

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

POSSIBLE MOTION

I MOVE TO approve the minutes of the
March 24, 2015 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 Michelle Putz*

*Municipal Administrator: Mark Gorman
Municipal Attorney: Robin L. Koutchak
Municipal Clerk: Colleen Ingman, MMC*

Tuesday, March 24, 2015

6:00 PM

Assembly Chambers

REGULAR MEETING

I. CALL TO ORDER

II. FLAG SALUTE

III. ROLL CALL

Present: 6 - Hunter, Swanson, Miyasato, Eisenbeisz, Guevin, and Putz

Absent: 1 - McConnell

IV. CORRESPONDENCE/AGENDA CHANGES

Item D was pulled.

A [15-034](#) Reminders - Calendar - Correspondence

V. CEREMONIAL MATTERS

Deputy Mayor Hunter read and presented a proclamation for AmeriCorps Day.

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

Sitka Community Hospital CEO Rob Allen updated the Assembly on their finances.

VII. PERSONS TO BE HEARD

Fire Chief, Dave Miller, announced that March 25 was Alaska's Preparedness Day. Miller added that the tsunami sirens would not be activated.

Nancy Yaw Davis stated her appreciation for having a hard copy of the Assembly packet at the Library. She'd like to see a few other things made available such as plans for major construction projects like the library.

Allison Bayne testified that she was appalled a road was being built to Katlian Bay. She also spoke to the need to make Sitka more affordable adding that, "Sitka has become a place for the wealthy and the rest of us struggle."

VIII. REPORTS

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

Updates were given and liaisons reported.

IX. CONSENT AGENDA

- A [15-030](#) Approve the minutes of the March 10, 2015 Assembly meeting
This Item was APPROVED on the Consent Agenda.
- B [15-031](#) Reappoint Charles Horan (temporarily) to a seat on the Gary Paxton Industrial Park Board; 2) Kevin Knox to the Port and Harbor Commission; and 3) Trish White on the Local Emergency Planning Commission
This Item was APPROVED on the Consent Agenda.
- C [ORD 15-14](#) Proposing to clarify the SGC by Amending Section 13.13.025 Emission of Soot from an Oil Stove In a Vessel, Section 14.04.020 Ice and Snow Removal, Section 15.05.400 Cross-Connections, Sections 18.04.010 (I) Personal Property Definition and Title 18 Footnote 2 to Correct Statute References, Section 19.01.013 Adoption of Excavation and Grading Standards, Section 19.01.020 Building Permits Fees, Section 19.08.040 Definition Of "Islands," Section 22.08.585 Manufactured Home, and Section 22.08.590 Mobile Home
This Item was APPROVED on the Consent Agenda.
- D [ORD 15-15](#) PULLED Proposing to clarify the Sitka General Code by Amending Sections 1.01.010 Adoption, and 1.01.030 Codification Authority to update Alaska Statute References, Sections 2.04.010 Agenda Testimony Time, 2.04.170, Assembly Meeting Time, 02.12.010 Clarifying Physician Members on Hospital Board, 2.40.100 Acceptance of Nomination, 2.40.290 Election Supplies and Equipment, 2.40.300 Instructions to Voters, 2.40.410 Preservation of Ballot After Counting, 3.16.030 Open Market Procedures, 3.16.060 Exceptions to Competitive Bidding Requirements, 3.16.080 Procurement Monitoring, Title 4, Revenue and Finance in Sections 4.26.165 (A) and 4.26.165 (E) to clarify Alaska Appellate Court Name, in Section 4.28.040 (C) to update the best practices recommendation,

in Section 4.44a.010 (B) to remove an incorrectly placed word, and Section 6.19.030 (E) Commercial Operations Permit to clarify fee expense

- E [ORD 15-16](#) Proposing to clarify the SGC by amending Sections 8.04.020 Licensing (Animals), 8.04.080 Objectionable Animals, and 10.52.010 Unlawful Acts (Dangerous Dog)

This item was APPROVED on the Consent Agenda.

- F [ORD 15-18](#) Proposing to clarify the SGC by amending Chapter 10.40 Gambling, Section 10.40.010 Prohibited and Loitering Sections, 10.76.020 Definition and 10.76.030 Prohibited Operations

This item was APPROVED on the Consent Agenda.

- G [ORD 15-19](#) Proposing to clarify the SGC by amending Title 10 Public Peace, Safety and Morals at Sections 10.44.010 Liquor Regulations Definition A, 10.44.020 Scopes of Provisions, 10.44.030 License Required, 10.44.060 Persons Forbidden to Have Liquor, and 10.84.010 Definitions

This item was APPROVED on the Consent Agenda.

- H [ORD 15-20](#) Proposing to clarify the SGC by Amending Sections 11.17.25.010 Prohibited Vehicles and Loads, Section 11.17.25.020 Width of Vehicles, Section 11.28.010 Traffic Code-Adoption of State Traffic Laws, and Sections 15.05.590 and 15.05.600 Fire Protection Services and Systems

This item was APPROVED on the Consent Agenda.

X. **UNFINISHED BUSINESS:**

- I [ORD 15-13](#) Adjusting the FY15 Budget

Deputy Mayor Hunter read the title.

A motion was made by Swanson that this Ordinance be APPROVED on second and final reading. The motion PASSED by the following vote.

Yes: 6 - Hunter, Swanson, Miyasato, Eisenbeisz, Guevin, and Putz

Absent: 1 - McConnell

- J [ORD 15-11](#) Proposing to clarify the SGC by amending the footnote in Title 9 Health and Sanitation, by amending Sections 10.24.050 Fireworks Permissible Sales and Uses and 10.24 reference note, Section 10.44.070 (c) Common Carrier Definition, by repealing without replacement Section 10.48.030 Evidence, by amending Section 10.72.070 Juvenile Curfew Penalties, by repealing Section 10.84.020

Grandfather Clause for Liquor Sales Age, by amending Section 11.04.110 Public Holidays List, Section 11.40.230 Parking Reference, Section 11.56.100 for correct reference for Taxicab Medical Requirements, by repealing Section 11.64.010 Pedestrian Rules, and by amending Section 11.70.010 to remove outdated Helmet Standard Reference

Deputy Mayor Hunter read the title.

A motion was made by Miyasato that this Ordinance be APPROVED on second and final reading. The motion PASSED by the following vote.

Yes: 6 - Hunter, Swanson, Miyasato, Eisenbeisz, Guevin, and Putz

Absent: 1 - McConnell

- K [ORD 15-12](#) Proposing to clarify SGC by amending Title 6 Business License and Regulations at Section 6.04.080 Bond

Deputy Mayor Hunter read the title.

A motion was made by Putz that this Ordinance be APPROVED on second and final reading. The motion PASSED by the following vote.

Yes: 6 - Hunter, Swanson, Miyasato, Eisenbeisz, Guevin, and Putz

Absent: 1 - McConnell

XI. **NEW BUSINESS:**

New Business First Reading

- L [ORD 15-17](#) Utility Director/Acting Administrator to give an overview 1st

Amending Subsection 15.01.020 of SGC Electrical Rates by increasing electric rates to fund approved Electrical Utility Capital Projects including the Blue Lake Hydroelectric Expansion Project and establishing an Energy Assistance Fund

Acting Municipal Administrator, Chris Brewton, gave an overview of the need to bring forward a rate increase explaining that the city didn't raise rates last fall when it took out its fourth and final bond for the Blue Lake dam expansion project. Brewton noted there had been hopes that there would be a cold winter to defer a rate increase until July. Instead power usage dropped by 12% because of the warm winter.

Chief Finance and Administrative Officer, Jay Sweeney, explained the bond/loan requirements in detail. Sweeney explained the city's bond covenants required the city to have cash flow from operations equal to 125 percent of the annual debt service costs of the revenue bonds. Sweeney said city staff was very explicit in their discussions with the Assembly and the public that a fourth electric rate increase, in conjunction with the fourth bonding, was not foregone, simply delayed.

Sweeney read from his memorandum "Staff recommends the combination of rate increases plus transfers from the Southeast Alaska Economic Development Fund, in

order to generate increased system revenue of \$2,500,000 for FY16, be adopted as soon as possible. A rate increase, plus perhaps an additional transfer from the Economic Development Loan Fund necessary to generate required income necessary to meet the required rate covenant, must also be planned for FY17 in order to stabilize rates. An ordinance would need to be introduced promptly to change the language in Title 4 of the Sitka General Code governing the Southeast Alaska Economic Development Loan Fund to permit transfer to another fund, as opposed to loaning, as the code now reads." Sweeney said the rates needed to be increased but this proposal would help mitigate the shock of the rate increase over one to two years. Eisenbeisz expressed the need for more information on the Southeast Alaska Economic Development Fund before taking a vote to use it for a rate stabilization.

Amanda Roberts commented that people were leaving Sitka, stores were closing and contended it was getting harder and harder for young families to live in Sitka.

Sweeney added that a portion of the ordinance would create an Energy Assistance Fund managed by the Salvation Army. The Fund would provide emergency assistance to customers in need. Funds would come from voluntary contributions. Deputy Hunter noted the Assembly was trying to make the best decisions for Sitka for the next 10-50 years. Some tough decisions were coming to the forefront now because rates had not kept up with the costs. Noting the reliance on state and federal funding Hunter added, "No one has paid their own way for years in this town." He further noted that all of our rates were below sustainable levels in Sitka. Members of the Assembly said they would like to see options before them at the next meeting along with an alternative ordinance.

A motion was made by Guevin that this Ordinance be POSTPONED INDEFINITELY. The motion to postpone FAILED by the following vote.

Yes: 2 - Miyasato, and Guevin

No: 4 - Hunter, Swanson, Eisenbeisz, and Putz

Absent: 1 - McConnell

Acting Administrator, Chris Brewton, was directed to bring forward the necessary documents to move \$2.5 M out of the Southeast Alaska Development Fund and an alternate ordinance with a reduced electric rate increase if the transfer of funds was approved.

The initial vote on first reading of the ordinance FAILED 4-2 and immediately Deputy Mayor Hunter moved for RECONSIDERATION.

Additional New Business Items

M [15-032](#)

Approve an Operating and Terminal Building Sublease Agreement between City and Borough of Sitka and Delta Airlines subject to Department of Transportation and Public Facilities approval

Putz asked if the Alaska Airlines lease rate went down. Public Works Maintenance and Operations Superintendent Gary Baugher stated that the ratio was 80% Alaska and 20% Delta.

Swanson inquired about the coffee shop. Baugher responded that Delta would be taking over that space April 1st.

A motion was made by Swanson that this Item be APPROVED. The motion

PASSED by the following vote.

Yes: 6 - Hunter, Swanson, Miyasato, Eisenbeisz, Guevin, and Putz

Absent: 1 - McConnell

N [15-035](#)

Approve award Jarvis Bulk Fuel Tank API-653 Inspection Contract Award \$60,668 - Blue Lake Bonding

Swanson asked if this was for new tanks. Brewton responded it was for older tanks and that the city was required to have a safety inspection. He hoped to find little to no maintenance issues.

Eisenbeisz inquired about the existing fuel in the tank. Brewton informed that technically the city could not give anything away due to the risk of spill etc. He added that fuel companies didn't want it because it was high in sulfur and it couldn't be transferred to tanks.

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

Yes: 5 - Hunter, Swanson, Miyasato, Guevin, and Putz

No: 1 - Eisenbeisz

Absent: 1 - McConnell

O [15-036](#)

Approve a change order to McMillen for the Bulk Water Upgrade at Gary Paxton Industrial Park - not to exceed \$370,000 - Blue Lake Bonding

Eisenbeisz expressed his displeasure with getting materials late.

Brewton explained this contract resulted from decommissioning the unit that fed the turbine and the requirement to upgrade the city's line per the bulk water contract. He added the city held a deposit in the amount of \$1 M and was obligated. The original contract had a 6 inch line and there was a significant danger in blowing it out. The Electrical Department was actively engaged to get some revenue back.

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

Yes: 4 - Hunter, Miyasato, Guevin, and Putz

No: 2 - Swanson, and Eisenbeisz

Absent: 1 - McConnell

P [15-033](#)

Discussion/Direction on whether to bring forward a ballot ordinance on putting the question of "Whether Sitka should allow Commercial Sales of Marijuana?" on the October municipal election ballot

Kristy Crews objected to a community vote pointing out that this had already been voted on and a majority had spoken. She added an opportunity to gain revenue through increased electric sales and economic development would be lost.

Amanda Roberts had multiple concerns about commercial sales. She didn't want to see people profit off of other's addiction. She supported a vote of the people.

Putz brought up the fact that if the city did not legalize the production and sale black markets would be created. Guevin spoke in favor of the commercial sale and read from the ballot measure, which authorized it. Eisenbeisz spoke to the recent town hall meeting held on marijuana. When asked for a show of hands of people who supported the sale of marijuana he noted 80% of the people were in support. He added it was concerning that it would be put out for a vote again. Swanson agreed with Eisenbeisz. Deputy Hunter didn't see the need to go to a vote. Putz agreed.

XI. PERSONS TO BE HEARD:

Shirley Robards testified she would like the city to fix Lincoln Street prior to the beginning of the tourist season.

Michael Harmon expressed his support for moving forward on a plan to convert public buildings from oil to electric heat focusing on the highest users: municipal buildings, SEARHC, and Mt. Edgecumbe High School. Small users would not make an impact. Harmon added that by doing this it would reduce the city's maintenance costs.

Nancy Yaw Davis wondered why the minor subdivision wasn't an item brought up under the code review.

XII. ADJOURNMENT

Swanson moved to ADJOURN and with no further business the meeting ADJOURNED at 8:30 PM.

ATTEST: _____

**Colleen Ingman, MMC
Municipal Clerk**