ADJOURNMENT

A motion was made by Christianson to ADJOURN. Hearing no objection, the meeting ADJOURNED at 7:48 p.m.

ATTEST: _____
Melissa Henshaw, CMC
Deputy Clerk



CITY AND BOROUGH OF SITKA

ASSEMBLY CHAMBERS
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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*

*Municipal Administrator: John Leach
Municipal Attorney: Brian Hanson
Municipal Clerk: Sara Peterson*

Tuesday, April 14, 2020

6:00 PM

Assembly Chambers

REGULAR MEETING

I. CALL TO ORDER

II. FLAG SALUTE

III. ROLL CALL

Members participated by videoconference.

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

IV. CORRESPONDENCE/AGENDA CHANGES

No agenda changes.

20-090

Reminders, Calendars, and General Correspondence

V. CEREMONIAL MATTERS

None.

VI. SPECIAL REPORTS: Government to Government, Municipal Boards/Commissions/Committees, Municipal Departments, School District, Students and Guests (five minute time limit)

Woody Widmark Vice Chair of Sitka Tribe of Alaska shared a letter that was sent by STA regarding the risk and opposition to allowing seasonal workers in remote communities.

VII. PERSONS TO BE HEARD

Laurie Boyse, Visit Sitka Director gave an update that the 2020-2021 vacation planner would be mailed out. She stated the Visit Sitka blog was live and social media was still maintained along with weekly COVID-19 updates. She told of the CDC "no sail" order and of changes to the cruise ship calendar.

Lisa Busch Executive Director of the Sitka Sound Science Center told of an anonymous attitudinal survey to design policies and support services for Southeast Alaska communities to help minimize the impact of COVID-19.

VIII. REPORTS

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

Mayor - Paxton thanked the public and members of the Emergency Operations Center.

Administrator - Leach reported that regular business was operating. He stated the Fire Chief interview via Zoom would take place soon and that a grant writer was secured. He noted he was working on a new budget letter.

Attorney - Hanson reported on Legal Department tasks.

Liaison Representatives - Wein reported on the April 8 Tree and Landscape Committee. Knox reported on the Port and Harbors Commission and the Parks and Recreation Committee meetings.

Clerk - Peterson reminded that the 2020 Census was open for response and read through current vacancies on boards/commissions/committees.

Other - Wein noted in the packet the 2019 short-term rental report and thanked the Planning Department for it.

IX. CONSENT AGENDA

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

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

- A 20-081** Approve the minutes of the March 5, 10, 13, 16, and 24 Assembly meetings
This item was APPROVED ON THE CONSENT AGENDA.
- B 20-082** Approve the Health Needs and Human Services Commission 2020 goals
This item was APPROVED ON THE CONSENT AGENDA.
- C 20-083** Approve a liquor license renewal application for SOE, LLC dba Little Tokyo at 315 Lincoln Street Suite 112
This item was APPROVED ON THE CONSENT AGENDA.
- D 20-084** Approve a liquor license renewal application for SOE, LLC dba Asian Palace at 327 Seward Square #1

This item was **APPROVED ON THE CONSENT AGENDA.**

X. BOARD, COMMISSION, COMMITTEE APPOINTMENTS

- E 20-085** Reappoint Anne Pollnow to a three-year term on the Historic Preservation Commission in the category of At-Large
- Public comments were read out loud from Don Surgeon and Jim Steffen in opposition to the appointment of Ms. Pollnow.
- Nelson stated as previous Assembly Liaison to the Commission, she was not in support of the approval.
- A motion was made by Christianson that this item be APPROVED. The motion FAILED by the following vote.**
- Yes:** 1 - Wein
- No:** 6 - Christianson, Eisenbeisz, Knox, Paxton, Mosher, and Nelson
- F 20-086** Reappoint Shannon Freitas to a three-year term on the Local Emergency Planning Committee in Category 2 (Law Enforcement, Civil Defense, Fire Fighting, First Aid, Local Environmental/Hospital, and Transportation Personnel)
- 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
- G 20-087** Reappoint Mike Johnson to a two-year term on the Gary Paxton Industrial Park Board
- Nelson and Christianson stated appreciation of Johnson.
- 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

XI. UNFINISHED BUSINESS:

- H ORD 20-11** Temporarily amending Title 15 "Public Utilities" of the Sitka General Code by modifying Chapter 15.01 "Electric Utility Policies", Section 15.01.020 "Electrical Rates" which will temporarily extend the lower seasonal electric rate from April to June in 2020 only
- Christianson was in support and noted the possibility of receiving money as reimbursement from the Federal government. He felt if there was a shortfall, the summer rates could be extended. Nelson was in support and felt more consumption may take place with the lower rates. Wein said that the fiscal note was over a million dollars and gave concerns especially with the bond covenant. Mosher was in support and stated that he wanted to help citizens but also noted the city had limited resources.

Leach gave detail of the possibility of being reimbursed by the Federal government.

A motion was made by Knox that this ordinance be APPROVED on SECOND AND FINAL READING. The motion PASSED by the following vote.

Yes: 6 - Christianson, Eisenbeisz, Knox, Paxton, Mosher, and Nelson

No: 1 - Wein

XII. NEW BUSINESS:

New Business First Reading

- I ORD 20-12** Making supplemental appropriations for Fiscal Year 2020 (Office of Inspector General Anti-Kickback Liability Settlement)
- Chief Finance and Administrative Officer Jay Sweeney gave an example of the funding and advance payment process. He told of where and to who the funds would be transferred and/or paid to and from. He stated without the tobacco tax funds the General Fund would have to pay the escrow which would create a shortfall. Municipal Attorney Brian Hanson stated he felt the tax was legal as it was collected and paid for the debt that was related to the hospital. He relayed that during the APA process, it was looked at and considered extensively.
- Nelson wondered if it was legal to keep collecting the tax and what would be the ramifications of this ordinance not passing. Wein was not in support but stated that he knew that the money was owed. He gave details of costs for selling the hospital.
- A motion was made by Christianson that this ordinance be APPROVED ON FIRST READING. The motion PASSED by the following vote.**
- Yes:** 5 - Christianson, Eisenbeisz, Knox, Paxton, and Mosher
- No:** 2 - Wein, and Nelson
- J ORD 20-13** Amending Title 4 "Revenue and Finance" of the Sitka General code by adding Chapter 4.10 "Alaska Remote Seller Sales Tax"
- Wein wondered the cost as a percentage and how the charges would be administered. He had concerns with the fiscal note. Paxton stated that AML was involved and it had been vetted thoroughly. Christianson was in support, felt that passing it was a gain, but that if the city did not participate we would lose what was already gained. Mosher agreed, was in support, and stated it leveled the playing field for online versus local businesses. Nelson felt that the cost was unknown and some remittance was being done voluntarily.
- Chief Finance and Administrative Officer Jay Sweeney told of the costs to implementing.
- A motion was made by Christianson 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
- K ORD 20-14** An Emergency Ordinance of the City and Borough of Sitka requiring all people arriving in Sitka, without exception unless determined a critical healthcare worker, to

self-quarantine for 14 days before working for critical workforce infrastructure businesses and requiring such businesses to submit a protection plan to the City and Borough of Sitka that must be approved by the Municipal Administrator (*possible executive session*)

Public Comment:

Harriet Beleal gave recommendations concerning the seasonal workers who would be coming to Sitka. Jim DiGennaro told of concerns of allowing seasonal workers to come to Sitka. Steve Ramp was in support, told of concerns for those coming to Sitka, and recommended amendments to the ordinance. Theresa Weiser told of concerns with the enforcement of and that the ordinance did not specifically address those coming to Sitka through the harbor system. Chris Jones stated hopefully Silver Bay Seafoods plan would be looked at carefully with regards to the importing of workers. Bob Medinger noted the need to curtail the influx of seasonal workers.

Rachel Roy, Executive Director of the Greater Sitka Chamber of Commerce and Visit Sitka asked the Assembly to consider how to get the businesses through this time. She noted the need to talk about ways to restart the economy and stated that one plan did not fit all businesses. Cora Campbell, President/CEO of Silver Bay Seafoods stated the commitment to working with the community for the salmon processing season. She noted that workers would be screened, isolated with a closed campus for the plant and housing that included medical services. Leauri Moore, VP, HR, and Administration with North Pacific Seafoods (NPSI) noted the challenges, vitality, and safety measures NPSI was taking with regards to COVID-19.

Phillip Younger of Talon Lodge gave recommendations to reduce the days to 15 or 30 rather than 60. Tom Ohause President, Southeast Alaska Guides Organization (SEAGO) stated they represented the interests of lodges and charter businesses throughout Southeast Alaska. He supported the intent of the ordinance but asked to change the extension to 30 days instead of 61 and reevaluate to extend the 14-day quarantine. Seth Bone requested amendments to the ordinance to include a 30-day expiration date instead of 61 days and reenact if need be. Greg Kain a charter fishing business operator understood the concern, uncertainty with COVID-19, and requested a 30-day extension and reevaluate at that time rather than extend to 61 days. Ashley and Kevin McNamee asked the extension of the quarantine to 30 days instead of 61 and determine an appropriate extension then. Michelle Trim an employee of a charter business felt it was a better option to do a 2 to 3 week increment and reevaluate. She stated the concern for the impact of 61 days. Bruce Gipple owner of Horizon West Charters felt that a 30-day extension with the possibility of another 30 made more sense and still protected the citizens of Sitka without impacting the economy.

Assembly Discussion:

Municipal Administrator John Leach felt there was a lot of confusion with the emergency ordinance. He clarified that action plans from businesses and seafood processing plants were not being given to the city and were not obtainable from the state. He stated this ordinance was for the city to collect action plans by businesses that addressed all seasonal workers arriving to Sitka.

Dr. Bruhl noted the reality of the susceptibility of the virus stating it was much more communicable than other influenzas and those diagnosed had a higher mortality rate. He felt the state mandates have helped to keep Sitka safe as well as the isolation. He hoped those businesses that participate in activities that bring people to Sitka would recognize the importance of this ordinance. He stated SEARHC's motivation was the commitment to all the people in all of their communities. They provided recommendations on those commitments. He relayed the concept of flattening the

curve as it related to the number of cases through time. He noted a sudden spike would overwhelm health care systems. He stated that by limiting those coming into Sitka, it would lessen that curve. He stated testing resources continued to increase and felt an immunization was over a year away.

Paxton was in support and felt the processors would try to comply. Christianson was in support and noted the time frame. He was fine with tying it to the quarantine order the state had. He noted the need of the 14-day quarantine and stated this could help businesses open up sooner. Wein shared information and a personal story on confirmed cases and deaths. He was in support of the ordinance as written and noted that it represented a standard and was important. Nelson felt there was a shelter in place and self-quarantine, felt this was an overstep of bounds and was not in support. Mosher was in support of changing the ordinance to 30-days and noted the need to have a balanced approach. He stated his concern for the time frame of flattening the curve. He wondered how to protect the vulnerable while allowing for the economy. Eisenbeisz had concerns that the ordinance targeted toward one sector. Knox noted the impacts that had been taking place globally and shared his concerns of Sitka taking the same route. He said by bringing people in from all over and having them in close housing proximity situations, there could be serious health consequences. He stated that he would like to bring people to town and protect the community. He noted there were lots of ways that COVID-19 couldn't be controlled and the community spread aspect of it along with an inability to fully isolate if there were a flare up.

Municipal Attorney Brian Hanson noted ordinance sponsors and when preparing it he wondered if it created authority over the state mandates as they were conflicting and the state mandates supersedes municipal ordinances.

Christianson thought that when the state health mandate 10 was removed, this ordinance would go away.

A motion was made by Mosher to amend the ordinance at line 210 to change the expiration date to add after "shall expire", "when the State of Alaska COVID-19 Health Mandate 10 is rescinded or". The amendment PASSED by the following vote.

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

A motion was made by Christianson that this emergency ordinance be APPROVED on FIRST READING AS AMENDED. The motion PASSED by the following vote.

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

L ORD 20-15

An Emergency Ordinance of the City and Borough of Sitka extending the real property tax assessment appeal deadline for tax year 2020 from April 15 until June 15

Nelson was trying to find ways to help citizens and noted the closure of City Hall. She stated the appeals would need to be heard prior to certifying. Christianson was in support and felt it was difficult to get tasks done. Knox wondered if there was risk for state statute or timelines. Wein was in support of the extension and felt it could be an issue depending on the circumstance.

Assessor Larry Reeder stated he had checked with the State Assessor and with the June 15 deadline there would still be time for the July 1 mandatory certification date and although tight, he felt it was workable.

A motion was made by Mosher that this emergency ordinance be APPROVED on FIRST READING. The motion PASSED by the following vote.

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

M ORD 20-16

An Emergency Ordinance of the City and Borough of Sitka extending the sales tax filing and remittance deadlines for first quarter 2020 from April 30 until June 30 and waiving any penalties and interest during the extension

Max Rule, President of Hames Corporation voiced support. John Feryok did not feel that this would benefit and felt that it could create additional work for city employees and would disrupt cash flow.

Nelson stated with the timing of the pandemic, this was help for small businesses. Mosher was not in support and felt if the money was delayed, it may be more difficult if businesses used the funds they were to remit and would be further behind. Knox told of concerns with code and how the money was accounted for and remitted to the city. He felt it was a contract between the customer, retailer, and the city. He had concerns of the extra work it may create for staff.

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

Yes: 2 - Christianson, and Nelson

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

Additional New Business Items

N RES 20-08

Extending the order for people in the City and Borough of Sitka to hunker down related to COVID-19

Bruce Gripple owner of Horizon West Charters felt that a 30-day extension with the possibility of another 30-day extension made more sense and still protected the citizens of Sitka without impacting the community.

Knox stated the reason for this resolution was to make sure it was clear to the citizens. He said it could change and be dialed back. He felt it needed to be reinforced and had concerns with a surge or spike in cases. Nelson was not in support and felt the state had mandates in place. Mosher was in support in the spirit of unity but didn't feel it was needed, as the state had the mandate. He felt that a plan needed to be thought about on how to mitigate long-term because it wasn't sustainable. Christianson was in support and felt it was important to show the city was in agreement with the state.

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

Yes: 6 - Christianson, Eisenbeisz, Knox, Wein, Paxton, and Mosher

No: 1 - Nelson

O RES 20-07

Authorizing the Municipal Administrator to apply for and execute a grant with the Economic Development Administration (EDA) for up to \$3,000,000 to support the Critical Secondary Water Source Project and the Northern Southeast Regional Aquaculture Association

Scott Wagner General Manger of NSRAA was in support and looked forward to partnering with the city on this project.

Wein wondered if the city could get the entire amount of the grant rather than partnering as he felt the city was in greater need of funding.

Municipal Administrator Leach confirmed with this proposal the city would be receiving a third of the grant, but that by working with NSRAA it allowed for a higher score which meant a better chance of obtaining the grant. Public Works Michael Harmon stated this was a 50/50 grant and that NSRAA would need to contribute.

A motion was made by Christianson 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

P 20-088

Approve hire offer for Scott Elder as Utility Director

Nelson stated department heads made more money than the Administrator. She had reservations on moving expenses and the increase in wage. Eisenbeisz wondered if it was typical to receive a two month's severance package within 5 years of hire. He felt the city was investing a significant amount. Christianson noted the shortage in the sector and felt the benefits helped make the hire. Paxton stated that rebuilding the Electric Department was important. Knox noted the leadership role importance in order to build up the department and invest for the long-term. Wein felt he was experienced and noticed the severance package went out five years without stipulation. Mosher was in support, thanked those involved with the hiring, and Jeff Wheeler for filling in.

Municipal Administrator John Leach felt that the severance package was important because by the applicant taking the position, it was a risk and big expense. Leach told of stipulations with the moving allowance having to be repaid per the Personnel Policy. Interim Utility Director Jeff Wheeler told of involvement of the interview process and felt that the applicant had a strong background in hydro electric energy. Municipal Attorney Brian Hanson gave the terms of the severance and stated that for cause termination would not include severance.

A motion was made by Christianson to approve the hire offer for Utility Director Scott Elder as recommended by the Municipal Administrator. The motion PASSED by the following vote.

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

Q 20-091

Discussion / Direction on No Name Mountain and Granite Creek Master Plan

Special Projects Manager Scott Brylinsky reminded that the city was involved with a land use master planning project of 830 acre parcel bound by No Name Mountain on the north and Granite Creek area on the south. He told there was a contract with a consultant that should have come to town but the meetings were cancelled due to the COVID-19 pandemic and travel restrictions. The Planning Commission on April 2 recommended using an interactive website in lieu of the public meetings. He was looking for direction from the Assembly to move forward with the project and recommendation on how. Eisenbeisz was in support of moving forward with the project and the recommendation of the interactive website. Christianson agreed and felt this process could create more public comment. Mosher and Paxton agreed. Wein told of the process to date. He stated the need to have public input and the need for the

consultants to view the property. Consensus was to continue the project with the Planning Commission recommendation of the interactive website in lieu of public meetings.

R 20-089 Discussion / Direction on options available to reduce the economic impacts on citizens / businesses related to the COVID-19 pandemic

Christianson stated he would cosponsor any idea for discussion. Nelson was hoping to have information from finance available for economic development funds. She was looking for ways to help small businesses. Paxton thought to hold a work session and wondered what funding would be provided to local governments.

S 20-093 Discussion on rescheduling the April 21 evaluations of the Municipal Administrator and Municipal Attorney

Knox felt like the bandwidth was taxed and didn't think the evaluations would be fair and just. He would like to postpone them until they could be held in person. Paxton and Christianson felt possibly late summer. Wein wondered if there were any contract timing to be attuned to. Eisenbeisz felt it was important to do the evaluations in person.

Municipal Administrator John Leach stated he would appreciate some performance guidelines and felt the evaluation was best done in person. Municipal Attorney Brian Hanson stated he was in hold over status and was under contract although it expired September 2019.

Consensus was to reschedule the evaluations of the Municipal Administrator and Municipal Attorney when they could be done in person.

XIII. PERSONS TO BE HEARD:

Nelson informed the State of Alaska had agreed to allow to-go wine and beer.

XIV. EXECUTIVE SESSION

None.

XV. ADJOURNMENT

A motion was made by Christianson to ADJOURN. Hearing no objections, the meeting ADJOURNED at 9:46 p.m.

ATTEST: _____
Melissa Henshaw, CMC
Deputy Clerk