

CONSENT AGENDA

POSSIBLE MOTION

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

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 May 2, 3, 5, and 10 Assembly meetings.



CITY AND BOROUGH OF SITKA

ASSEMBLY CHAMBERS
1332 Seward Ave.
Room 229
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: Robin L. Schmid*

Monday, May 2, 2016

6:00 PM

Assembly Chambers

Meeting to be held at the Sealing Cove Business Center 601 Alice Loop

SPECIAL MEETING

- I. CALL TO ORDER
- II. FLAG SALUTE
- III. ROLL CALL

Present: 5 - McConnell, Hunter, Swanson, Miyasato, and Guevin

Absent: 2 - Eisenbeisz, and Potrzuski

- IV. NEW BUSINESS:

Board of Equalization

Attorney Schmid reviewed the legal procedures for the Board of Equalization hearings.

- A **16-084** Hear an appeal, and reach findings and decision, filed by Christine McGraw in regard to Lot One (1), North Woodbury Subdivision - Parcel 2-4909-130

Assembly member Swanson recused himself stating his sister owned two lots near the McGraw property.

Mayor McConnell outlined the process for the hearing. The Appellant and Assessor would each be afforded 3 minutes to make their presentation, then each would be given 3 minutes for rebuttal, followed by a 3 minute time period for each to make closing arguments. McConnell stated the hearing would then be closed and the Board would determine whether the assessment was unequal, excessive, improper, or undervalued and clearly state the findings of fact relied on to reach the decision.

Appellant presentation - Chris McGraw, agent for Christine McGraw, stated the property had development restrictions that occurred from the August 18, 2015 landslide event. McGraw added that if construction wasn't allowed on a residential lot then one would assume the property had a zero value.

Assessor presentation - Wendy Lawrence, City and Borough of Sitka (CBS) Assessor, provided property details and reminded the Assembly of the January 1, 2016 assessment date. She stated that information gathered in 2015 was used for this assessment and reminded only information prior to January 1, 2016 could be considered. Lawrence stated the subject property was purchased in 2014 for \$110,000. The landslide impacted the property in August 2015 and at that time was reassessed according to the disaster exemption. The property was taken to a 50% value and that was based upon an analysis of past practices for the CBS and best practices around the state. Lawrence stated any of the geotechnical information from 2016 would be taken into account for the next year.

Appellant rebuttal - McGraw reiterated there was no value to the property. Hunter asked McGraw if he felt there was any value in the property even to use it for parking or storage. McGraw replied no. Assembly members questioned whether or not Ms. McGraw had tried to sell the property to which McGraw also replied no.

Assessor rebuttal - Lawrence reviewed evidence that could be submitted such as an insurance appraisal, cost secure insurance estimate, or a bank statement indicating a bank wouldn't lend on the property. Lawrence stated in the absence of evidence and in the absence of market sales she felt her method was a standardized way to value the impacted area and urged the Assembly to uphold the valuation. Hunter reviewed, and Lawrence further clarified, the factors for determining whether the assessment was unequal, excessive, improper, or undervalued.

Appellant closing argument - McGraw stated he didn't disagree with the method used but reminded the Board there were three pieces of property in the subject area that were unique and different. He stated that without a comparison, cutting the value in half didn't give it the proper value.

Assessor closing argument - none.

Mayor McConnell announced the hearing was closed and the Board would determine whether the assessment was unequal, excessive, improper, or undervalued and clearly state the findings of fact relied on to reach the decision.

A motion was made by Guevin to UPHOLD the appeal value of \$52,700 for Lot One (1), North Woodbury Subdivision – Parcel 2-4909-130. The motion PASSED by the following vote.

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

Absent: 2 - Eisenbeisz, and Potrzuski

Recused: 1 - Swanson

Members stated no factual evidence had been submitted by the appellant and no alternate valuation to counter the Assessor's valuation.

A motion was made by Miyasato to APPROVE the following findings of fact and conclusions of law based upon the evidence and argument presented at the hearing of May 2, 2016 for Lot One (1), North Woodbury Subdivision - Parcel 2-4909-130.

- 1) No factual or written evidence was presented by the appellant that appellant's property had zero value.
- 2) Find the Assessor's calculations were accurate and used best practices and best information available whereby appellant offered no alternative method of valuation.

The conclusion of law for the assessment is that the value was upheld. The motion PASSED by the following vote.

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

Absent: 2 - Eisenbeisz, and Potrzuski

Recused: 1 - Swanson

A motion was made by Guevin to RECONVENE as the Assembly in regular session. The motion PASSED by a unanimous voice vote.

B 16-086

Hear an appeal, and reach findings and decision, filed by Dal Global Services, LLC dba Delta Airlines in regard to personal property referenced within appeal packet 2016-03 by reference

This appeal was resolved prior to the Board of Equalization and no action was required.

V. PERSONS TO BE HEARD:

Administrator Mark Gorman recognized Assessor Wendy Lawrence and her staff for their work.

VI. EXECUTIVE SESSION

None.

VII. ADJOURNMENT

A motion was made by Miyasato to ADJOURN. Hearing no objections, the meeting ADJOURNED at 6:45pm.

ATTEST: _____
Sara Peterson, CMC
Municipal Clerk



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Tristan Guevin, and Bob Potrzuski*

*Municipal Administrator: Mark Gorman
Municipal Attorney: Robin L. Schmid*

Tuesday, May 3, 2016

6:00 PM

Assembly Chambers

Meeting to be held at the Sealing Cove Business Center 601 Alice Loop

SPECIAL MEETING

I. CALL TO ORDER

II. FLAG SALUTE

III. ROLL CALL

Assembly member Potrzuski attended telephonically.

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

IV. CORRESPONDENCE/AGENDA CHANGES

None.

V. PERSONS TO BE HEARD

Public Works Director, Michael Harmon introduced Michael Colliver the new Public Works Building, Grounds and Parks Supervisor.

VI. NEW BUSINESS:

A 16-089 Administrative report on the Internal Service, Special Revenue, and Trust Funds

Chief Finance and Administrative Officer, Jay Sweeney, provided an overview of the evening's budget agenda and explained the subject Funds.

B 16-085 Discussion/Direction/Decision on proposed Internal Service, Special Revenue, and Trust Funds operating outlays

Chair of the Investment Committee, Mike Reif, stated the Sitka Permanent Fund had not been inflation proofed. He noted since 2000, the take out had been 6% and added the outside management firm, Alaska Growth Capital, recommended a take out of 4%. Based on this recommendation, the Investment Committee urged the Assembly to begin scaling back each year on the percentage. Reif offered a take out of 6% was unsustainable.

A motion was made by Hunter to APPROVE the proposed Internal Service, Special Revenue, and Trust Funds operating outlays of \$5,308,596. The motion PASSED by the following vote.

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

C 16-087 Discussion/Direction/Decision on proposed Internal Service, Special Revenue, and Trust Funds capital outlays

Maintenance and Operations Superintendent, Nick Kepler, offered an overview and analysis of the Central Garage vehicle and equipment replacement.

A motion was made by Hunter to APPROVE the proposed Internal Service, Special Revenue, and Trust Funds capital outlays of \$821,200. The motion PASSED by the following vote.

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

D 16-088 Discussion/Direction/Decision of the FY2017 Internal Service, Special Revenue, Trust Funds, Enterprise Funds or General Fund and as they relate to other Funds, the School District, and the Sitka Community Hospital

Assembly members Eisenbeisz and Hunter asked questions of Chief Finance and Administrative Officer, Jay Sweeney, on the Sitka Community Hospital loans.

VII. PERSONS TO BE HEARD:

None.

VIII. EXECUTIVE SESSION

None.

IX. ADJOURNMENT

A motion was made by Miyasato to ADJOURN. Hearing no objections, the meeting ADJOURNED at 7:20pm.

ATTEST: _____
Sara Peterson, CMC
Municipal Clerk



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Tristan Guevin, and Bob Potrzuski

Municipal Administrator: Mark Gorman
Municipal Attorney: Robin L. Schmid

Thursday, May 5, 2016

2:00 PM

Assembly Chambers

Meeting to be held at the Sealing Cove Business Center 601 Alice Loop

SPECIAL MEETING

I. CALL TO ORDER

II. FLAG SALUTE

III. ROLL CALL

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

Absent: 1 - Potrzuski

IV. PERSONS TO BE HEARD

None.

V. NEW BUSINESS:

A **16-096** Discussion/Direction/Decision on the employment and termination of Robin Schmid (*executive session anticipated*)

Administrator Gorman noted that at approximately 3:40pm on May 4, 2016, City Hall received correspondence from Keene & Currall representing Municipal Attorney Robin Schmid. Gorman stated he felt the content of the correspondence necessitated a special meeting of the Assembly.

Clay Keene, representing Robin Schmid, stated he had worked with Schmid over the past few years and at all times found Schmid to be professional and an exceptional advocate for the City and Borough of Sitka. Keene hoped this meeting would provide the Assembly an opportunity to make better what he would call a rush decision in asking Schmid for her resignation. He indicated Schmid was willing to continue through the term of her contract or at least January 5, 2017 - the date on which she

would be vested with PERS. He urged the Assembly not vote in favor of the motion and instead consider what opportunities would be available in the interim to allow Schmid to serve out the remainder of her term or until at least January 5, 2017. Keene indicated he was available to assist the Assembly in fashioning an agreement with Schmid which would benefit both parties. Keene asked that the Assembly hold conversations related to Mr. Hanson and Ms. Schmid's employment/termination in public rather than executive session to ensure transparency.

Eisenbeisz stated that based on the content of the letter the municipality would no longer be best served by having Schmid as Municipal Attorney.

A motion was made by Miyasato to appoint Brian Hanson as the Acting Municipal Attorney. The motion PASSED by the following vote.

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

Absent: 1 - Potrzuski

Mayor McConnell asked Robin Schmid to step down as Municipal Attorney. Schmid stated she hadn't received anything in writing from the City and Borough of Sitka regarding the April 19, 2016 meeting and hadn't been given a chance to speak. She noted that what was in the letter was a request for conciliation. Mayor McConnell again asked Schmid to step down.

Guevin stated the decision being made was the Assembly's legal fiduciary responsibility to the citizens of Sitka. Eisenbeisz stated it would be difficult for Schmid to act in the best interest of the City given the circumstances. Miyasato thanked Schmid for her service to the community of Sitka.

A motion was made by Miyasato to place former Municipal Attorney Robin Schmid on administrative leave with pay, not beyond May 31, 2016. The motion PASSED by the following vote.

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

Absent: 1 - Potrzuski

A motion was made by Miyasato to go into Executive Session with Acting Municipal Attorney Brian Hanson to discuss legal correspondence received from Keene & Currall, the law firm representing Robin Schmid and invite in Mark Danielson, Human Resources Director; Jay Sweeney, Chief Finance and Administrative Officer; and Maegan Bosak, serving in the capacity of Public Relations. The motion PASSED by the following vote.

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

Absent: 1 - Potrzuski

A motion was made by Miyasato to reconvene as the Assembly in regular session. The motion PASSED by a unanimous voice vote.

Mayor McConnell and the Assembly acknowledged Ms. Schmid's service to the community and looked forward to a prompt resolution regarding the concerns she had presented to the Assembly.

A motion was made by Miyasato to direct Acting Municipal Attorney, Brian Hanson to resolve the issues raised by law firm Keene & Currall on behalf of Robin Schmid. The motion PASSED by the following vote.

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

No: 1 - Eisenbeisz

Absent: 1 - Potrzuski

VI. ADJOURNMENT

A motion was made by Miyasato to ADJOURN. Hearing no objections, the meeting ADJOURNED at 3:20pm.

ATTEST:

**Sara Peterson, CMC
Municipal Clerk**



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Aaron Swanson, Steven Eisenbeisz
Tristan Guevin, and Bob Potrzuski*

*Municipal Administrator: Mark Gorman
Acting Municipal Attorney: Brian Hanson*

Tuesday, May 10, 2016

6:00 PM

Assembly Chambers

WORKSESSION 5:00 PM - Municipal Lands

Maegan Bosak, Planning and Community Development Director, and Michael Scarcelli, Senior Planner, presented an overview of Municipal lands and potential land to be sold.

REGULAR MEETING

I. CALL TO ORDER

II. FLAG SALUTE

III. ROLL CALL

Present: 6 - McConnell, Hunter, Miyasato, Eisenbeisz, Guevin, and Potrzuski

Absent: 1 - Swanson

IV. CORRESPONDENCE/AGENDA CHANGES

Mayor McConnell announced item E was pulled from the agenda.

16-097

Reminders, Calendars and General Correspondence

V. CEREMONIAL MATTERS

16-095

Arbor Day Proclamation

Mayor McConnell read and presented a proclamation for the 144th anniversary celebration of Arbor Day. Members of the Tree and Landscape Committee received the proclamation.

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

Robb Farmer, Library Director, reported on activities and programs at the Sitka Public Library.

VII. PERSONS TO BE HEARD

None.

VIII. REPORTS

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

Mayor - McConnell attended the Health Summit Leadership luncheon, Mt. Edgecumbe High School Aquatic Center soft ground breaking and two Chamber activities. McConnell also reported on the State Vocational Rehabilitation Committee meeting where she spoke on the economy.

Administrator - Gorman announced a tentative agreement had been reached with the ASEA union. He added the Employment Relations Board approved a decertification election for non-exempt staff employed at the Fire Department to be held May 26. Gorman anticipated a fourth union would be formed. In addition, Gorman announced: FEMA was funding the risk mapping project for Sitka, the City would be invoicing the State for approximately \$700,000 of emergency work done as a result of the August 2015 landslides, and noted the Gary Paxton Industrial Park Board would meet to review and discuss bulk water proposals.

Liaisons - Hunter reported the last Port and Harbors Commission meeting was May 11 and goals for their next meeting in September would be discussed. Eisenbeisz attended the recent Hospital Board meeting and reported on the patient centered medical home focus and continued discussions of the possible lease/purchase of the Totten building.

Clerk - Peterson listed the current vacancies on Boards, Commissions, and Committees.

Other - Hunter shared information on the Blue Lake Road closure. He reminded the road was owned by the U.S. Forest Service and they had direct control over when the road was open or closed to the public. Under a lease agreement, the City was granted access for the Blue Lake dam. Currently, significant safety issues left the road closed. Funding had been secured from the Department of Homeland Security with the hope of having public access restored in the next six months.

IX. CONSENT AGENDA

A motion was made by Hunter that the Consent Agenda consisting of items A & B be APPROVED. The motion PASSED by the following vote.

Yes: 6 - McConnell, Hunter, Miyasato, Eisenbeisz, Guevin, and Potrzuski

Absent: 1 - Swanson

- A 16-094 Approve the minutes of the April 19, 21, 25, 26 Assembly meetings

This item was APPROVED ON THE CONSENT AGENDA.

- B ORD 16-16 Adjusting the FY16 Budget

This Ordinance was APPROVED ON THE CONSENT AGENDA - FIRST READING.

X. UNFINISHED BUSINESS:

- C ORD 16-13 Adjusting the FY16 Budget

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 - McConnell, Hunter, Miyasato, Eisenbeisz, Guevin, and Potrzuski

Absent: 1 - Swanson

- D ORD 16-14 Amending Sitka General Code Title 22.16.015 "Permitted, Conditional and Prohibited Uses" to allow short-term rentals in the public zone as a conditional use

Kevin Knox, Chair of the Port and Harbors Commission, suggested if the ordinance passed, it would be helpful to revisit the floathome ordinance to consider allowing floathome short-term rentals. Administrator Gorman concurred and noted the floathome ordinance could be amended in the future to allow floathome short-term rentals.

Guevin stated it was important to ensure there weren't adverse affects on harbor sanitation and hoped the short-term rentals wouldn't affect long-term housing opportunities.

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 - McConnell, Hunter, Miyasato, Eisenbeisz, Guevin, and Potrzuski

Absent: 1 - Swanson

XI. NEW BUSINESS:

- E ORD 16-15 Amending Title 15 of the Sitka General Code by adding a new Chapter 15.15 entitled "Community Assisted Utility Subsidization Effort" (first reading)

This item was pulled from the agenda.

F 16-090 Sitka School District Budget Funding for FY17

Guevin recognized the School Board and Sitka School District for their work.

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

Yes: 6 - McConnell, Hunter, Miyasato, Eisenbeisz, Guevin, and Potrzuski

Absent: 1 - Swanson

G 16-092 Discussion/Direction/Decision on other Citizens' Taskforce recommendations including: a millage rate increase, vehicle registration tax and the elimination of sales tax on groceries

Administrator Gorman reviewed the three pending recommendations from the Citizens' Taskforce: a millage rate increase, vehicle registration tax and the elimination of sales tax on groceries.

Assessor Wendy Lawrence, provided an overview of the mill rate and property taxbase. She explained the mill rate was not a tax bill but instead a tool used to equitably distribute the taxation burden for general government core services such as police, fire, schools, public works, and administration. Lawrence further explained there were two types of mill rates (rate driven and budget driven) and identified the pros and cons of each. She recommended the Assembly explore a budget driven mill rate.

Gorman suggested if the Assembly was interested in a mill rate increase, to hold a special election rather than rush trying to meet the deadlines for the October 4 regular election. He expressed the need for a well thought out process and one that engaged the community. The Assembly concurred with the recommendation of a methodical approach and a special election if needed. Assembly members Guevin and Potrzuski volunteered to meet with staff and develop a preliminary plan to present to the Assembly.

Municipal Clerk Sara Peterson, outlined the requirements for a special election and indicated a minimum of a three month prep period was required.

Guevin and Hunter expressed a desire for future discussions on a vehicle registration tax and elimination of sales tax on groceries.

Tom Conley, School Board member, thanked the Assembly for their continued support of the School District budget.

H 16-093 Municipal Attorney recruitment update - Discussion/Direction/Decision on interim legal services

Administrator Gorman stated Acting Municipal Attorney Brian Hanson was interested in supporting the municipality during the transition period and was able to offer approximately 10 hours per week. Gorman said Hanson would be present at Assembly meetings on an as needed basis. During the interim, Legal Assistant Reuben Yerkes, would coordinate legal services and outline pending critical issues. Gorman also noted he had spoke with Mark Scheer of Williams Kastner, a Seattle law firm, which could serve as an additional resource if needed.

XII. PERSONS TO BE HEARD:

Ken Sprague, new to Sitka, stated his business provided support to small businesses. Sprague planned to present at the Sitka Economic Forum on May 17.

XIII. EXECUTIVE SESSION

None.

XIV. ADJOURNMENT

A motion was made by Miyasato to ADJOURN. Hearing no objections, the meeting ADJOURNED at 7:28pm.

ATTEST:

Sara Peterson, CMC
Municipal Clerk