



# CITY AND BOROUGH OF SITKA

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

## Minutes - Final

### City and Borough Assembly

*Mayor Matthew Hunter  
Deputy Mayor Steven Eisenbeisz,  
Vice Deputy Mayor Bob Potrzuski,  
Aaron Bean, Kevin Knox, Dr. Richard Wein,  
Benjamin Miyasato*

*Municipal Administrator: Keith Brady  
Municipal Attorney: Brian Hanson  
Municipal Clerk: Sara Peterson*

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Thursday, April 12, 2018

6:00 PM

Assembly Chambers

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#### SPECIAL MEETING

I. CALL TO ORDER

II. FLAG SALUTE

III. ROLL CALL

**Present:** 7 - Miyasato, Eisenbeisz, Potrzuski, Hunter, Knox, Bean, and Wein

IV. PERSONS TO BE HEARD

Joel Hanson suggested the Assembly explore a motor fuel excise tax.

V. UNFINISHED BUSINESS:

- A [18-080](#) Update from the Municipal Administrator and Discussion/Direction/Decision on the reduction of temporary employee wages up to \$200,000 from the General Fund (*Assembly action may be taken*)

Administrator Brady reviewed proposed decrements and possible ramifications, if imposed, for the following departments: Administration, Clerk, Fire, Ambulance, SAR, PW-Admin, PW-Engineering, PW-Streets, PW-Recreation, Library.

Administrator Brady, Hunter, Knox, Wein, Potrzuski, and Eisenbeisz spoke to the value of temporary employees and offered a substantial cut could be detrimental.

Bean suggested the idea of eliminating or reducing the amount of compensation Assembly members received. Members expressed their thoughts on the idea and spoke to the advantages and disadvantages.

**A motion was made by Bean to remove the line item under Administration temp wages for Assembly stipends. The motion FAILED by the following vote.**

**Yes:** 2 - Bean, and Wein

**No:** 5 - Miyasato, Eisenbeisz, Potrzuski, Hunter, and Knox

**B**     [18-082](#)

Discussion/Direction/Decision of the FY2019 General Fund and the School District, Enterprise Funds, the Sitka Community Hospital, and other Funds (*Assembly action may be taken*)

Controller Melissa Haley summarized the schedule and process for the FY19 budget. In addition Haley provided a review of revenue, expenses, and user fee increases for the General Fund, Electric Fund, Water Fund, Waste Water Fund, Solid Waste Fund, Harbor Fund, Airport Fund, Marine Service Center Fund, Gary Paxton Industrial Park, Sitka Community Hospital and Special Revenue Funds. The Assembly discussed several aspects of the budget.

Administrator Brady posed the idea of bringing visitor services in-house as a Department. Currently this service was provided by the Greater Sitka Chamber of Commerce. For FY19, \$300,000 had been budgeted. Assembly members offered their thoughts and, at the end of the discussions, decided to reduce the Visitor Enhancement Fund by \$200,000.

Rob Allen cautioned the Assembly from reducing the amount of funds from Visitor Enhancement and bringing the service in-house.

**A motion was made by Potrzuski to transfer \$200,000 from the Visitor Enhancement Fund to the General Fund. The motion PASSED by the following vote.**

**Yes:** 5 - Miyasato, Potrzuski, Hunter, Knox, and Bean

**No:** 2 - Eisenbeisz, and Wein

Bean offered a motion to reduce the newly formed Utility Subsidization Fund from \$400,000 to \$200,000 with the intention of using the money for school funding. Members spoke to the pros and cons of reducing the Fund.

Kent Barkhau suggested the money in the Utility Subsidization Fund be used to invest in heat pumps which would pay long-term dividends. Heather Lockwood spoke in support of school funding.

**A motion was made by Bean to transfer \$200,000 from the Utility Subsidization Fund to the General Fund. The motion PASSED by the following vote.**

**Yes:** 6 - Miyasato, Potrzuski, Hunter, Knox, Bean, and Wein

**No:** 1 - Eisenbeisz

School Board President, Jennifer McNichol thanked the Assembly for their support and noted even with increased funding the District would be facing a deficit.

**A motion was made by Knox to increase funding to the Sitka School District by \$300,000. The motion PASSED by the following vote.**

**Yes:** 7 - Miyasato, Eisenbeisz, Potrzuski, Hunter, Knox, Bean, and Wein

Gerry Hope, Connie Sipe, and Kent Barkhau spoke to funding the RIDE, funding which

had been previously provided by the City.

**A motion was made by Wein to add a line item for \$25,000 to fund the RIDE. The motion PASSED by the following vote.**

**Yes:** 7 - Miyasato, Eisenbeisz, Potrzuski, Hunter, Knox, Bean, and Wein

Al Stevens expressed support for and noted the importance of the Assistant Fire Chief position. He reminded the position had been eliminated upon his retirement a few years ago.

**A motion was made by Knox to add the Assistant Fire Chief position back into the FY19 Budget - a reallocation of \$100,000. The motion FAILED by the following vote.**

**Yes:** 2 - Miyasato, and Knox

**No:** 5 - Eisenbeisz, Potrzuski, Hunter, Bean, and Wein

**VI. NEW BUSINESS:**

None.

**VII. PERSONS TO BE HEARD:**

Allison Massey (Parks and Recreation Commission) and Jennifer McNichol (School Board) thanked the Assembly for their hard work and dedication during an extremely challenging budget process.

**VIII. EXECUTIVE SESSION**

None.

**IX. ADJOURNMENT**

**A motion was made by Miyasato to ADJOURN. Hearing no objections, the meeting ADJOURNED at 10:08pm.**

**ATTEST:** \_\_\_\_\_  
Sara Peterson, MMC  
Municipal Clerk