

CONSENT AGENDA

POSSIBLE MOTION

**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.**

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

POSSIBLE MOTION

I MOVE TO approve the minutes of the May 23 and June 1, 2017 Assembly meetings.



CITY AND BOROUGH OF SITKA

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

Minutes - Draft

City and Borough Assembly

Mayor Matthew Hunter
Deputy Mayor Bob Potrzuski
Vice-Deputy Mayor Steven Eisenbeisz
Tristan Guevin, Kevin Knox
Aaron Bean, and Aaron Swanson

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

Tuesday, May 23, 2017

6:00 PM

Assembly Chambers

REGULAR MEETING

I. CALL TO ORDER

II. FLAG SALUTE

III. ROLL CALL

Present: 5 - Swanson, Eisenbeisz, Potrzuski, Hunter, and Knox

Absent: 2 - Guevin, and Bean

IV. CORRESPONDENCE/AGENDA CHANGES

17-100 Reminders, Calendars and General Correspondence

None.

V. CEREMONIAL MATTERS

17-090 Arbor Day Proclamation and Service Award for Debra Pohlman

Mayor Hunter read and presented the Arbor Day proclamation to the Tree and Landscape Committee and read a Service Award for Debra Pohlman for her service on the Planning Commission.

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

Michael Scarcelli, Planning Director gave information of the Comprehensive Plan open house on June 6th.

Chris Duguay, Building Official reported on the community wide review on the FEMA Risk MAP Project with regards to the appeal process, affected areas, next steps and answered if Sitka opted out of the program, it would not allow for affordable flood insurance or viable loan opportunities.

VII. PERSONS TO BE HEARD

Alene Henning came forward questioning if there was anything the Assembly or Attorney could do to enforce the cell phone ordinance.

VIII. REPORTS

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

Mayor - Hunter told of a US Coast Guard meeting with officials regarding the option of placing another cutter in Sitka which could bring in approximately 25 families. He welcomed the Alaska Telephone Conference attendees and presented a plaque for the inaugural visit of the Celebrity Solstice.

Administrator - Gorman included that there was discussion of the US Coast Guard base switching to hydro electric for heating purposes, gave a Blue Lake Road closure update and told that repairs from landslides were still in progress. He received a report from Lt. Ewers regarding the cellphone ordinance, the Police Department had been issuing warnings and would anticipate issuing citations soon and recognized Robb Farmer's resignation and told that Maite Lorente would be Interim Library Director.

Liaisons - Knox told of Parks and Recreation grant awards for the Community Playground. Hunter gave an update on the Police and Fire Commission.

IX. CONSENT AGENDA

A motion was made by Swanson that the Consent Agenda consisting of Item A be APPROVED. The motion PASSED by the following vote.

Yes: 5 - Swanson, Eisenbeisz, Potrzuski, Hunter, and Knox

Absent: 2 - Guevin, and Bean

A 17-091 Approve the minutes of the April 11, 17, 18, 19, 25, May 1, 2, 9 Assembly meetings

This item was APPROVED ON THE CONSENT AGENDA.

X. BOARD, COMMISSION, COMMITTEE APPOINTMENTS

B 17-093 Appoint Martha Moses to an unexpired term on the Historic Preservation Commission in the category of "Sitka Tribe of Alaska - alternate seat"

Potrzuski thanked all those who volunteer for appointments.

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

Yes: 5 - Swanson, Eisenbeisz, Potrzuski, Hunter, and Knox

Absent: 2 - Guevin, and Bean

XI. UNFINISHED BUSINESS:

- C ORD 17-11** Adjusting the FY17 Budget (*Fire Department Operations, Crescent Harbor Playground Project, Commercial Passenger Excise Tax*)

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

Yes: 5 - Swanson, Eisenbeisz, Potrzuski, Hunter, and Knox

Absent: 2 - Guevin, and Bean

XII. NEW BUSINESS:

New Business First Reading

- D ORD 17-13** Adjusting the FY17 Budget (*Electric Utility Subsidization*)

Mayor Hunter explained that this ordinance set aside up to \$400,000 to meet the bond obligation for the Electric Department due to low revenues. Chief Finance and Administrative Officer, Jay Sweeney came forward stating we would not know the exact amount of the subsidy needed without May electricity consumption figures, however it was estimated at \$250,000.

A motion was made by Potrzuski that this Ordinance be APPROVED on FIRST READING. The motion PASSED by the following vote.

Yes: 5 - Swanson, Eisenbeisz, Potrzuski, Hunter, and Knox

Absent: 2 - Guevin, and Bean

- E ORD 17-15** Adjusting the FY17 Budget (*Sitka Community Hospital Modular Unit*)

Sitka Community Hospital (SCH) Director of Operations, Steve Hartford came forward and stated that this project was a short-term project to address a critical space need that was approved by the Board at two separate meetings. He told of concerns with postponing it. They had the low vendor for this and it fit within the cash model in the FY18 budget as presented.

Potrzuski was reluctant to move forward to spend \$400,000 and thought it prudent to wait until SEARHC's proposal. Eisenbeisz told that SCH's consultant for critical needs would be arriving soon and wondered if this should hold until those findings were available and was in support of postponing. Knox was in support of postponement.

Mayor thought that it would be important to know what would be in plan A and B in July, that this should be postponed until the strategic outlook was available before entering into any capital expenditures and was in favor of postponing rather than voting it down.

Gorman clarified the funding was obligating a total of \$400,000 in FY17 rather than the previous amount of \$200,00 for each FY17 and FY18. This would then create a reduction from the FY18 budget of \$200,000 as a correction.

A motion was made by Potrzuski that this Ordinance be POSTPONED until after the SEARHC proposal. The motion PASSED by the following vote.

Yes: 5 - Swanson, Eisenbeisz, Potrzuski, Hunter, and Knox

Absent: 2 - Guevin, and Bean

F ORD 17-16 Adopting budgets for the Fiscal Year July 1, 2017 through June 30, 2018

Gary Paxton Industrial Park (GPIP) Executive Director, Garry White explained that the Board proposed at their January meeting \$40,000 for design of a water access ramp for marine services that was not included in this ordinance and asked that it be added.

Gorman received news that the health insurance increase anticipated at 17.5% would actually be 12%, which was approximately a \$50,000 savings, the budget would be adjusted which meant less coming out of reserves. Mayor mentioned the GPIP request and others could come forward as a supplemental budget adjustment. Corrections would need to be made after the start of the fiscal year. Eisenbeisz confirmed with Janet Schwartz, Budget/Treasury Officer that \$345,779 would be coming from reserves. Mayor thanked staff for their work on this budget cycle.

A motion was made by Swanson that this Ordinance be APPROVED on FIRST READING. The motion PASSED by the following vote.

Yes: 4 - Swanson, Potrzuski, Hunter, and Knox

No: 1 - Eisenbeisz

Absent: 2 - Guevin, and Bean

Additional New Business Items

G RES 17-07 Setting temporary and seasonal moorage rates for Baranof Warm Springs Dock

Eisenbeisz wondered if there could be a commercial rate as well. Gorman clarified that the float plane space was not permanent moorage. Harbormaster, Stan Eliason would work on signs for the dock with regards to a loading and unloading policy. Resident of Baranof Warm Springs, John Herchenrider came forward stating that this dock did not have the ammenities that Sitka docks had and the rates for residents was high. He offered to help collect and caretake the facility. Potrzuski was in support of the amendment.

A motion was made by Eisenbeisz that this Resolution be AMENDED to adopt the 20 to 35 foot daily, weekly, and seasonal fees as the float plane fee structure. The AMENDMENT PASSED by the following vote.

Yes: 5 - Swanson, Eisenbeisz, Potrzuski, Hunter, and Knox

Absent: 2 - Guevin, and Bean

Knox questioned the float plane rates with regards to a daily rate only. Mayor reminded this was a facility that was rebuilt and turned over to the City from the State, that it had one float plane mooring, the need to be separate from other facilities of the Harbor Enterprise Fund with rates that would pay for itself, although it was not affordable to have a city worker monitor and told that this first year would be on the honor system until a better system could be put in place.

Knox wondered if the free structure would generate enough capital. Eisenbeisz would like to see a review in a year for maintenance and revenue and thought there were inequalities of float plane versus boat docking. Gorman clarified that the seasonal rate would be more for a taxi type of service for float planes.

Eliason stated this item came from the Harbor Department not the Commission and would be a subfund within the Harbor Fund. Mayor stated due to the substantive changes, this resolution would come back at the next regular meeting for a second reading.

A motion was made by Knox to APPROVE Resolution 2017-07 on FIRST READING. The motion PASSED by the following vote.

Yes: 5 - Swanson, Eisenbeisz, Potrzuski, Hunter, and Knox

Absent: 2 - Guevin, and Bean

H 17-101

Approve Amendment No. 6 to the lease agreement between the City and Borough of Sitka and Kootznahoo Fortress of the Bear

Les Kinnear came forward and spoke to the history of Fortress of the Bear and would like to rehab and release bears in the future. Kathy Ingallinera, volunteer at Fortress of the Bear was in support of this lease.

Garry White, Executive Director of Gary Paxton Industrial Park told of lease history specifically Kinnear wanting to purchase the property, however because of the FERC permit that runs with the property the Board decided to approve a 99 year lease. The proposed lease amendment added more square footage and would allow continued operation. Discussion that Consumer Price Index (CPI) was not included in this amendment was questioned. White told of previous history of Assembly decision of a low lease rate. Kinnear told that funding opportunities were often times tied to property and if not able to purchase, would like to have the lease as long as possible.

A motion was made by Swanson to APPROVE Amendment No. 6 to the lease agreement between the City and Borough of Sitka and Kootznahoo Fortress of the Bear. The motion PASSED by the following vote.

Yes: 5 - Swanson, Eisenbeisz, Potrzuski, Hunter, and Knox

Absent: 2 - Guevin, and Bean

Chief Finance and Administrative Officer, Jay Sweeney clarified that the CPI would be the Anchorage CPI.

Eisenbeisz thought to add back in section 2.2 titled Cost of Living Adjustment to Lease Rate, and noted that the CPI wouldn't get the lease to a fair market rate. Kinnear confirmed that his business did not remit property tax however did pay sales tax and utilities.

A motion was made by Knox to AMEND the lease to include the Anchorage Consumer Price Index rate adjustment to begin in the 49 month of the lease agreement. The AMENDMENT FAILED by the following vote.

Yes: 3 - Potrzuski, Hunter, and Knox

No: 2 - Swanson, and Eisenbeisz

Absent: 2 - Guevin, and Bean

I 17-099 Sitka School District Budget Funding for FY18

Mary Wegner, Superintendent of the Sitka School District (SSD) reported on the health care savings of \$108,000, that the Blatchley Middle School music teacher position was authorized and filled, funding from the State had not been determined, however a funding reduction was anticipated which would result in a reduction of teachers and increased class sizes. Dr. Thomas Conley, School Board member told of recent graduates and encouraged the Assembly to support the Sitka School District.

A motion was made by Potrzuski to make a determination that the amount of money to be made available from local sources in FY18 to the Sitka School District shall be equal the amount of \$6,578,292 and an amount not to exceed \$150,000 for building repair and maintenance. The motion PASSED by the following vote.

Yes: 5 - Swanson, Eisenbeisz, Potrzuski, Hunter, and Knox

Absent: 2 - Guevin, and Bean

J 17-095 Approve a final subdivision plat for a Planned Unit Development at 1306 Halibut Point Road filed by the Sitka Community Land Trust

Randy Hughey, President of Sitka Community Land Trust came forward and told of the grant for site preparation and the plan revision from 6 houses to 7. He stated this had passed through the Planning Commission, and the homes would be presold then built with 1, 2 or 3 bedrooms based on the presale. Potrzuski wondered if there was adequate parking with regards to the vet clinic. Michael Scarcelli, Planning Director told of adequate parking with the vet clinic option of parking on the southeast side of their property. Hughey explained that a homeowners' association would be established to maintain common areas.

A motion was made by Swanson to approve the findings and a final subdivision plat, with conditions, for a Planned Unit Development filed by the Sitka Community Land Trust for 1306 Halibut Point Road as approved by the Planning Commission. The motion PASSED by the following vote.

Yes: 4 - Swanson, Potrzuski, Hunter, and Knox

No: 1 - Eisenbeisz

Absent: 2 - Guevin, and Bean

K 17-094 Accept the insurance settlement of approximately \$248,000 for the Administration Building at the Gary Paxton Industrial Park

Eisenbeisz recalled when the building was valued at zero, however with this settlement, noted there was value.

A motion was made by Knox to accept the insurance settlement of approximately \$248,000 for the Administration Building at the Gary Paxton Industrial Park. The motion PASSED by the following vote.

Yes: 5 - Swanson, Eisenbeisz, Potrzuski, Hunter, and Knox

Absent: 2 - Guevin, and Bean

L 17-096 Discussion/Direction/Decision on the selection of an Interim Administrator(s)

Mayor told of options for an Interim Administrator, Prothman candidate(s), possible Alaska Municipal League candidates, and department heads filling in. He was interested in interviewing Prothman candidate. Potrzuski would like to see what Prothman would bring forward. Eisenbeisz had a candidate in mind and was not in favor of making a decision on this tonight. Gorman had three weeks remaining, however stated he could extend a week or two if necessary and would like to have transition with the interim. Mayor suggested a special meeting next week.

Mark Danielson, Human Resources Director gave options including soliticing and of asking Prothman for more candidates. He handed out the Prothman draft position profile and explained the advertising of a temporary employee. Gorman told of benefits and drawbacks of rotating department heads however, thought four months was too long for one department head as interim and knew potential department heads that were interested. Potrzuski suggested Maegan Bosak. Swanson suggested following the same procedure as a vacant Assembly member seat. Eisenbeisz agreed. Potrzuski agreed and suggested interested candidates submit a letter of interest and resume. Knox stated he was hesitant on making a final decision without talking to candidates.

A motion was made by Eisenbeisz to direct Human Resources to request letters of interest and resumes from candidates interested in the Interim Administrator position and direct staff to schedule a special meeting for 6:00 p.m., June 1, 2017, with the agenda item discussion/direction/decision of hiring of an Interim Administrator. The motion PASSED by the following vote.

Yes: 5 - Swanson, Eisenbeisz, Potrzuski, Hunter, and Knox

Absent: 2 - Guevin, and Bean

XIII. PERSONS TO BE HEARD:

Robb Farmer, Library Director spoke of events at library past and upcoming and commended the library staff.

XIV. EXECUTIVE SESSION

None.

XV. ADJOURNMENT

A motion was made by Swanson to ADJOURN. Hearing no objections, the meeting ADJOURNED at 8:16 p.m.

ATTEST: _____
Melissa Henshaw, CMC
Acting Municipal Clerk



CITY AND BOROUGH OF SITKA

ASSEMBLY CHAMBERS
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Minutes - Draft

City and Borough Assembly

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Tristan Guevin, Kevin Knox
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Municipal Administrator: Mark Gorman
Municipal Attorney: Brian Hanson
Municipal Clerk: Sara Peterson

Thursday, June 1, 2017

6:00 PM

Assembly Chambers

SPECIAL MEETING

I. CALL TO ORDER

II. FLAG SALUTE

III. ROLL CALL

Present: 7 - Swanson, Eisenbeisz, Guevin, Potrzuski, Hunter, Knox, and Bean

IV. PERSONS TO BE HEARD

None.

V. NEW BUSINESS:

A 17-104

Discussion/Direction/Decision of hiring an Interim Administrator

Interim Administrator Applicant List: Camielle Call, Lisa Herwald, Phillip Messina, Mary Miller, Gary Paxton, Sheldon Schmitt, and Kim Zimmerman.

Mayor Hunter stated he was interested in learning more about Phillip Messina. Potrzuski and Guevin concurred. Guevin also expressed interest in Sheldon Schmitt.

Assembly members interviewed applicant Phillip Messina by Skype.

Assembly members Potrzuski, Guevin, Knox, Hunter, and Eisenbeisz expressed support for hiring Messina. Interim Candidate, Gary Paxton, received support from Assembly members Eisenbeisz, Swanson, and Hunter. Eisenbeisz noted Messina had an unfair advantage over Paxton in that Paxton did not have an opportunity for an interview. Potrzuski agreed, however, commented he was not interested in interviewing all seven applicants.

A motion was made by Potrzuski to nominate Phillip Messina as Interim

Administrator and direct the Human Resources Director, through the Municipal Administrator, to develop contract terms. The motion PASSED by the following vote.

Yes: 6 - Eisenbeisz, Guevin, Potrzuski, Hunter, Knox, and Bean

No: 1 - Swanson

B 17-105

Discussion of a possible Special Assembly meeting sometime during the week of June 5

Mayor Hunter stated he had requested this agenda item after reading the deadlines in SEARHC's management proposal, however, SEARHC had since stated there was some flexibility with those deadlines and therefore a special meeting was not needed.

Administrator Gorman noted a date was being confirmed for the presentation of Sitka Community Hospital's (SCH) proposal in July. Once confirmed, a date for the Town Hall Meeting would be set. Assembly members agreed to holding a Town Hall Meeting after the two proposals (SEARHC and SCH) had been received.

VI. PERSONS TO BE HEARD:

Alene Henning thanked the Sitka Police Department for announcing the education period for cellular phone use while driving had ended and that citations would be issued rather than warnings.

VII. EXECUTIVE SESSION

None.

VIII. ADJOURNMENT

A motion was made by Swanson to ADJOURN. Hearing no objections, the meeting ADJOURNED at 6:37pm.

ATTEST: _____
Sara Peterson, CMC
Municipal Clerk