

CITY AND BOROUGH OF SITKA

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



Meeting Agenda

Tuesday, February 12, 2013

6:00 PM

Assembly Chambers

City and Borough Assembly

*Mayor Mim McConnell
Deputy Mayor Pete Esquiro,
Vice Deputy Mayor Thor Christianson,
Phyllis Hackett, Matthew Hunter, Mike Reif and Michelle Putz*

*Interim Municipal Administrator: John P. Sweeney III
Municipal Attorney: Robin L. Koutchak
Municipal Clerk: Colleen Ingman, MMC*

WORKSESSION - ANB HARBOR UPDATE - 5:00 PM**SPECIAL MEETING MUNICIPAL ATTORNEY HIRE - Executive Session anticipated - 5:45 PM****REGULAR MEETING - 6:00 PM****I. CALL TO ORDER****II. FLAG SALUTE****III. ROLL CALL****IV. CORRESPONDENCE/AGENDA CHANGES**

[13-104](#) Correspondence Attachments

Attachments: [COR021213](#)

Government-to-Government Update with Sitka Tribe of Alaska**V. PERSONS TO BE HEARD****VI. REPORTS****a. Mayor, b. Administrator, c. Attorney, d. Liaison Representatives, e. Clerk, f. Other****VII. CONSENT AGENDA**

A [13-017](#) Approve the minutes of the January 22 and 30 Assembly meetings

Attachments: [Item A Minutes Jan 22 & 30](#)

B [13-018](#) Appointments: Approve reappointing Ken Fate to a Term (Media/Broadcast) on the Local Emergency Planning Commission

Attachments: [Item B Reappointment LEPC Fate](#)

C [13-020](#) Approve the following liquor license renewal applications: 1) Channel Club - 212; 2) Pioneer Bar - 865; 3) Pioneer Liquor Store - 872; and 4) Dock Shack Cafe - 5046

Attachments: [Item C Liquor License Renewals](#)

VIII. UNFINISHED BUSINESS:

D [ORD 13-05](#) Adjusting the FY2013 Budget for funding of the Public Infrastructure Fund

Attachments: [Memo Ord 2013-05 Adjusting FY13 Budget](#)
[Ord 2013-05 Adjusting FY13 Budget](#)
[ORD 13-05 Passed](#)

Reif explained his reason for cosponsoring. Reif asked Public Works Director, Michael Harmon, to come forward and give examples of when the sinking fund would be beneficial to have: transition of heating systems to heat pumps, parks, streets, and facilities.

A discussion ensued among Assembly members.

Connor Nelson stated the money in the sinking fund should be spent now while it was worth something.

Ryan Kauffman spoke in support of the Ordinance.

Christianson thinks locking in funds early is bad politics. He would like to see the city keep this on the original time limit. Reif hoped to allocate funds early for deferred maintenance. He stressed that operations routinely get the dollars first and the city's unfunded liability is huge. Putz agrees with Reif. Hunter re-iterated that we can still get this money out if we need it with a super majority. Reif pointed out that the reserves have built up from a low to several million. Sweeney reported that the surplus has been somewhere in the amount of \$1,000,000 over the last couple years.

- E** [ORD 13-06](#) Amending Section 15.01.020 of the Sitka General Code entitled "Electrical Rates" by increasing rates for all customers to fund approved electrical utility capital projects including the Blue Lake Hydroelectric Expansion Project

Attachments: [Memo Ord 2013-06 Electrical Rates](#)
[Ord 2013-06 Electrical Rates increase](#)
[ORD 13-06 Passed](#)

Valorie Nelson, Matt Donohoe, and Rusty Sutton spoke in opposition to the Ordinance.

Mayor McConnell noted this Ordinance, if passed, would go into effect July 1, 2013.

Utility Director, Chris Brewton, stated the 15% rate increase was required to meet the bond covenants.

Christianson spoke to an Email received from Valerie Nelson and believes she brought up some good points in varying billing periods. He suggested that that perhaps look at the average daily usage versus a billing period. Brewton informed that our billing is based on four cycles reflective of the calendar. They will address Nelsons' point brought up we will next rate review. Brewton informed they are planning for a March 25 worksession to deal with rates. Putz inquired as as to the rate being disproportionate. People with the lowest usage and budgets are getting hit the hardest. Brewton thinks we will need to adjust both low and high end users in the end. Critical driving factor is we have to meet

enough revenue to meet our bond requirements. Hunter is impressed with the service we get based on what we pay.

IX. NEW BUSINESS:

New Business First Reading

- F** [RES 13-01](#) Authorizing the application for a loan to the Alaska Department of Environmental Conservation under the Alaska Drinking Water Fund for Jeff Davis Street Water Replacement, Monastery Street & Baranof Street Water Replacement - SMC to Degroff & Starrigavan Water Well Development and under the Alaska Clean Water Fund for Monastery Street & Baranof Street Sewer Replacement - SMC to Degroff Street and Lift Stations
- Attachments:* [Item F Res 13-01 DEC loan app](#)
[RES 13-01 Signed](#)
- G** [RES 13-02](#) Strongly opposing an application from AquaBounty Technologies, Inc. to the US Food and Drug Administration (FDA) to market genetically engineered Atlantic Salmon
- Attachments:* [Item G Res 13-02 salmon](#)
[RES 13-02 Signed](#)
- Sitka Convention and Visitors Bureau Director, Tonia Rioux strongly encouraged the Assembly to support this. They had over hundred people turn out last weekend to protest on this matter. These would be farmed salmon which proposes a risk of cross contamination and the worst possibility - extinction of our wild salmon stocks. Hunter's main concern is the danger to our wild stocks. Reif supports legislation that assures farmed and industrial products be properly labeled.
- H** [RES 13-03](#) Supporting the City's application to the Alaska Federal Lands Access Program (FLAP) Grant consisting of \$981,373 for construction of the Cross Trail Multimodal Pathway
- Attachments:* [Item H Res 13-03 FLAP Grant](#)
[RES 13-03 Signed](#)
- Assistant Fire Chief, Al Stevens encouraged support. This is a great alternate access route for any kind of disaster. He urged the Assembly to look at it from an emergency standpoint. Deborah Lyons from Sitka Trail Works thanked the Assembly for including the cross trail funding on their federal legislative needs. Hunter confirmed that there is no match or city funding involved.
- I** [ORD 13-08](#) Authorizing Amendment No. 2 to the Agreement for Material Sale from Municipally Owned Property ("Agreement") with S&S General

Contractors and Equipment Rental, Inc. ("S&S") at Site 5 of the Granite Creek Industrial Area, and approving the Agreement to have S&S provide contract services as an alternative for certain payment owed under the Agreement

Attachments: [Item I Ord 13-08 S&S](#)
[ORD 13-08 Passed](#)

Additional New Business Items

- J** [13-024](#) Approve Notice of Award to Myers Power Products Inc. for Contract No. 2 the Supply of 12,47kV Switchgear for Blue Lake Expansion Project not to exceed \$711,102.00

Attachments: [Item J Blue Lake Switchgear](#)

Paul Carson of McMillen, LLC explained that there are seven areas where city staff will be designing, doing procurement, providing pieces of the supervisory control, and data acquisition system. The city will supply the design. Esquiro inquired if there were spare parts. Generation Engineer Dean Orbinson broke it down, and added that if we don't need to use the switchgear we won't.

- K** [13-016](#) Approve a Contract Award for Completion of the UV Facility Tees Piping Connections to CBC for their base bid and additive alternate 1 in the amount of \$179,960.00

Attachments: [Item K UV Facility Tees Piping](#)

Senior Engineer Dan Tadic explained the UV Facility Tees Piping connections project is the first phase of the overall UV Treatment Facility.

- L** [13-021](#) Approve the IBEW Collective Bargaining Agreement for 2013-2015

Attachments: [Item L IBEW Collective Bargaining Agreement](#)

- M** [13-019](#) Approve a Collection Agreement between USFS and CBS as part of the Protection, Mitigation, and Enhancement Plan for ten annual payments of \$10,000 each - Blue Lake Project CIP 90594

Attachments: [Item M USFS & CBS Agreement for Blue Lake](#)

Putz pointed out this is a public benefit not just a USFS benefit. Brewton reported that nothing of concern was found. We had it assessed and it was valued between \$140,000 - \$170,000. The value fell below what is required for a public vote. Esquiro questioned has anyone considered what the value of gold might be that is left in the mines. Brewton responded "No."

- N** [13-030](#) Approve an award of a Time and Materials Design Contract for the

Indian River Temporary Filtration Final Design and Services During Construction and Operation not to exceed \$401,000 and further to authorize a transfer of \$313,350 from the Blue Lake Dam project to the Alternate Water Source Filtration Project

Attachments: [Item N Indian River Temporary Filtration](#)

Weatherman reported that they did find plenty of water at the Starrigaven site. Unfortunately the city only has a 12" pipe out there, which restricts water flow. For now, Indian River is the best choice. Harmon added that the city needs to be flexible on these filtration projects, yet we need to move forward as quickly as we can. The city does have certified operators but utilizing them is a workload issue.

- O [13-028](#) Sea Walk update and approval to advertise for bids to construct the Sea Walk from Crescent Harbor to National Historic Park

Attachments: [Item O Sea Walk](#)

[Item O Sea Walk drawings](#)

Senior Engineer Dan Tadic gave an overview of the project. Lon Garrison representing Sitka Sound Science Center wanted to lend their support to the project. It is a great benefit to their neighbors and getting folks not only to their facility but also to the National Park. Hillhouse added that it is her understanding that Sitka Sound Science Center will be giving the CBS several construction easements etc. at no cost. Hackett mentioned that Crescent Harbor parking was added and she wondered if there was enough public vetting of that portion. Hunter recalls that there was a lot of discussion during the 8' wide sidewalks topic. Much of the expansion is towards the water and doesn't impede on the green space and he is satisfied. Christianson agreed. Tadic spoke to the potential savings by doing it at one time versus over two years. It was also vetted by both Parks and Recreation and Tree and Landscape and both were supportive. Reif noted the tight contingency and questioned if the added alternatives were in any order. They were prioritized. Esquiro was interested to know if any ideas were generated from where that money would come from. Initially it was thought funding would come from the CPED funds, at that time no one anticipated a drop. Esquiro expressed his concerns with maintenance and replacement and the bills we leave the younger generation.

Christianson brought up that all those public meetings have a hidden cost. He was hoping to make a personal contribution of yellow cedar but it was more than he could handle. We need to make Sitka an attractive place to come and this project would do that.

Harmon mentioned that this has to come back for award and if the Assembly wants to see a potential sinking fund we could craft a way to lay all that out.

- P** [13-029](#) Authorize action to either award or reject the bid proposal from Sitka Tours to transport cruise ship passengers from the Old Sitka Dock to the Centennial Hall or O'Connell Bridge parking areas prior to March 17, 2013
- Attachments:** [Item P Transit Services Old Sitka Dock](#)
- Mayor McConnell recused herself as Sitka Tours is a client of hers.
- Christianson was glad to see interest on a local level. Hackett echoed Christianson and added that Sitka Tours has done an excellent job in Sitka. Reif inquired as to the number of handicap assessable seats being adequate. Chris McGraw said he only has one reference and that is from the one ship that tied up to their dock last year. On that particular day six people needed handicap accommodations. McGraw relayed that currently they have 23-24 ships, or 13,000 passengers; hoping for more next year with the Disney ship.
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- Q** [13-022](#) Appoint two to the Police and Fire Commission: 1) Frank Burkhart, 2) Aaron Wamsley, 3) Joseph Reeves (incumbent)
- Attachments:** [Item Q Police and Fire Commission](#)
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- R** [13-023](#) Approve closing EPA NESHAP Diesel Compliance CIP No. 90730 and transferring the fund balance to Jarvis Street Diesel Capacity CIP No. 90646 as part of the next Assembly Budget Review.
- Attachments:** [Item R EPA Funds Transfer](#)
- Brewton informed the transfer amount is \$1,000,000. The city initially challenged this and was able to prevail.
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- S** [13-026](#) Approve sending members of the Assembly to the Cruise Shipping Miami Expo to promote Sitka to the Cruise industry to be held in Miami March 11-15, 2013
- Attachments:** [Item S Cruise Shipping Miami](#)
- Christianson strongly urged that we need to send someone. He checked the prices and he found prices of hotels downtown that were much cheaper and believes the trip can be done significantly cheaper than the costs outlined in Campbell's memo. Reif felt it is critical for the city to send someone, but a luxury to send more. He suggested that perhaps McGraws who paid for travel for Esquiro last year would consider doing something similar again.

