



CITY AND BOROUGH OF SITKA

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

Minutes - Draft City Assembly

*Mayor Cheryl Westover
Deputy Mayor Larry Crews
Vice Deputy Mayor Mim McConnell
Assembly Member Phyllis Hackett
Assembly Member Terry Blake
Assembly Member Thor Christianson
Assembly Member Pete Esquiro*

*Municipal Administrator: Jim Dinley
Municipal Attorney: Theresa Hillhouse
Municipal Clerk: Colleen Ingman, MMC*

Tuesday, April 26, 2011

6:00 PM

Assembly Chambers

WORKSESSION - South Benchlands - 5:00 PM

REGULAR MEETING

I. CALL TO ORDER

II. FLAG SALUTE

III. ROLL CALL

Present: 5 - Westover, McConnell, Hackett, Christianson, and Esquiro

Absent: 2 - Crews, and Blake

IV. CORRESPONDENCE/AGENDA CHANGES

Government-to-Government Update with Sitka Tribe of Alaska

Sitka Tribe of Alaska Chairman, Lawrence Widmark, offered an update on current activities and events.

Sitka School District -

School Board Member, Tim Fulton, provided a status report to the Assembly on current activities within the School District.

V. CEREMONIAL MATTERS

Sitka High School Cheerleaders were presented Athletic Awards for winning second place at the Alaska State Cheerleading Championship.

VI. PERSONS TO BE HEARD

Tracy Price announced a fundraiser walk/run for Youth Court to be held May 1.

Dusty Kidd of the National Park Service informed the Centennial Totem Pole raising would be May 15.

Dave Vastola encouraged the community to attend the St. Baldrick's fundraiser event April 29 at the Elk's Lodge.

SPECIAL REPORT:

The Foraker Group and Sitka Public Library Feasibility Committee Members provided an update of the work to date and project timeline.

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

Mayor - Reminded the Assembly of upcoming meetings and events. Attended Alaska Energy Authority Conference.

Administrator – Provided an update on various Public Works projects.

Liaisons – Hackett attended Sitka Convention and Visitors Bureau (SCVB) Board meeting. McConnell and Hackett attended Alaska Energy Authority Conference event.

VIII. CONSENT AGENDA

- A 11-93 Approve the minutes of the April 12 and 19, 2011 Assembly meetings.**

This item was APPROVED ON THE CONSENT AGENDA.

- B 11-85 Appoint Archie Nielsen and Stephanie Edenshaw (alternate) to the STA seat on the Historic Preservation Commission and Ptarmica McConnell to the Tourism Commission on the Chamber of Commerce seat.**

A motion was made by Christianson to divide the question. The motion PASSED by the following vote:

Yes: 5 - Westover, McConnell, Hackett, Christianson, and Esquiro

Absent: 2 - Crews, and Blake

A motion was made by Hackett to appoint Archie Nielsen and Stephanie Edenshaw (alternate) to STA's seat on the Historic Preservation Commission. The motion PASSED by the following vote:

Yes: 5 - Westover, McConnell, Hackett, Christianson, and Esquiro

Absent: 2 - Crews, and Blake

A motion was made by Hackett to appoint Ptarmica McConnell to the Tourism Commission in the category of Chamber of Commerce. The motion PASSED by the following vote:

Yes: 4 - Westover, Hackett, Christianson, and Esquiro

Absent: 2 - Crews, and Blake

Recused: 1 - McConnell

C 11-81

Approve liquor licenses: 1) Location transfer from Triple Ventures, Inc./Hames Corporation at 2035 Halibut Point Road to 1867 Halibut Point Road and 2) Dock Shack Cafe/Shee Atika Management, LLC 201 Katlian Street.

A motion was made by Hackett to separate the motion into two motions. The motion PASSED by the following vote:

Yes: 5 - Westover, McConnell, Hackett, Christianson, and Esquiro

Absent: 2 - Crews, and Blake

A motion was made by Hackett to approve forwarding a liquor license application from Cascade Convenience Center (change of location) to the Alcoholic Beverage Control Board without protest. The motion PASSED by the following vote:

Yes: 5 - Westover, McConnell, Hackett, Christianson, and Esquiro

Absent: 2 - Crews, and Blake

A motion was made by Christianson to approve forwarding a liquor license application from Dock Shack Cafe (new) to the Alcoholic Beverage Control Board without protest. The motion PASSED by the following vote:

Yes: 4 - Westover, Hackett, Christianson, and Esquiro

Absent: 2 - Crews, and Blake

Recused: 1 - McConnell

D 11-91

Approve an amended Parade Permit and an associated fee of \$50

Chief Schmitt provided a summary of proposed parade permit changes: a fee of \$50 and fifteen days advance notice to allow the Police Department to staff appropriately.

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

Yes: 5 - Westover, McConnell, Hackett, Christianson, and Esquiro

Absent: 2 - Crews, and Blake

IX. UNFINISHED BUSINESS:

E 11-82

Approve an amendment to the lease agreement for Fortress of the Bear and add a provision to the promissory note.

A motion was made by Hackett to approve an amendment to the lease agreement with Fortress of the Bear and to add a provision to the promissory

note to the affect that failure to timely pay on the loan may cause the lease to be terminated, and that the CBS retain \$20,000 of Southeast Economic Development Fund Loan to be applied towards any obligations owed to CBS if Fortress of the Bear ceases to exist, goes into bankruptcy or defaults on their lease, and authorize the documents to be prepared by the Municipal Attorney and signed by the Municipal Administrator.

Mayor Westover explained she brought the proposed amendment forward to protect both the City and the bears.

Evy Kinnear came forward and expressed her disappointment in how this matter was handled.

A discussion occurred amongst the Assembly on various possibilities for handling the amendment.

A motion was made by Christianson to amend the motion to add the words "for an \$80,000 loan" to fully read: to approve an amendment to the lease agreement with Fortress of the Bear and to add a provision to the promissory note to the affect that failure to timely pay on the loan may cause the lease to be terminated, and that the CBS retain \$20,000 of Southeast Economic Development Fund Loan to be applied towards any obligations owed to CBS if Fortress of the Bear ceases to exist, goes into bankruptcy or defaults on their lease, and authorize the documents for an \$80,000 loan to be prepared by the Municipal Attorney and signed by the Municipal Administrator. The amendment PASSED by the following vote:

Yes: 4 - Westover, Hackett, Christianson, and Esquiro

Absent: 2 - Crews, and Blake

Recused: 1 - McConnell

The Assembly further discussed options for handling the \$20,000 to be set aside.

A motion was made by Hackett to POSTPONE this item to the next regular scheduled Assembly meeting. The motion FAILED by the following vote:

Yes: 2 - Hackett, and Esquiro

No: 2 - Westover, and Christianson

Absent: 2 - Crews, and Blake

Recused: 1 - McConnell

The main motion as amended PASSED by the following vote:

Yes: 4 - Westover, Hackett, Christianson, and Esquiro

Absent: 2 - Crews, and Blake

Recused: 1 - McConnell

A recess was taken from 7:49pm to 7:56pm.

F ORD 11-13 Removing Section 4.16 Fuel Flow Tax and Section 11.58 for Hire Vehicles at the Sitka Airport.

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

Yes: 5 - Westover, McConnell, Hackett, Christianson, and Esquiro

Absent: 2 - Crews, and Blake

X. NEW BUSINESS:

New Business First Reading

- G ORD 11-17** Amending SGC Section 8.04.020 entitled "Licensing" for clarification purposes.

Chief Sheldon Schmitt came forward and explained the two changes were of a housekeeping manner.

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

Yes: 5 - Westover, McConnell, Hackett, Christianson, and Esquiro

Absent: 2 - Crews, and Blake

- H RES 11-10** In support of establishing water infrastructure set-aside funding in the Army Corps of Engineers, Pacific Ocean Division, Civil Works Program.

Administrator Dinley explained the hope was to encourage Congress to set aside \$50M for Army Corps of Engineers, Pacific Ocean Division, to spend on necessary water infrastructure in small coastal communities.

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

Yes: 5 - Westover, McConnell, Hackett, Christianson, and Esquiro

Absent: 2 - Crews, and Blake

- I RES 11-11** Requesting the Alaska Redistricting Board to maintain City and Borough of Sitka and other Southeast Alaska communities in two contiguous Southeast Alaska Senate Districts comprised of the four proposed Southeast House Districts to maintain the socio-economic and cultural integrity of the Southeast Alaska Region.

Keith Nyitray spoke in support of the resolution.

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

Yes: 5 - Westover, McConnell, Hackett, Christianson, and Esquiro

Absent: 2 - Crews, and Blake

Additional New Business Items

- J 11-92** Approve a Southeast Economic Development loan submitted by Baranof Brewing Company, LLC for \$282,080.

Owners Rick Armstrong and Suzan Hess came forward to explain their request. The loan would be used to expand brewing capacity and fund other improvements.

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

Yes: 5 - Westover, McConnell, Hackett, Christianson, and Esquiro

Absent: 2 - Crews, and Blake

K 11-87 Award a bid to Yukon Equipment for a Case 621 Wheel Loader.

Public Works Staff came forward to answer questions. Due to the age of the loader, Staff reiterated replacement of the loader is necessary.

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

Yes: 5 - Westover, McConnell, Hackett, Christianson, and Esquiro

Absent: 2 - Crews, and Blake

L 11-89 Approve award of a purchase contract for the Japonski Lift Stations Electrical Equipment to Boreal Controls Inc. upon DEC approval.

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

Yes: 5 - Westover, McConnell, Hackett, Christianson, and Esquiro

Absent: 2 - Crews, and Blake

M 11-90 Approve transfer of purchase orders from the FY11 Goddard Repairs and Maintenance to a fixed asset account and approve the purchase of two new hot tubs from Lee Craft Metal Fabrication.

Christianson informed his brother owns a cabin near Goddard Hot Springs and relayed his concerns of faucets freezing and plumbing problems. Public Works Director, Michael Harmon, noted they are aware of the problems and these would be fixed during the installation of the new tubs.

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

Yes: 5 - Westover, McConnell, Hackett, Christianson, and Esquiro

Absent: 2 - Crews, and Blake

N 11-83 Authorize the Administrator to enter into a survey agreement with O'Neill Surveying for three tracts in Whitcomb Heights.

A motion was made by McConnell to approve the Municipal Administrator enter into a survey agreement with O'Neill Surveying for surveying three tracts totaling \$43,850 in the Whitcomb Heights Subdivision.

Christianson suggested surveying one development area first rather than all three in case changes needed to be made with the remaining two in the future.

An amendment was made by Hackett to survey only Development Area A for a cost of \$21,850.00. Motion as amended to read: "to approve the Municipal

Administrator enter into a survey agreement with O'Neill Surveying for surveying Development Area A at \$21,850.00. The amendment PASSED by the following vote:

Yes: 5 - Westover, McConnell, Hackett, Christianson, and Esquiro

Absent: 2 - Crews, and Blake

The main motion as amended PASSED by the following vote:

Yes: 5 - Westover, McConnell, Hackett, Christianson, and Esquiro

Absent: 2 - Crews, and Blake

O 11-84

Pre-application advice and direction on whether to proceed with an ordinance and competitive bid process on a potential land sale at the request of Peter Corey of approximately a 2600sf parcel on Oja Street.

Peter Corey and Attorney came forward.

A motion was made by Christianson to direct the Attorney to bring forward a land sales ordinance to authorize the sale of a 2600 SF parcel on Oja Street to Peter Corey with the appropriate findings for \$15,000. The motion PASSED by the following vote:

Yes: 5 - Westover, McConnell, Hackett, Christianson, and Esquiro

Absent: 2 - Crews, and Blake

XI. PERSONS TO BE HEARD:

None.

XIII. ADJOURNMENT

MOTION by McConnell to adjourn the meeting. The meeting ADJOURNED at 8:55 PM.



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Assembly Member Pete Esquiro

Municipal Administrator: Jim Dinley
Municipal Attorney: Theresa Hillhouse
Municipal Clerk: Colleen Ingman, MMC

Thursday, April 28, 2011

6:00 PM

Assembly Chambers

SPECIAL MEETING

I. CALL TO ORDER

II. FLAG SALUTE

III. ROLL CALL

Present: 5 - Westover, McConnell, Hackett, Christianson, and Esquiro

Excused: 2 - Crews, and Blake

IV. PERSONS TO BE HEARD

None.

V. NEW BUSINESS:

A 11-94 Discussion and possible amendments to the General Fund Budget.

Municipal Administrator read his letter to the Mayor and Assembly. He informed this budget was as close to minimums as he had ever presented to the Assembly.

Budget Officer Janet Schwartz reviewed decision points and impacts of the General Fund. She and Acting Finance Director Larry Fitzsimmons fielded questions. Westover complemented department heads for being frugal. Most of the meeting was spent discussing the following:

Spending: 1) Amount spent on phones, 2) Non-profit dollar allocation, 3) Flexibility of capital projects.

Savings: 1) Train instructors in-house so they don't have to travel, 2) Self-insure HMO, 3) Members addressed the possibility of not filling some positions when they

vacate realizing a savings through attrition.

Revenues: 1) Raising electric/water, 2) Raising property tax, 3) Changing from millage cap to a revenue cap, 4) Taxing boats.

Matching Grants: 1) Realize the hidden costs.

Christianson felt citizens would need to feel the pain first, less library hours etc. before they would be willing to pay more for services. Esquiro felt strongly that reserves need to be kept in place. Westover mentioned escalating grocery prices. She reminded employees to use City vehicles only for City business. Both Hackett and McConnell informed on the value and dollars that non-profits provide the community.

Public Works Director, Michael Harmon, explained capital projects in further detail. He expressed concern with infrastructure growth at a time when there is difficulty maintaining current infrastructure; a situation he sees getting worse over time. Esquiro noted the City needs to be cognizant of grant costs.

Personnel surplus of \$600,000 is generated when there are multiple positions left unfilled for various periods of time. Average 24 vacancies a year or 15% turnover rate.

Motion by Christianson to send General Fund budget back to the Municipal Administrator with the direction to find saving options and bring those options back to the Assembly at their next special budget meeting, May 5 for the Assembly's consideration.

Yes: 5 - Westover, McConnell, Hackett, Christianson, and Esquiro

B 11-95

Approve proceeding with the hire an interim Finance Director

Administrator Dinley stated he had been negotiating for an interim Finance Director and announced former Finance Director, Jay Sweeney was willing to fulfill that transitional role. He offered some history on Mr. Sweeney's employment with the City. Christianson added he talked to Gary Paxton who was the administrator when Mr. Sweeney served as Finance Director; he felt Jay would be a very good fit.

Motion by McConnell to approve the Municipal Administrator proceed with the hire of an interim finance director John "Jay" P. Sweeney III, through Robert Half Management Resources. The contract will include salary, housing and transportation.

Yes: 5 - Westover, McConnell, Hackett, Christianson, and Esquiro

VI. PERSONS TO BE HEARD:

Pat Alexander, vice chair of the Sitka Historical Society and Museum, requested \$125,000 from the city on behalf of the organization. The draft budget shows the allocation as \$95,000. The additional funding enables them to have a curator. They respectfully request full funding of \$125,000 to maintain staff and protect history.

VII. ADJOURNMENT

A motion was made by McConnell that this meeting be ADJOURNED at 8:17PM. The motion PASSED by an unanimous vote.

ATTEST: _____
Colleen Ingman, MMC
Municipal Clerk