

# **CONSENT AGENDA**

## **POSSIBLE MOTION**

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

**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 11th Assembly meeting.



# 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 Matt Hunter*  
*Vice-Deputy Mayor Benjamin Miyasato*  
*Aaron Swanson, Steven Eisenbeisz*  
*Tristan Guevin, and Bob Potrzuski*

*Municipal Administrator: Mark Gorman*  
*Municipal Attorney: Brian Hanson*  
*Municipal Clerk: Sara Peterson*

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Tuesday, October 11, 2016

6:00 PM

Assembly Chambers

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#### REGULAR MEETING

#### I. CALL TO ORDER

#### II. FLAG SALUTE

#### III. ROLL CALL

Mayor McConnell and Assembly member Miyasato presided through Unfinished Business. Assembly members Knox and Bean were sworn in at the beginning of New Business and presided through the remainder of the meeting. Outgoing Assembly member Swanson presided through Unfinished Business and then was appointed by the Assembly, and sworn in, to fill Mayor Hunter's vacated Assembly seat through October 10, 2017.

**Present:** 9 - McConnell, Swanson, Miyasato, Eisenbeisz, Guevin, Potrzuski, Hunter, Knox, and Bean

#### IV. CORRESPONDENCE/AGENDA CHANGES

**16-184** Reminders, Calendars and General Correspondence

No agenda changes.

#### V. CEREMONIAL MATTERS

**16-175** 1) Service Award - Tamie Parker Song 2) Sitka High School Symphonic Band

Mayor McConnell presented Tamie Parker Song with a Service Award for her volunteer time on the Planning Commission. Mayor McConnell and Deputy Mayor Hunter presented certificates to the Sitka High School Symphonic Band congratulating them on their acceptance to perform at the Biennial National Association for Music Education Conference.

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

None.

**VII. PERSONS TO BE HEARD**

Richard Nelson thanked the Assembly for their service.

**VIII. REPORTS**

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

Mayor - McConnell provided a summary of a transboundary conference call she participated in and a housing focus group she had attended.

Administrator - Gorman invited the public to the unveiling of the Gary Paxton Industrial Park sign on October 12. Gorman reported FEMA was funding a comprehensive hazard risk analysis of Sitka. By April 2017, it was anticipated a map would be produced showing where historically landslides had hit the Sitka area with a full report to be completed by September 2018. Further, Gorman noted staff was working with Alaska Department of Transportation to obtain a permit to install a pedestrian beacon at the intersection of Halibut Point Road and Peterson Street. In closing, Gorman shared the City had received a purchase offer from Haines to buy the old fire truck.

**IX. CONSENT AGENDA**

**A motion was made by Swanson that the Consent Agenda consisting of items A, B & C be APPROVED. The motion PASSED by a unanimous voice vote.**

**A 16-174** Approve the minutes of the September 19 and 27 Assembly meetings

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

**B RES 16-19** Authorizing the application for a grant to the Land and Water Conservation Fund for Crescent Harbor Playground Renovation

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

**C RES 16-20** Supporting the Sitka Trail Works, Inc. grant application to the State of Alaska Recreational Trails Program for Phase II storm damage repairs to the Mosquito Cove Trail

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

**X. BOARD, COMMISSION, COMMITTEE APPOINTMENTS**

- D 16-176** Appoint Aubrey Vaughan to three year terms on the Police and Fire Commission and Local Emergency Planning Committee
- A motion was made by Miyasato that this Item be **APPROVED**. The motion **PASSED** by the following vote.
- Yes:** 7 - McConnell, Swanson, Miyasato, Eisenbeisz, Guevin, Potrzuski, and Hunter
- Non-voting:** 2 - Knox, and Bean

**XI. UNFINISHED BUSINESS:**

- E ORD 16-37A** Adjusting the FY17 Budget (Public Infrastructure Sinking Fund - first reading as previously amended)
- Administrator Gorman explained that given the recent development of FEMA providing funding for a comprehensive hazard mapping for Sitka he recommended that the City not enter into a contract with Shannon and Wilson for a geotechnical report. Gorman noted a budget adjustment could come forward in the future to adjust the appropriated amount for legal representation (\$150,000).
- A motion was made by Swanson that this Ordinance be **APPROVED** on **FIRST READING AS PREVIOUSLY AMENDED**. The motion **PASSED** by the following vote.
- Yes:** 6 - McConnell, Swanson, Miyasato, Guevin, Potrzuski, and Hunter
- No:** 1 - Eisenbeisz
- Non-voting:** 2 - Knox, and Bean
- F ORD 16-33** Adjusting the FY17 Budget
- Chief Finance and Administrative Officer, Jay Sweeney, stated the Ordinance included a series of capital project appropriations (10 year plan) for the Electric Department. Sweeney reminded that capital project appropriations did not expire and remained in place until the project was complete or the project no longer existed. Potrzuski, Guevin, and McConnell expressed appreciation to the Electric Department for their work in completing a 10 year capital project plan. Eisenbeisz wished to see the Blue Lake Dam overlook project/campground be given a higher priority to give rate payers access to the area. Utility Director, Brian Bertacchi, stated the Blue Lake Road repair project had been awarded. He noted this was a key step in regaining public access to the dam overlook and campground. Bertacchi hoped the area would be open to the public by late summer 2017.
- A motion was made by Miyasato that this Ordinance be **APPROVED** on **SECOND AND FINAL READING**. The motion **PASSED** by the following vote.
- Yes:** 7 - McConnell, Swanson, Miyasato, Eisenbeisz, Guevin, Potrzuski, and Hunter
- Non-voting:** 2 - Knox, and Bean

- G ORD 16-38** Amending Sitka General Code Chapter 15.01 "Electric Utility Policies", at Section 15.01.020 "Electrical Rates", by increasing electrical rates, adding provisions to interruptible rates, and removing Section 15.01.015 "Construction Guidelines", Section 15.01.085 "Carrier Current" and Section 15.01.090 "Rebate Program for Electric Heat Pump Heating Systems"

Aaron Bean, speaking as a member of the public, noted Section 15.01.040 Service connections had not been properly noticed in the purpose section and title of the ordinance. Municipal Attorney, Brian Hanson, stated Bean was correct in that a specific section wasn't included in the ordinance title but that didn't invalidate the publication of the ordinance. Hanson noted the ordinance title was a brief summary, that the ordinance in its entirety was made available to the public, and in his opinion all requirements of the Charter were materially complied with.

Matt Donohoe spoke to the rate increases and wondered if there would be more in the future.

Administrator Gorman noted the average increase was just below 7%.

Guevin, McConnell, and Hunter were sympathetic to the rate increases, however, stated the increases since the early 80's had not been self sustaining, and in order to be so, this rate increase, and additional increases, would be needed.

Eisenbeisz stated he had been approached by one of the newly elected Assembly members who had expressed a desire to share some ideas with regards to the ordinance. Eisenbeisz thought it was important to give the new Assembly members an opportunity to weigh in on the discussions and bring new ideas to the table. Potruski wondered what the impacts would be of waiting an additional two weeks to approve the ordinance. Utility Director, Brian Bertacchi, reminded the Assembly that delays would result in further revenue reductions for the electric fund, hence having an affect on meeting the bond rate covenants. McConnell and Hunter understood the desire of new members to weigh in, however, noted the current Assembly was up to speed on the issues and restated that waiting would result in further revenue reductions.

**A motion was made by Eisenbeisz to POSTPONE SECOND READING until the October 25, 2016 Assembly meeting. The motion FAILED by the following vote.**

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

**No:** 5 - McConnell, Swanson, Guevin, Potruski, and Hunter

**Non-voting:** 2 - Knox, and Bean

Based on prior conversations with the Utility Director and Finance Director, Eisenbeisz suggested the proposed charge of \$500 for emergency electrical services may be too high. Utility Director, Brian Bertacchi, noted depending on the time of the day the request comes in, the charge could in reality, due to staff time and equipment involved, be more or less than \$500 and noted it was a reasonable amount. He apologized to Eisenbeisz noting at the time of the conversations he had not taken into account the equipment charges.

**A motion was made by Eisenbeisz to AMEND the proposed charge on line 515 from five hundred dollars to three hundred fifty dollars. The motion to AMEND FAILED by the following vote.**

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

**No:** 5 - McConnell, Swanson, Guevin, Potrzuski, and Hunter

**Non-voting:** 2 - Knox, and Bean

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

**Yes:** 6 - McConnell, Swanson, Miyasato, Guevin, Potrzuski, and Hunter

**No:** 1 - Eisenbeisz

**Non-voting:** 2 - Knox, and Bean

**H     ORD 16-39     Amending Sitka General Code Title 4 "Revenue and Finance" by adding a new Chapter 4.25 "Student Activities Dedicated Travel Fund"**

Speaking as a member of the public, Aaron Bean, spoke against the ordinance. He stated that in applying for his marijuana business licenses, he had to explain how he was going to keep marijuana out of kids hands. He felt this ordinance in a sense could encourage kids to use marijuana.

Hunter felt it was appropriate to put the money from marijuana license fees toward school activities. In order to participate in school activities students were required to be drug free. In addition, Hunter stated extracurricular activities helped in some instances keep kids in school.

Mayor McConnell spoke in support of the ordinance, equating it to the tobacco tax going to Sitka Community Hospital.

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

**Yes:** 7 - McConnell, Swanson, Miyasato, Eisenbeisz, Guevin, Potrzuski, and Hunter

**Non-voting:** 2 - Knox, and Bean

**I     ORD 16-40     Authorizing assignment of sublease of space by Ostrov Enterprises dba North Star Rent A Car to Alaska Rent A Car, Inc dba Avis Rent A Car at the Sitka Rocky Gutierrez Airport Terminal Building**

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

**Yes:** 7 - McConnell, Swanson, Miyasato, Eisenbeisz, Guevin, Potrzuski, and Hunter

**Non-voting:** 2 - Knox, and Bean

**J     16-177     Approve the Municipal Clerk's Certification of Election**

Miyasato congratulated the newly elected. Hunter and McConnell noted it took a lot of courage and commitment to be an elected official and applauded all of the candidates who ran in the Municipal Election.

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

**Yes:** 7 - McConnell, Swanson, Miyasato, Eisenbeisz, Guevin, Potrzuski, and Hunter

**Non-voting:** 2 - Knox, and Bean

**K 16-178** Recognize outgoing Assembly members - followed by a short recess

Incoming Mayor Matthew Hunter recognized outgoing Mayor Mim McConnell and Assembly members Ben Miyasato and Aaron Swanson.

**XII. NEW BUSINESS:**

**L 16-179** Swearing in of the newly elected officials

Matthew Hunter was sworn in as Mayor for a two-year term on the Assembly. Kevin Knox and Aaron Bean were sworn in as Assembly members for three-year terms on the Assembly.

**M 16-181** Discussion/Direction on filling vacant Assembly seat and potential appointment

**Assembly members discussed their options for filling Mr. Hunter's vacated Assembly seat until the results of the next Municipal Election were certified on October 10, 2017. Some members were in favor of having Swanson, the third highest vote getter, fill the seat while others favored soliciting letters of interest or nominating other individuals such as Swanson and Allison who had stepped forward to run in the election. Bean nominated Alexander Allison to fill the vacancy. Potrzuski nominated Swanson to fill the seat. The Assembly voted 4-2 to have Swanson fill the seat. Mr. Swanson was sworn in as an Assembly member for a one-year term.**

**N 16-182** Discussion/Direction of possible revenue sources for the electric fund subsidy

Administrator Gorman and the Assembly reviewed and discussed the list of potential funding sources to subsidize the electric fund:

Permanent Fund  
 General Fund Liquidity: decrease from 90 to 60 days  
 FY16 Fund Balance  
 Southeast Economic Development Fund  
 Bulk Water Fund  
 Tobacco Excise Fund  
 LID Revolving Fund  
 Guarantee Fund  
 Gary Paxton Industrial Park  
 Marine Services Center

Administrator Gorman and the Assembly reviewed and discussed a list of potential revenue sources:

Maintain year round 6% sales tax  
 Excise tax on bulk fuel  
 Vehicle registration fee



Increase sales tax cap to 10K  
Eliminate senior sales tax exemption  
Eliminate non profit sales tax exemption

Mayor Hunter stated he wanted the Assembly to hold a visioning session in the near future to develop solutions for the budget shortfall. The Assembly agreed to meet November 19.

**O 16-183 Discussion/Direction of the FY18 budget process**

Administrator Gorman reviewed the budget process and noted the schedule had been changed to begin at approximately the same time as the School District. He shared that the FY18 budget would begin with a 3.5 million dollar deficit and noted the deficit could increase if the State Legislature reduced revenue sharing, school support, PERS/TERS contributions, and the Federal government made reductions to PILT and Secure Rural Schools support. Assembly members agreed it was important to include these critical issues for discussion at the November 19 visioning session.

**P 16-180 Assignments: Deputy Mayor, Vice-Deputy Mayor and Assembly Liaisons**

Bob Potrzuski was nominated and appointed as Deputy Mayor. Steven Eisenbeisz was nominated and appointed as Vice Deputy Mayor.

The following liaison appointments were made:

Gary Paxton Industrial Park Board - Eisenbeisz  
Health Needs and Human Services Commission - Guevin  
Historic Preservation Commission - Swanson  
Sitka Community Hospital Board - Eisenbeisz/Knox  
Investment Committee - Guevin/Hunter  
Library Commission - Hunter  
Local Emergency Planning Committee - Potrzuski  
Parks & Recreation Committee - Knox  
Planning & Zoning Commission - Knox/Bean  
Police & Fire Commission - Swanson  
Port & Harbors Commission - Hunter/Potrzuski  
Tree & Landscape Committee - vacant  
SEDA - Eisenbeisz  
Sitka Tribe of Alaska - Bean/Potrzuski  
School Board - Potrzuski

**XIII. PERSONS TO BE HEARD:**

Matt Donohoe thanked the Assembly for their service. He inquired on how much debt the City had, the repayment plans, and what funding would be used.

Shirley Robards spoke in opposition to removing the senior sales tax exemption.

**XIV. EXECUTIVE SESSION**

None.

**XV. ADJOURNMENT**

A motion was made by Swanson to ADJOURN. Hearing no objections the meeting ADJOURNED at 9:20pm.

ATTEST: \_\_\_\_\_

Sara Peterson, CMC  
Municipal Clerk