



CITY AND BOROUGH OF SITKA

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

Meeting Agenda

City and Borough Assembly

*Mayor Gary Paxton
Deputy Mayor Steven Eisenbeisz,
Vice Deputy Mayor Valorie Nelson,
Aaron Bean, Kevin Knox, Dr. Richard Wein, Kevin Mosher*

*Municipal Administrator: Keith Brady
Municipal Attorney: Brian Hanson
Municipal Clerk: Sara Peterson*

Tuesday, February 26, 2019

6:00 PM

Assembly Chambers

5:00 PM WORK SESSION: ASSEMBLY ACTION PLANS

[19-044](#)

Work Session: Assembly Action Plans

Attachments: [Cover Sheet Work Session](#)

[Action Plan No Name Mountain Granite Creek](#)

[Action Plan Seaplane Base](#)

[Action Plan Lobbying](#)

[Action Plans \(3\) Business Friendly, Housing and Cold Storage](#)

REGULAR MEETING

I. CALL TO ORDER

II. FLAG SALUTE

III. ROLL CALL

IV. CORRESPONDENCE/AGENDA CHANGES

[19-045](#)

Reminders, Calendars and General Correspondence

Attachments: [Reminders and Calendars](#)

[Service Award Certificates](#)

[GPIP Action Item Update Feb 2019](#)

[CFAO White Paper effects of Governor Dunleavy's FY2020 Budget on Sitka](#)

[AML Presentation - February 2019 reduced file](#)

V. CEREMONIAL MATTERS

None.

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

[19-040](#) Special Reports: 1) SCH / SEARHC Affiliation Project - Sarah Cave, and, 2) Update on the Southeast Conference Mid-Session Summit and Alaska Municipal League Winter Legislative Conference - Jay Sweeney, Chief Finance and Administrative Officer

Attachments: [Scheduled Special Reports](#)

VII. PERSONS TO BE HEARD

Public participation on any item off the agenda. All public testimony is not to exceed 3 minutes for any individual, unless the mayor imposes other time constraints at the beginning of the agenda item.

VIII. REPORTS

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

IX. CONSENT AGENDA

All matters under Item IX Consent Agenda are considered to be routine and will be enacted by one motion. There will be no separate discussion of these items. If discussion is desired, that item will be removed from the Consent Agenda and will be considered separately.

A [19-037](#) Approve the minutes of the January 22, 24, 29, 31 and February 12 Assembly meetings

Attachments: [Motion](#)

[January 22](#)

[January 24](#)

[January 29](#)

[January 31](#)

[February 12](#)

X. BOARD, COMMISSION, COMMITTEE APPOINTMENTS

- B** [19-041](#) Reappoint: 1) Richard Doland to a three-year term on the Building Department Appeals Board in the category of Alternate Seat, 2) Steve Clayton to a three-year term on the Building Department Appeals Board in the category of Alternate Seat, and, 3) Stephen Morse to a three-year term on the Library Commission

Attachments: [Motion reappointments](#)

[Doland Application](#)

[Clayton Application](#)

[Morse Application](#)

XI. UNFINISHED BUSINESS:

- C** [ORD 19-04](#) Authorizing the vacation and sale of a 1,660 square foot portion of the right-of-way adjacent to 1318 Sawmill Creek Road

Attachments: [Motion Ord 2019-04](#)

[Memo Ord 2019-04](#)

[Ord 2019-04](#)

[Maps](#)

[Staff Memo July 26 Planning Commission Meeting](#)

[Minutes July 26 Planning Commission Meeting](#)

- D** [19-026](#) Discussion / Direction of the Investment Committee recommendation to add infrastructure exchange-traded funds as an authorized investment asset class (postponed from the February 12 meeting)

Attachments: [Finance Director Memo](#)

XII. NEW BUSINESS:

- E** [RES 19-07](#) Supporting Secure Rural Schools Reauthorization

Attachments: [Motion and Res 2019-07](#)

- F** [ORD 19-05](#) Making supplemental appropriations for Fiscal Year 2019 (Economic Development Projects / GPIIP Lease Reviews) - 1st reading

Attachments: [Motion Memo and Ord 2019-05](#)

- G** [19-042](#) Approve Assembly Action Plans: Lobbying, No Name Mountain / Granite Creek, Seaplane Base, CBS Business Friendly, Affordable Housing, and Cold Storage

Attachments: [Possible Steps and Motion](#)

[Action Plan Lobbying.](#)

[Action Plan No Name Mountain Granite Creek.](#)

[Action Plan Seaplane Base.](#)

[Action Plans \(3\) Business Friendly, Housing and Cold Storage.](#)

- H** [19-046](#) Discussion / Direction / Decision regarding the Sitka Police Department practices and procedures and a possible investigation of the same by the Assembly (possible executive session)

Attachments: [Discussion Direction Decision SPD practices and procedures](#)

XIII. PERSONS TO BE HEARD:

Public participation on any item on or off the agenda. Not to exceed 3 minutes for any individual.

XIV. EXECUTIVE SESSION

- I** [19-039](#) Financial / Legal Matters regarding lawsuits involving the Sitka Police Department

Attachments: [Motion Executive Session](#)

XV. ADJOURNMENT

Note: Detailed information on these agenda items can be found on the City website at <https://sitka.legistar.com/Calendar.aspx> or by contacting the Municipal Clerk's Office at City Hall, 100 Lincoln Street or 747-1811. A hard copy of the Assembly packet is available at the Sitka Public Library. Assembly meetings are aired live on KCAW FM 104.7 and via video streaming from the City's website. To receive Assembly agenda notifications, sign up with GovDelivery on the City website.

*Sara Peterson, MMC, Municipal Clerk
Publish: February 22 and 25*



CITY AND BOROUGH OF SITKA

Legislation Details

File #: 19-044 **Version:** 1 **Name:**

Type: Item **Status:** AGENDA READY

File created: 2/21/2019 **In control:** City and Borough Assembly

On agenda: 2/26/2019 **Final action:**

Title: Work Session: Assembly Action Plans

Sponsors:

Indexes:

Code sections:

Attachments: [Cover Sheet Work Session](#)

[Action Plan No Name Mountain Granite Creek](#)

[Action Plan Seaplane Base](#)

[Action Plan Lobbying](#)

[Action Plans \(3\) Business Friendly, Housing and Cold Storage](#)

Date	Ver.	Action By	Action	Result
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Work Session
Assembly Action Plans

Action Plan: No Name/Granite Creek Development Master Plan

Responsible: Planning Director

Date: 12/9/18

#	Begin Date	Action Step Description	Party Responsible	Due Date	Desired Outcome	Notes
		Hire Planning Director				Start processes 2-months after this point so they are grounded in the position and can identify workload priorities
		Create an professional services RFQ document to be advertised		1 month		
		Advertise Request for Qualifications RFQ		1 month		
		Give Direction to Planning Commission to be the body that oversees the development of the Master Plan				
		Interview and select Consultant		1 month		
		Develop Scope of Work with Planning Commission		2 month		
		Negotiate final fee, schedule and develop budget		1 month		Potentially \$150k
		Budget Ordinance Assembly approval and Contract Award		1 month		
		Consultant develops a draft plan working with Staff and the Planning Commission		6 months		This is really aggressive given all the goals/details to finalize. It took well over 5-years to do this for the benchlands masterplan
		Assembly review and edits to draft plan		2 months		SEDA review and public comment period
		Assembly adoption of final plan		1 month		
		Start Implementing Master Plan				Work with SEDA for business development opportunities
						Things to Consider:
						If any of these elements are to be added to the planning upfront it would add to the timeline and cost potentially significantly.
						A public infrastructure plan (utilities needed and capacity analysis)
						Benchlands and landslide planning
						High Value Land development planning for the waterside parcels just past the Cove Marina
						Public Private Partnership to expand SS pit into the study area
						Master Plan will: (not all inclusive list)

						Zone land for development
						Delineate wetlands; plan to mitigate wetlands
						Plan for main access roads
						Rock/quarry development areas
						Process and order in which to sell property
						Zoning code changes
						When to develop infrastructure (Water, Waste Water, Electric, Substation)
						Develop RFPs for residential, commercial, and industrial sales
						Other?

Action Plan: Seaplane Base

Responsible:

Date: 12/9/18

#	Begin Date	Action Step Description	Party Responsible	Due Date	Desired Outcome	Notes
		Request and Receive Support from State Legislators			State Legislators can help support in the legislative session as well as navigate the State Beauracracy	
		Assembly Approval Resolution for support of land purchase			Use resolution to show that the Assembly is serious about the purchase of the property	
		Assembly Approval of appropriation for \$50k			Authority to spend to lobby the state, obtain title review, appraisal of property, etc.	
		Pre Application for FAA grant			Money for project	
1	ASAP	Contact DEED Commissioner			Commissioner understands and is willing/interested to sell the land	
2	ASAP	Contact State AAG over DEED			Need to understand process and requirements to sell the property	
3	ASAP	Contact local State Board of Ed member			Keep them in the know, get their thoughts, resolve concerns, help us advocate	
	ASAP	Title report and Legal Opinion of land sale			To receive a official report and legal opinion from the state (Restriction of Deed)	\$1,000
	ASAP	Check with FAA on Economic Impact Study grant money			Need to clarify if FAA grant money can be used for an economic impact/business/marketing plan	
	ASAP	Contact Kenai in regards to their SPB			FTEs for support of M&O on SPB, and grant administration	
	12/12/2018	Mt and discuss with MEHS Board			Present project, address concerns, gain approval	Wants money from sale of land to stay with MEHS, Board meets quarterly, continue to follow up with board
	12/13/2018	Mt and discuss with USCG			Check the interest of USCG on land and potential issues with encroachment	
	12/18/2018	Attend State Board of Education Meeting			Present project, address concerns, gain approval	Under Persons to be heard, Board meets quarterly, continue to follow up with board

	Jan-May	Meet and build relationships with Governor's office and Staff, State Legislators, & DEED Commissioner and Staff			Build relationships so they know who we are and to lobby for things that Sitka needs/wants	Useful for the SPB but not solely for SPB, probably need \$5k
	Spring 2019	Full FAA Grant Application Due	Finance/PW			
	Summer 2019	Grants Awarded				Grants must be closed out with work complete within 4 years
	Fall 2019	Prepare and submit possible second FAA AIP Grant				
	Fall 2019	Design, EA, Construction of SPB	PW			Once land is acquired, and grant(s) are received, approximate time for completion is 2 years
						Things to Consider:
						700ft of road is not on CIP list, nor M&O for road. Can FAA cover the cost of the Road?
						Initial Title search showed that the property is DEEDs. In 1999 DNR quitclaim deeded the land to DEED with "condition of unrestricted public use and access applies."
						Things to Consider for the Boards:
						SPB traffic
						Cost of Project
						Money needs to stay with MEHS
						Impact on campus

Action Plan

Strategy No.

Plan No.

Date:

Strategy: Sustainable Infrastructure

Specific Result: Lobbying Secondary Water Source and Electrical Department

#	ACTION STEP (Number each one)	Assigned To:	Start Date:	Due Date:	Completed Date:
1	Letter: Murkowski, Sullivan, Young	Mayor	Oct 18		
2	Lobbying RFP	Brady/Maegan	Nov/Dec	1/15/19	
3	Hire DC Lobbyist	Brady/Assembly	1/19	2/1/19	
4	Assembly approve RFP	Assembly	1/22/19	1/22/19	
5	Work issues with Murkowski, Sullivan, Young and others as appropriate	Lobbyist/Brady/Maegan/Assembly Member	2/1/19	4/19	
6	Visit DC	Brady/Mayor/Member of Assembly		4/19	
7	Evaluate effort as successful or terminate	Assembly			
8	Reevaluate	Assembly			
Responsible:					



Alaska Educational Options

(a division of Holst Enterprises, LLC)

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**TO: Keith Brady
Mayor Gary Paxton
Assembly of CBS**

FROM: John Holst

**RE: Economic Development
Action Plans**

Date: January 28, 2019

This cover memo is a summary of work I have done at the request of Mayor Paxton.

On November 17, 2018, I facilitated a Planning Session with you. One of the two identified priorities was Economic Development. After it became obvious that the Assembly as a body determined that Economic Development was indeed very important, I was asked to work with Garry White, Executive Director of SEDA, to develop Action Plans that might focus on important topics that would have a positive impact on Economic Development, have an immediate impact, and be doable..

The three Action Plans before you are: 1. To make the CBS more business friendly, 2. To determine the highest/best use of the Cold Storage, and 3. To pursue options regarding "tiny homes" and/or smaller dwellings.

Each Action Plan has a systematic set of steps, each being small enough to be done in a short period of time, and together laying out a path to the Specific Result. Note that each step is assigned to a specific named person(s) who are responsible for that step, with a beginning date and estimated completion date, making it possible for the Assembly and Administrator to monitor progress. Each Plan also has a person (name in the rectangular box at the end of each Action Plan) who is responsible for monitoring the day-to-day progress, and periodically reporting to the Assembly regarding progress.

The assignment of responsible individuals, starting and completion dates, are placeholders that I have identified with my very limited knowledge of CBS operations. I would expect that Administrator Brady will be recommending modifications in both the "who" and "when" of each Action Plan.

These Action Plans are intended to be the Assembly's Plans. It is completely within your purview to adjust and amend as you see fit. You will note that each is a Final Draft until you are satisfied with the direction and the intended Specific Result, and only then adopt each of the Action Plans.

Since Economic Development has many more important topics not addressed by these three Action Plans, it is assumed that when you have gotten close to the Specific Results of these Plans, new ones would be formulated. If the timelines are followed, these three Plans should be completed by the end of July. If you are satisfied with the achievements, it would make sense to start this process over in early summer by identifying the next set of issues you want to tackle, and producing Action Plans for each of them.

This is the completion of my contracted work on your behalf. I am available to assist in whatever capacity you desire or deem necessary in the future.

Thank you for the opportunity to assist you. Having been on the Assembly more than a decade ago, I can appreciate how difficult it is to "steer the ship" that is the CBS. But that is your role and responsibility to the citizens of Sitka. Good luck.

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Action Plan

Strategy No. B

Plan 1

Date: 2/19/2019

Strategy: We will identify and pursue Economic Development Opportunities.

Specific Result: To make the City and Borough of Sitka more business friendly.

#	ACTION STEP (Number each one)	Assigned To:	Start Date:	Due Date:	Completed Date:
1	CBS will take a confidential survey of all employees to solicit ideas for maximizing CBS's role in supporting economic development (See Appendix 1).	Maegan Bosak	3/1/19	3/20/19	
2	Using the Survey questions in Appendix 1 as an example, develop an online survey to be used to gather information from each employee.	Maegan Bosak	3/5	3/7	
3	Survey results will be provided to the Assembly and Senior Staff as a means of identifying opportunities for the CBS to be more business friendly and, in the process, improve the climate for Economic Development.	Maegan Bosak	3/19	3/19	
4	SEDA will do a confidential survey of local business owners and ask them what could be done to make their interactions with the CBS more stimulative of economic development and business expansion. Survey will also be used to determine the economic health of each business.	Garry White	2/19	3/19	
5	SEDA Board President and Executive Director will provide a written and oral report to the both the Assembly and CBS Senior Staff regarding the results of the SEDA survey including the health of the business climate and what the CBS can do to improve their level of support for economic development.	SEDA President & Garry White	3/19	3/19	
6	Using both survey results, develop Guidelines for the CBS activities that interface with business and/or industrial enterprises.	Keith Brady	3.19	4/16	
7	Guidelines will contain the following: a. Mission Statement identifying that the highest priority will be given to working supportively	Keith Brady	3/19	4/16	

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	<p>with private industry/business and business non-profits (eg NSRAA, SPC, Sitka Fine Arts Camp, Sitka Sound Science Center, Sitka Summer Music Festival), to bring positive revenue, and job retention/creation.</p> <p>b. Create a list of maximum turnaround timelines for various requests that are tied to Economic Development (eg Building Permits, Land Development Proposals, Requests for Public Private Partnerships, Legal Reviews of Documents related to Economic Development);</p> <p>c. All Departments of the Municipality, including Enterprise Fund Departments, shall be part of these Guidelines;</p> <p>d. Municipal Attorney will be covered by these Guidelines, but accountable to the Assembly.</p> <p>e. Assembly will review, critique, revise, and approve these Guidelines;</p> <p>f. Training will be provided to all Senior Staff to assist with the implementation of these Guidelines;</p> <p>g. All evaluations of Senior Staff will include their effectiveness in implementing these Guidelines.</p>	Mayor & Assembly	4/16	5/14	
		Keith Brady	5/14	5/27	
		Keith Brady	5/27/19	5/27/20 & ongoing	
8	<p>**CBS will investigate “best practices” regarding licensing, permitting and regulations:</p> <p>a. Reduce administrative arrangements that are unnecessarily costly, time-consuming or burdensome—simplifying processes and forms and reducing processing times;</p> <p>b. Assess the cost and benefit of regulation on the business sector and the economy as a whole before it is introduced so that the relative merits of new regulation can be objectively determined;</p> <p>c. Review the current stock of regulations to determine if these are still necessary and how they may be updated or otherwise improved;</p> <p>d. Consider streamlining city approval and permitting processes.**</p>	Keith Brady	3/19	4/16	
9	Consider deleting one current guideline, code, or requirement affecting Economic Development for each new one proposed	Keith Brady & Assembly	5/14	Ongoing	

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10	Assembly will include ratings of the effectiveness in implementation of these Guidelines in the evaluations of the Municipal Administrator and Municipal Attorney.	Mayor Paxton & Assembly	5/27/19	5/27/20 & Ongoing	
11	<p>CBS will proactively engage the various industry sectors in the community:</p> <ul style="list-style-type: none"> a. The Administrator will meet quarterly with representatives of the fishing, visitor, health care, construction, and retail sectors. SEDA will coordinate these meetings. Various industry sectors should be added dependent on circumstances and issues. Their meetings should become routine calendared events (eg, second Thursday of quarterly months). b. The Assembly may hold periodic work sessions with representatives of the fishing, visitor, health care, and retail sectors if the Assembly deems it necessary to keep Economic Development in the forefront of all CBS activities. <p>**Quoted from the website: https://simonwhite.com.au/2018/02/26/creating-better-local-business-environment-part-3-options-reform/</p>	<p>Keith Brady & Garry White</p> <p>Mayor Paxton & Assembly</p>	<p>3/1/19</p> <p>Not known</p>	<p>Ongoing Quarterly</p> <p>Ongoing as needed</p>	
		Responsible:	Keith Brady		

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Appendix 1 Action Plan B1

(Survey Document for use in Employee Survey)

Rating 1 – 5, 1 being the lowest and 5 being the highest rating

In your opinion, is the CBS “business friendly”? That is, in the interactions between Business Clients and the CBS, are CBS Employees helpful to business owners?

1 2 3 4 5

Comments:

In general, when there are interactions between CBS Employees and the Business Clients, and things seem to go wrong, in your opinion, is it the fault of the CBS employee or the Business Client?

_____ % fault of Business Client
_____ % fault of the CBS Employee

Comments:

The Assembly has identified Economic Development as one of its highest priorities. What do you believe can be done by CBS Management, CBS Employees, the Assembly, and the Business Community to improve the prospects of actually growing our economy?

Comments:

Is Economic Growth and Development important to you? 1-not important, 5 very important

1 2 3 4 5

Comments:

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Appendix 2 Action Plan B1

The CBS will consider what can be done to leverage each of the following CBS assets for Economic Development:

- a. Harbors and Docks
- b. Airport
- c. Centennial Building
- d. Library
- e. Baseball Field
- f. Performing Arts Center
- g. Gary Paxton Industrial Park

The CBS will ask the following non-profits what can be done to help them to grow and prosper, and contribute to Economic Development;

- a. Fine Arts Camp
- b. Sitka Summer Music Festival
- c. Sitka Science Center
- d. NSRAA
- e. Sitka Tribe of Alaska
- f. National Park

The CBS will ask the following business enterprises what can be done to help them to grow and prosper, and contribute to Economic Development;

- a. Sea Mart
- b. AC Lakeside
- c. Allen Marine
- d. Tribal Enterprises
- e. Shee Atika Inc
- f. Fish Processing Plants (Silver Bay, Sitka Sound, SPC)
- g. Lincoln Street Businesses
- h. Charter Industry
- i. Visitors Industry
- j. AML & Linden Transfer
- k. Sampson Tug & Barge
- l. True Value Hardware
- m. Spenard Building Supply
- n. Building Construction Industry
- o. Heavy Construction Industry
- p. Schmolck Mechanical
- q. Sitka Electric

And many others.

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Action Plan

Strategy No. B

Plan No. 2

Date: 2/19/2019

Strategy: We will identify and pursue Economic Development Opportunities.

Specific Result: To pursue options regarding “tiny homes” and/or smaller dwellings (TH/SD’s).

#	ACTION STEP (Number each one)	Assigned To:	Start Date:	Due Date:	Completed Date:
1	Assembly will hold a work session to sort through the many housing options and provide direction for the Planning Commission and additional steps to be added to this Action Plan. This is the kickoff of this Action Plan.	Assembly Kevin Knox	2/12	2/12	
2	Planning Commission will review the following current zoning codes with consideration for which codes could/would be changed to enable TH/SD’s to be a potential affordable housing option. a. Zoning code residential lot sizes (in works per Sitka Comprehensive Plan 2030; b. Adoption of IRC 2018 Building Codes, specifically TH/SD specifications appendix; c. Chapter 6 Mobile and Manufactured homes to allow TH/SD placement on semi/permanent foundation within mobile/manufactured home parks.	Scott Brylinsky	2/19	3/6	
3	Commission will develop definitions to be used within the zoning codes and regulations that designate what is a Tiny Home and what is a Small Dwelling (transitional size between Tiny Homes and full-size residential homes.	Scott Brylinsky	3/6	4/3	
4	Commission will forward their work in report form to the Assembly, including any recommendations they may have.	Scott Brylinsky	4/3	4/17	
5	Assembly will hold a public hearing(s) regarding code changes to accommodate TH/SD’s, and act upon changes they deem appropriate.	Mayor Paxton & Assembly	4/23	5/14	

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6	Building Inspection Department will work with local builders of TH/SD's to set guidelines for the construction of TH/SD's that will allow for a Certificate of Occupancy to be issued upon completion. The builders will include Building Trade classes at Sitka High School and UAS-Sitka Campus, and private businesses that contemplate construction of TH/SD's for sale in Sitka as well as other locations in Southeast Alaska.	Pat Sweeden	2/19	4/23 & Ongoing	
7	CBS will make known to residents and potential developers that TH/SD's are allowed by the current building codes, and that additional code modifications regarding TH/SD's may be considered in the near future.	Maegan Bosak	2/19	3/1 & Ongoing	
8	CBS will invite developers and/or owners of land parcels to a public meeting to discuss the potential opportunities regarding land development focusing on TH/SD's as well as building codes governing them.	Bosak & Brylinsky	3/1	4/1	
9	CBS shall work with individuals, non-profits, and/or public-private partnerships that could expand the options available, including but not limited to assisting with land designation and/or acquisition of privately owned or CBS owned land.	Brylinsky & Bosak	3/1	Ongoing	
10	This work by the CBS would include zoning designations that would allow and encourage development of both privately owned lots and lots available as rentals to site TH/SD's.	Brylinsky, Sweeden & Bosak	2/19	5/1	
		Responsible: Scott Brylinsky			

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Action Plan

Strategy B

Plan No. 3

Date: 2/19/2019

Strategy: We will identify and pursue Economic Development Opportunities.

Specific Result: To determine the highest/best use of the Cold Storage.

#	ACTION STEP (Number each one)	Assigned To:	Start Date:	Due Date:	Completed Date:
1	Do or review the engineering study of the condition of the seawall and Cold Storage.	Harmon	2/19	3/1	
2	Use the study to determine the cost of repairs if done by the CBS.	Harmon	3/1	3/15	
3	Use the study to estimate the potential cost of repairs if done by a private party or parties.	Harmon	3/1	3/15	
4	Meet with interested user individuals, groups or companies to discuss options and accept recommendations from the interested parties.	Brady & White	3/15	3/29	
5	Hold public hearings regarding whether the CBS should continue to own the Cold Storage or sell it.	Paxton & Assembly	3/26	3/26	
6	Make the decision about who should own the Cold Storage based upon a cost/benefit analysis of each option, and considering what is in the best interest of the fishing industry and impact on future Economic Development.	Paxton & Assembly	3/26	4/9	
7	If the decision is to keep the property in CBS ownership, begin the process of identifying funding sources.	Brady & Assembly	4/9	Ongoing until \$\$ located for repairs	
8	If the decision is the sell the property, develop an RFP to put the property in private ownership.	B Hanson & SEDA	4/9	4/23	
9	Within the RFP, include stipulations such as: a. Necessary repairs shall be made to stabilize the seawall in front of the Cold Storage. b. Property will continue to be operated as a Cold Storage unless agreed to by the Assembly. c. Guaranteed access to the public as follows:	B Hanson & SEDA	4/9	4/23	

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	<p>First Priority to local fishermen with less than \$500,000 in gross receipts; Second Priority to local fishermen with more than \$500,000 but less than \$1,000,000 in gross receipts; and Third Priority to the owner of the property to determine access to the Cold Storage.</p> <p>d. Fee schedule of First and Second Priority will be governed by the SEDA Board in the same manner as any public utility.</p> <p>e. 10 yr reversion clause, at the discretion of the Municipality, if any of the stipulations are violated.</p>				
10	RFP released to the public.	SEDA	4/23	5/10	
11	Responses to the RFP will be reviewed by a committee of 2 Freezer Boat Captains, 2 CBS staff and SEDA Board President, appointed by the Mayor.	Paxton & Brady	5/10	5/17	
12	Recommendations will be made to the Assembly regarding the Responses to the RFP.	Brady & Committee	5/21	5/21	
13	Assembly will select the most responsive proposal, considering price, operating plan and history of operating in the best interest of the CBS and direct Garry White to complete the purchase agreement that will go to the Assembly for their approval.	Paxton and Assembly	6/11	6/25	
		White & B. Hanson	6/25	7/16	
14	Assembly approves the purchase agreement. :	Assembly	7/16	7/16	
		Responsible:	Keith Brady		



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Legislation Details

File #: 19-045 Version: 1 Name:
Type: Item Status: AGENDA READY
File created: 2/21/2019 In control: City and Borough Assembly
On agenda: 2/26/2019 Final action:
Title: Reminders, Calendars and General Correspondence
Sponsors:
Indexes:
Code sections:
Attachments: [Reminders and Calendars](#)
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Date	Ver.	Action By	Action	Result
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REMINDERS

<u>DATE</u>	<u>EVENT</u>	<u>TIME</u>
Tuesday, February 26	Work Session: Assembly Action Plans	5:00 PM
Tuesday, February 26	Regular Meeting	6:00 PM
Thursday, February 28	Special Meeting: <i>SCH / SEARHC Affiliation Project</i>	6:00 PM
Tuesday, March 5	Government to Government Dinner - Westmark	6:00 PM
Monday, March 11	Joint Work Session: <i>with School Board at SHS Library</i>	7:00 PM
Tuesday, March 12	Regular Meeting	6:00 PM
Thursday, March 14	Special Meeting: <i>Overview of General Fund</i>	6:00 PM



Assembly Calendar

2018 Jan Feb Mar Apr May Jun Jul Aug Sep Oct Nov Dec 2020

February 2019

Sunday	Monday	Tuesday	Wednesday	Thursday	Friday	Saturday
27 Jan	28	29	30	31	1 Feb	2
Knox Eisenbeisz	Eisenbeisz	Eisenbeisz 3:00pm GPIP 6:00pm Special Meeting: SCH / SEARHC Affiliation Project	Eisenbeisz	Eisenbeisz 6:00pm Special Meeting - Enterprise Budget (if needed)	Eisenbeisz	
3	4	5	6	7	8	9
			6:00pm Library Commission 6:00pm School Board 7:00pm Planning Commission	12:00pm SEDA Board Meeting		
10	11	12	13	14	15	16
		5:00pm Work Session: Housing 6:00pm Regular Assembly Mtg	6:00pm Historic Preservation 6:15pm Port & Harbors Commission	Knox Nelson 12:00pm LEPC 1:30pm Health Needs & Human Services Commission	Knox Nelson	Knox Nelson
17	18	19	20	21	22	23
Knox Nelson	Knox Paxton HOLIDAY Nelson	Paxton 12:00pm Tree/Landscape	Paxton 7:00pm Planning Commission	Paxton	Paxton	Paxton
24	25	26	27	28	1 Mar	2
Paxton	6:00pm Investment Committee	12:00pm Parks & Rec 5:00pm Work Session: Assembly Action Plans 6:00pm Regular Assembly Mtg	Knox 6:00pm Police and Fire Commission	Knox 12:00pm Hospital Board Meeting 6:00pm Special Meeting: SCH / SEARHC Affiliation Project	Knox	Knox

Assembly Calendar

2018 Jan Feb Mar Apr May Jun Jul Aug Sep Oct Nov Dec 2020

March 2019

Sunday		Monday	Tuesday	Wednesday	Thursday	Friday		Saturday
24	Feb	25	26	27	28	1	Mar	2
Paxton		6:00pm Investment Committee	12:00pm Parks & Rec 5:00pm Work Session: Assembly Action Plans 6:00pm Regular Assembly Mtg	Knox 6:00pm Police and Fire Commission	Knox 12:00pm Hospital Board Meeting 6:00pm Special Meeting: SCH / SEARHC Affiliation Project	Knox		Knox
3		4	5	6	7	8		9
Knox		Knox Nelson	Nelson Eisenbeisz 5:30pm Govt to Govt Dinner - Westmark	Nelson Eisenbeisz 6:00pm Library Commission 6:00pm School Board 7:00pm Planning Commission	Nelson Eisenbeisz 12:00pm SEDA Board Meeting	Nelson		
10		11	12	13	14	15		16
Paxton		Paxton 7:00pm Joint Budget Work Session with School Board - SHS Library	Paxton Nelson 12:00pm Parks & Rec 6:00pm Regular Assembly Mtg	Paxton Nelson 6:00pm Historic Preservation 6:15pm Port & Harbors Commission	Paxton Nelson 12:00pm LEPC 1:30pm Health Needs & Human Services Commission 6:00pm Special Meeting: Budget	Paxton Nelson		Paxton
17		18	19	20	21	22		23
Paxton		Paxton	Paxton 12:00pm Tree/Landscape 6:00pm Special Meeting: Chamber / Visit Sitka	Paxton 7:00pm Planning Commission	Paxton 6:00pm Work Session: Water Delivery	Paxton		Paxton
24		25	26	27	28	29		30
Paxton		Paxton	Paxton 6:00pm Regular Assembly Mtg	Paxton 6:00pm Police and Fire Commission	Paxton 6:00pm Hospital Board Meeting	Paxton		Paxton
31		1	2	3	4	5		6
Paxton		Paxton	Paxton	Paxton 6:00pm Library Commission 6:00pm School Board 7:00pm Planning Commission	Paxton Knox 12:00pm SEDA Board Meeting 6:00pm Special Meeting - School District Budget	Paxton Knox		Paxton Knox

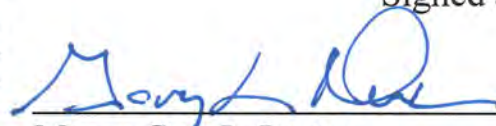
Service Award

On behalf of the City and Borough of Sitka is hereby awarded to

Connie Sipe

*this expression of grateful acknowledgment for your three years of
valued service rendered in the public interest while serving
on the Hospital Board. Thank you!*

Signed and sealed this 26th day of February, 2019



Mayor, Gary L. Paxton



ATTEST: Municipal Clerk, Sara Peterson



Service Award

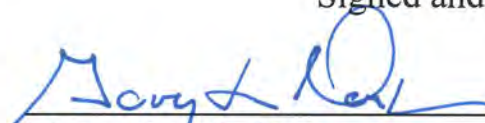
On behalf of the City and Borough of Sitka is hereby awarded to

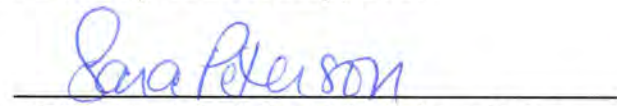
Rose Miller

*this expression of grateful acknowledgment for your over one year of
valued service rendered in the public interest while serving on the
Local Emergency Planning Committee. Thank you!*

Signed and sealed this 26th day of February, 2019




Mayor, Gary L. Paxton


ATTEST: Municipal Clerk, Sara Peterson


Service Award

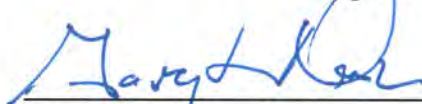
On behalf of the City and Borough of Sitka is hereby awarded to

Melissa Greenhalgh

*this expression of grateful acknowledgment for your four years of
valued service rendered in the public interest while serving on the
Port and Harbors Commission. Thank you!*

Signed and sealed this 26th day of February, 2019





Mayor, Gary L. Paxton



ATTEST: Municipal Clerk, Sara Peterson

GPIP Action Item Update

Leases awaiting Legal Review and Execution

1. PNW Civil Inc.

<i>GPIP Board Approved</i>	10/30/2018	<i>Assembly Approved</i>	NA
<i>Submitted to CBS</i>	11/9/2018	<i>Suggested Completion</i>	ASAP

Background

Lease of 34,863 SF of lot 6 of the GPIP to process rock and other materials and to stage construction equipment on a month to month basis. Lot will be cleared of rock and left as a level concrete and rock pad for future use to support the marine service sector.

- Revenue - \$1,626/month – ability for lease credits for the removal of unwanted concrete foundations in the GPIP.

2. Alaska Bulk Water Inc.

<i>GPIP Board Approved</i>	12/3/2018	<i>Assembly Approved</i>	NA
<i>Submitted to CBS</i>	01/17/2019	<i>Suggested Completion</i>	ASAP

Background

Lease or MOU between CBS and ABWI for the storage of 1,800 feet of 24" HDME water pipeline that ABWI had formerly installed as a floating bulk water pipeline in the CBS tidelands of the Sawmill Cove on Block 4, Lot 1. Allows option for future bulk water exporters to purchase water line from ABWI to facilitate bulk water export.

- Revenue - \$125/month.

Bid projects

1. Administration Building ITB.

<i>GPIP Board Approved</i>	1/25/2018	<i>Assembly Approved</i>	9/25/2018
<i>Submitted to CBS</i>	3/02/2018	<i>Completion</i>	12/20/2018
<i>Bid Due Date</i>	03/20/2018		

Background

The Administration Building ITB will allow the CBS to divest itself from the former APC building. The building is a non-performing asset and generates negative cash flow to the GPIIP Enterprise fund.

- Revenue - ~\$45,000/annually.

2. Utility Dock RFP

<i>GPIIP Board Approved</i>	12/18/2018	<i>Assembly Approved</i>	NA
<i>Submitted to CBS</i>	12/18/2018	<i>Completion</i>	1/11/2019
<i>Bid Due Date</i>	01/25/2019		

Background

The Utility Dock RFP will allow the CBS to divest itself from the former APC Utility Dock. The dock is a non-performing asset. Private industry has expressed interest in obtaining facility to repair and create local jobs.

- Revenue – The Utility dock has never been in adequate condition to lease. Private Job creation is possible with dock being repaired for use.

CBS Projects

1. Eckert Water Line Installation

<i>GPIIP Board Approved</i>	07/31/2017	<i>Assembly Approved</i>	09/12/2017
<i>Submitted to CBS</i>	9/27/2018	<i>Suggested Completion</i>	ASAP

Background

Eckert Fine Beverages established a water purchase agreement with the CBS in September 2017. Eckert needs infrastructure to fill containers with raw water to be shipped south to a bottling location. Per the water purchase agreement, Eckert is to design, fund, and construct a water loading station by tapping into the CBS raw water pipeline. The CBS has the right to approve the water line design and construction. The CBS will take over ownership of the water line to allow for future water exports.

- Eckert's Engineer is in need of direction from the CBS.
- Revenue is unknown at this time.

2. Rock removal

<i>GPIIP Board Approved</i>	9/24/2018	<i>Assembly Approved</i>	NA
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Submitted to CBS

9/24/2018

Suggested Completion

3/24/2019

Background

Rock from the Blue Dam Expansion project has been stored on Lots 16b, 19, & 20 since the project began in 2013 without an established lease or lease fee. The GPIIP Board set a 6 month deadline for 09/24/2018 for the CBS Electric Department to have the rock removed from the site and have the lots brought to the original topography level before the lots were used.

- Rock removal from lots or a lease be established with market rate rent.
- Revenue – Potential loss of \$16,785 annually in lease rents from not having the lots available to lease.

3. GPIIP Dock Camera/Phone

GPIIP Board Approved

11/22/2017

Assembly Approved

12/12/2017

Submitted to CBS

3/06/2018

Suggested Completion

ASAP

Background

The GPIIP Board and Assembly approved the installation of security cameras at the GPIIP Dock. The CBS IT Department is working with a private internet company to bring internet connectivity to the dock location.

- IT Department to install cameras and work with internet provider.
- Revenue – camera system will allow to dock to be monitor to ensure all revenue opportunities are captured.

4. Bulk Water Delivery Infrastructure

GPIIP Board Approved

3/29/2018

Assembly Approved

4/10/2018

Submitted to CBS

3/29/2018

Suggested Completion

ASAP

Background

The CBS is conducting an analysis of the operational capabilities of the existing bulk water delivery system. The GPIIP Board recommended and the Assembly approved a transfer of \$100,000 from the Raw Water Fund to complete the analysis.

- The GPIIP Board awaiting CBS Electrical Department report on operational capabilities of high pressure water delivery system (Completed 1/29/2019).
- A joint special meeting between the GPIIP Board and Assembly is needed as soon as possible to determine water delivery options.
- Revenue – unknown at this time.

5. GPIIP Access Ramp

<i>GPIIP Board Approved</i>	WIP	<i>Assembly Approved</i>	WIP
<i>Submitted to CBS</i>	1/9/2017	<i>Suggested Completion</i>	ASAP

Background

The GPIIP Board's strategic plan calls for the establishment of an Access Ramp to allow for vessels to be haul out at the GPIIP. The GPIIP Board recommended that the Assembly approve \$40,000 in the GPIIP FY18 capital budget for the design and engineering of an access ramp. The GPIIP Board recommended that the \$40,000 be rolled over into the FY19 budget and that another \$20,000 be included for wash-down pad design and engineering. The CBS hired PND Engineering to conduct conceptual design of access ramp and associated water treatment and wash-down facilities. PND met with the GPIIP Board in June and July 2018 to discuss cost of entire facility (\$6.8 million) and a phased development.

- CBS is working with PND for a cost estimate on phase development conceptual design.
-

6. Industrial Public Water Supply

<i>GPIIP Board Approved</i>	WIP	<i>Assembly Approved</i>	WIP
<i>Submitted to CBS</i>	12/13/2017	<i>Suggested Completion</i>	ASAP

Background

The GPIIP Board met with NSRAA at its December 2017 meeting to approve a lease of Lot 3 at the GPIIP to NSRAA to increase salmon production. NSRAA requested an increase of industrial water for hatchery operations. CBS Electric Department staff suggested that additional water allocations would need to be investigated in relation to water flow restrictions. The GPIIP Board requested that the CBS work with NSRAA on a new water agreement.

- The GPIIP Board is awaiting direction on allocation of industrial water for NSRAA hatchery operations and other industrial public water supply potential. (Completed 1/29/2019).
- A joint special meeting between the GPIIP Board and Assembly is needed as soon as possible to determine future of the remaining Public Industrial Water supply.

7.



City and Borough of Sitka

100 Lincoln Street • Sitka, Alaska 99835

MEMORANDUM

To: Mayor Paxton and Assembly Members
Keith Brady, Municipal Administrator

From: Jay Sweeney, Chief Finance and Administrative Officer

Date: February 21, 2019

Subject: White Paper on Effects of Governor Dunleavy's FY2020 Budget on Sitka

Summary

Governor Dunleavy's Amended FY2020 State of Alaska Budget, released on February 13, 2019, proposes cutting State of Alaska expenditures by almost one third, while also preserving the Permanent Fund Dividend ("PFD") and not imposing any new broad-based taxes.

In addition to cutting State expenditures, Governor Dunleavy has requested that legislation be introduced to permanently change or eliminate a wide variety of State programs which impact and benefit Municipalities. Governor Dunleavy has also proposed several constitutional amendments pertaining to the Permanent Fund and broad-based taxes.

The effect of the Governor's Budget will have profound implications on Municipalities and the City and Borough of Sitka. The Budget represents a profound and unparalleled cost shifting from the State to municipalities and will severely impact the ability of the CBS to deliver services to its citizens.

The Governor has stated that a key goal of his budget is to force a conversation among Alaskans as to what level of services – State and municipal – that they are willing to pay for.

This white paper describes the direct, indirect, and tangential impacts of the Governor's proposed budget on the City and Borough of Sitka. A key attachment is a Summary prepared by the Alaska Municipal league, entitled "Severing a 60-Year Partnership", which provides detail as to the broad range of proposed expenditure cuts in the Budget.

1. Direct Impacts on CBS – Loss of Direct Financial Support of \$5.9 Million/Yr.

- Elimination of School Bond Debt Reimbursement - \$2 Million/Yr.
- Elimination of Raw Fish Tax Revenue Sharing - \$1 Million/Yr.
- Reduction of K-12 Base Student Allocation - \$2.9 Million/Yr.

Loss of State Assistance in Harbor Funding – Elimination of Municipal Harbor Matching Grant Program – Variable from Year to Year

2. Indirect Impact on CBS – Loss of State Jobs/Reduction of State Spending In Sitka – Estimated at \$1.3 Million Year

State Jobs and Functions in Sitka, Along with Proposed State-Wide Cut

Alaska Marine Highway System – 66.8%

- Sitka Ferry Terminal employees

Alaska Pioneer Homes – 2%

- Sitka Pioneer Home

Mount Edgecumbe High School - 5.1% operations/31.5% maintenance

- Sale or transfer of Aquatic Center proposed

State Trooper Academy

Fish and Wildlife – 6.6%

- Biologists
- Fish and Wildlife Enforcement

University of Alaska Southeast

- Sitka Campus
- On-line Education

Department of Transportation

- Halibut Point Road and Sawmill Creek Road plowing and maintenance
- Sitka Airport

Alaska Court System

3. Tangential Detrimental Effects on Sitka

Proposed Sale/Privatization/Transfer/Elimination of Alaska Marine Highway System

- Effect on SEARHC
- Effect on visitor industry
- Effect on local commerce – sales tax revenue
- Effect on student activities

Loss of related jobs & tax revenue from reduction of State spending and State jobs in Sitka

Impacts to public health and SEARHC through cuts to Medicaid reimbursement

Impacts on most vulnerable in Sitka through cuts to Public Assistance



Severing a 60 Year Partnership

Big Picture – Budget and Implications

- Those municipalities that contribute the greatest to the state's GDP, experience the brunt of cuts and cost-shifting
- Indirect costs to municipalities are the more significant challenge
- These cuts do not reduce state government, they eliminate the state's support for institutions that are fundamental to quality of life and economic health

Total Costs to 24 Highest-Value Municipalities

Based on only five variables

\$774,822,158

Cost-shifting as % of Tax Revenue = 49.02%

School Bond Debt Reimbursement \$105,000,000

Background: State had committed to paying 70% of all school bond debt, with 30% match by communities, but with clause that held municipalities liable for 100%. There's a current moratorium, but this represents past obligations.

Challenge: The total debt accrued equals \$961,000,000.

Options:

1. Absorb through current or added revenues
2. Examine legal options based on past payments by State creating condition of confidence
3. Not paying affects credit rating

Impact:

- Other priorities removed from budgets
- Taxes increase

Action: AML opposes

Affects this year:

• Aleutians East Borough	\$654,762
• Municipality of Anchorage	\$43,153,298
• City of Cordova	\$962,072
• City of Dillingham	\$744,230
• Fairbanks North Star Borough	\$10,064,193
• Haines Borough	\$904,190
• City of Hoonah	\$14,350
• City and Borough of Juneau	\$8,551,446
• Kenai Peninsula Borough	\$2,845,713
• Ketchikan Gateway Borough	\$2,774,671
• Kodiak Island Borough	\$5,745,835
• Lake and Peninsula Borough	\$962,352
• Mat-Su Borough	\$19,954,904
• City of Nome	\$221,202
• North Slope Borough	\$75,119
• Northwest Arctic Borough	\$4,080,264
• Petersburg Borough	\$466,050
• City and Borough of Sitka	\$2,458,721
• City of Unalaska	\$670,819
• City of Valdez	\$1,686,718
• City and Borough of Wrangell	\$168,035

Education \$332,421,200

Background: The BSA was reduced by \$1,100 per student, in a proposed \$280M reduction of education funding. Also eliminated was last year's \$30M addition.

Challenge: Beyond impacts to schools and students, local governments will need to evaluate their local contribution.

Options:

1. Work with the legislature to address different approaches to education
2. Remove maximum local contribution cap or suggest other alternatives
3. Partner with districts to flat out oppose

Impact:

- Local taxes increase to offset state cuts and contribute to schools
- Increased class sizes, fewer teachers, reduced administration, maintenance backlog increases

Examples of cuts to education formula:

Aleutians East	\$1,055,141
Anchorage	\$74,364,715
Cordova	\$959,309
Dillingham	\$1,450,528
Fairbanks	\$26,766,900
Haines	\$521,391
Juneau	\$8,406,516
Kenai	\$18,256,328
Ketchikan	\$5,674,708
Kodiak	\$5,803,116
Lake and Pen	\$2,078,416
Mat-Su	\$38,542,561
Nome	\$1,889,891
North Slope	\$3,963,927
Northwest Arctic	\$8,379,818
Petersburg	\$1,387,439
Sitka	\$2,893,763
Unalaska	\$1,007,733
Valdez	\$1,169,462
Wrangell	\$880,991

Based on 22.9% reduction to FY19 #s

Fisheries Business Tax

Fisheries Resource Landing Tax

\$25,900,000
\$6,300,000

Background: State reimburses local governments collection of these taxes.

Challenge: This represents 22% of Bristol Bay's budget, or 27% of Aleutians East. The two together represent 24% of Unalaska's budget

Impact:

- Dramatic loss of services to economic actors in region
- Threats to public service delivery and infrastructure

Action: AML opposes rescission (claw back) and preemption (prohibiting collection).

Business Tax - top

Lake and Peninsula Borough	\$256,767
Wrangell	\$314,455
Juneau	\$389,022
Dillingham	\$398,350
Ketchikan	\$404,971
Ketchikan Gateway Borough	\$404,971
Seward	\$440,958
Sand Point	\$458,805
King Cove	\$499,257
Kenai Peninsula Borough	\$771,171
Petersburg	\$877,158
Saint Paul	\$892,296
Kodiak	\$926,525
Sitka	\$953,324
Kodiak Island Borough	\$1,022,586
Akutan	\$1,090,445
Cordova	\$1,160,157
Aleutians East Borough	\$2,093,687
Bristol Bay Borough	\$2,705,606
Unalaska	\$3,649,322

Business Tax - bottom

Pilot Point	\$31
Houston	\$60
Wasilla	\$67
Akhiok	\$99
Fairbanks North Star Borough	\$101
North Pole	\$101
Matanuska-Susitna Borough	\$127

Landing Tax

Sand Point	\$102
Seward	\$2,071
Kenai Peninsula Borough	\$4,469
Akutan	\$4,916
Aleutians East Borough	\$5,017
Petersburg	\$5,766
Kodiak	\$9,587
Saint Paul	\$9,833
Kodiak Island Borough	\$12,985
Atka	\$23,950
Togiak	\$35,339
Yakutat	\$39,078
Adak	\$74,247
Unalaska	\$4,291,531

Petroleum Property Tax

Background: State exempts oil and gas property from municipal taxation, but credits that funding back to municipalities. Change removes funding from municipalities, as State preempts collection.

Challenge: This represents 97% and 80% of North Slope Borough and City of Valdez budgets, respectively.

Options:

1. Work with legislature to ensure this bill does not move forward
 1. Could they still just not pay it?
2. Collaborate with industry to push back

Impact:

- Savings offset abrupt closure, but both see drastic reductions
- Current services, powers and program revert to the State

Action: AML opposes rescission (claw back) and preemption (prohibiting collection).

\$439,500,000

Affects this year:

• Municipality of Anchorage	\$2,000,000
• Fairbanks North Star Borough	\$11,800,000
• Kenai Peninsula Borough	\$15,000,000
• Mat-Su Borough	\$100,000
• North Slope Borough	\$372,100,000
• City of Valdez	\$38,400,000
• City of Cordova	\$100,000

Local contribution is calculated utilizing “the full and true value of the taxable real and personal property in the district as of January 1 of the second preceding fiscal year”. If the assessed value of AS 43.56 property is no longer taxable at the local level, not only will districts lose funding as a reduction in the state foundation formula but both the required and maximum local contribution will be reduced. Because there is a two-year, taxable value look back, the City or Borough would be required to contribute for two-years on an amount including the current taxable value of AS 43.56 but without the tax revenue from those assets to pay for the required contributions.

Community Assistance

\$30,000,000

Background: In place since 1968, this is a redistribution of state resource wealth for equitable use by local governments to provide essential services and keep local tax rates low.

Challenge: This is a necessary resource for approximately 30% of communities that don't have a tax base.

Options:

1. Absorb through current revenues – difficult with addition of other cost-shifting
2. Increase taxes – 25% of local governments did this in the 2000s, when revenue sharing went away under Murkowski
3. Close – this represents more than 70% of 14 local government budgets, and they will no longer be able to operate

Impact:

- Local government services revert to the state
- Local governments divest of powers
- Local governments increase taxes

Affects every single community, with ranges from:

- Small cities - \$75-80,000
- Medium cities - \$80-95,000
- Large cities - \$115-250,000
- Boroughs - \$300-900,000
- Largest boroughs - \$1.4-6.1 M

\$30M will be paid out this year, but removed from all future budgets.

An additional \$20M will be paid out as 50% of Alcohol Tax.

“Open for business” but closing doors

Municipality	SchoolBond	PetPropTax	FishBus	FishLand	EducCuts	Total cuts	FY17TaxRev	Cuts%ofTaxRev
Aleutians East Borough	\$654,762		\$2,093,687	\$5,017	\$1,055,141	\$3,808,607	\$ 4,714,403	80.79%
Bristol Bay Borough			\$2,705,606		\$234,134	\$2,939,740	\$ 7,139,215	41.18%
City & Borough of Juneau	\$8,551,446		\$389,022		\$8,406,516	\$17,346,984	\$ 100,925,169	17.19%
City & Borough of Sitka	\$2,458,721		\$953,324		\$2,893,763	\$6,305,808	\$ 18,676,883	33.76%
City & Borough of Wrangell	\$168,035		\$314,455		\$880,991	\$1,363,481	\$ 4,401,243	30.98%
City & Borough of Yakutat			\$218,773	\$39,078	\$213,866	\$471,717	\$ 100,925,169	0.47%
City of Akutan			\$1,090,445	\$4,916		\$1,095,361	\$ 3,337,019	32.82%
City of Cordova	\$962,072	\$100,000	\$1,160,157		\$959,309	\$3,181,538	\$ 5,789,958	54.95%
City of Dillingham	\$744,230		\$398,350		\$1,450,528	\$2,593,108	\$ 5,231,615	49.57%
City of Kodiak			\$926,525	\$9,587		\$936,112	\$ 12,182,890	7.68%
City of Nome	\$221,202		\$50,692		\$1,889,891	\$2,161,785	\$ 8,449,441	25.58%
City of Unalaska	\$670,819		\$3,649,322	\$4,291,531	\$1,007,733	\$9,619,405	\$ 22,216,120	43.30%
City of Valdez	\$1,686,718	\$38,400,000			\$1,169,462	\$41,256,180	\$ 44,088,866	93.58%
Fairbanks North Star Borough	\$10,064,193	\$11,800,000			\$26,766,900	\$48,631,093	\$ 113,690,918	42.77%
Haines Borough	\$904,190		\$128,174		\$521,391	\$1,553,755	\$ 5,954,861	26.09%
Kenai Peninsula Borough	\$2,845,713	\$15,000,000	\$771,171	\$4,469	\$18,256,328	\$36,877,681	\$ 97,026,067	38.01%
Ketchikan Gateway Borough	\$2,774,671		\$404,971		\$5,674,708	\$8,854,350	\$ 17,876,648	49.53%
Kodiak Island Borough	\$5,745,835		\$1,022,586	\$12,985	\$5,803,116	\$12,584,522	\$ 17,335,413	72.59%
Lake & Peninsula Borough	\$962,352		\$256,767		\$2,078,416	\$3,297,535	\$ 1,778,179	185.44%
Matanuska-Susitna Borough	\$19,954,904	\$100,000	\$127		\$38,542,561	\$58,597,592	\$ 134,158,246	43.68%
Municipality of Anchorage	\$43,153,298	\$2,400,000	\$92,250		\$74,364,715	\$120,010,263	\$ 595,642,854	20.15%
North Slope Borough	\$75,119	\$372,100,000			\$3,963,927	\$376,139,046	\$ 397,620,565	94.60%
Northwest Arctic Borough	\$4,080,264				\$8,379,818	\$12,460,082	\$ 597,764	
Petersburg Borough	\$466,050		\$877,158	\$5,766	\$1,387,439	\$2,736,413	\$ 6,402,255	42.74%

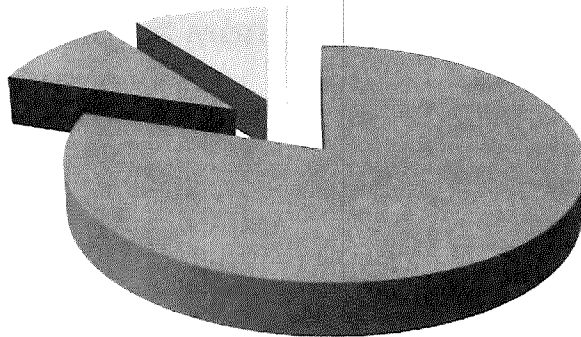
Additional Cuts

- University of Alaska would see a \$155 million cut
 - Fairbanks
 - Anchorage
 - Juneau
 - Kodiak
 - Nome
 - Sitka
- Health spending would be cut \$270 million
 - Bartlett Regional Hospital, Juneau
 - Central Peninsula, Soldotna
 - Cordova Community Medical Center
 - PeaceHealth Ketchikan Medical Center
 - Petersburg Medical Center
 - Sitka Community Hospital
 - Wrangell Medical Center

Alaska Marine Highway System

Alaska Marine Highway System Fund UNRESTRICTED OPERATING REVENUES

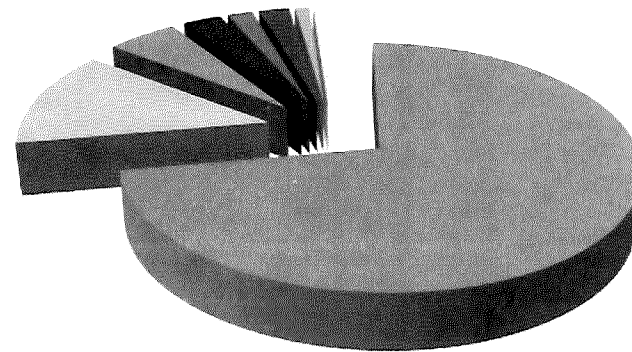
For the fiscal year ended June 30, 2018
\$47.3 MILLION



Ticket Sales	80.0%
State Room Sales	10.0%
Passenger Services Sales	10.0%
Other Unrestricted Revenue	0.0%

Alaska Marine Highway System Fund OPERATING EXPENDITURES

For the fiscal year ended June 30, 2018
\$142.0 MILLION



Marine Vessel Operations	72.0%	Operations Management	2.9%
Marine Fuel	13.3%	Overhaul	1.1%
Shore Operations	5.4%	Marine Engineering	1.9%
Reservations and Marketing	1.1%	Support Services	2.3%

Expected to end service in October; 65% cut and planned divestiture
State support of \$71,949,000 in FY18

SB 59: Repeal of HB528

\$32,450,199

Background: State commitment in 2003 to fund DOT port and harbor projects, and AEA projects, transferred by the State to municipalities but requiring substantial investment in capital maintenance and upgrades.

DOT

• Mat Su Borough – deep water port and road upgrade	FY20 \$712,513	Total \$4,972,002
• Aleutians East Borough/False Pass – small boat harbor	FY20 \$166,400	Total \$2,867,653
• City of Valdez – harbor	FY20 \$210,375	Total \$2,730,534
• Aleutians East Borough/Akutan – small boat harbor	FY20 \$215,308	Total \$3,604,242
• Fairbanks North Star Borough – Eielson AFB schools	FY20 \$333,193	Total \$4,737,896
• City of Unalaska – harbor improvement	FY20 \$365,695	Total \$6,624,136

AEA

• Kodiak Electric Association	FY20 \$943,676	
• Copper Valley Electric Association, Valdez	FY20 \$351,180	Total \$5,970,060

Total Impact		\$32,450,199
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Power Cost Equalization

Established in 1985

Provides economic assistance to communities and residents in areas where kWH costs are 3 to 5 times as high as the average of urban areas.

PCE was established at the same time that urban communities benefited from major state-subsidized energy projects such as the Four Dam Pool, Bradley Lake, and the Alaska Intertie.

Rural communities not on the road system that are dependent on diesel fuel do not benefit from the large subsidized energy projects, and PCE is a cost-effective alternative to provide comparable rate relief to rural residents.

\$1,016,263,132

City of Angoon	\$255,108.21
City of Quinhagak	\$265,129.47
City of Mountain Village	\$277,312.35
City of Saint Mary's	\$285,683.91
City of Chevak	\$288,114.53
City of Kake	\$298,322.13
City of Togiak	\$322,917.24
City of Selawik	\$339,059.89
City of Hooper Bay	\$342,048.11
City & Borough of Yakutat	\$351,731.65
City of Emmonak	\$357,551.25
City of Fort Yukon	\$411,483.51
City of Sand Point	\$420,266.88
City of Cordova	\$489,000.35
City of Hoonah	\$613,081.96
City of Unalaska	\$654,258.99
City of Nome	\$673,631.40
City of Dillingham	\$745,993.70
City of Kotzebue	\$942,900.04
City of Bethel	\$971,701.99

Department of Administration

- DoA – muni and school district admin hearing services \$75m, program receipts / Total \$175,000,000 in FY20
- DoA – reverse funding for Health Care Cost Reduction and Health Care reform / \$1 million
- p82 – DoA - In addition, the future liabilities for Other Post-Employment Benefits (OPEB) are reduced by an estimated \$520,000.0 to \$694,000.0 for the Public Employee Retirement System (PERS) and Teachers Retirement System (TRS). This in turn results in a reduction in the state assistance payment of \$40,000.0 to \$52,000.0 annually
- DOA – Public Broadcasting / zeroed out - \$3,496,100

Department of Commerce and Community Development

- 17.8% reduction to DCRA
- \$1 million general reduction via “efficiencies” – do less with less
- ABC board?
- AEA – PCE \$32,736,800 from GF (program plus distribution)
- Community Assistance missing, but statutorily obligated
 - \$20 million this year
 - \$13.3 million this year, \$8.9 million, \$5.9 million \$0 in FY24

Department of Military and Veterans Affairs

- Elimination of Local Emergency Planning Committee (\$300,000)
- Elimination of Alaska State Defense Force
- Reduction of Alaska Military Youth Academy by 27% (\$5.7M)

Department of Public Safety

- Reduction by 6% of Fire and Life Safety - \$313,700
- Reduction by 13% of Alaska State Troopers - \$21,343,300
- Reduction by 22% of Village Public Safety Officers - \$3,098,300
- Reduction by 33.8% of Police Standards Council - \$656,500
- Elimination of Civil Air Patrol

Department of Transportation & Public Facilities

- Elimination of Harbor Facility Grant Program - \$7,500,000

Department of Education ~~and Early Development~~

- \$30M reduction of one time additional foundation funding
- Elimination of early learning coordination (\$7.6M) and Pre-K grants (\$3.2M)
- Elimination of Alaska State Council on the Arts (\$3.8M)
- Mt. Edgecumbe reductions (\$1.1M)
- OWL eliminated (\$671,000)
- WWAMI eliminated (\$3.9M)

Department of Environmental Conservation

- Air Quality reduced by 4.4% (\$474,000)
- Water Quality reduced by 16.6% (\$3.7M)
- Spill Prevention and Response reduced by 5% (\$390,000)
- Elimination of Ocean Ranger program, created by ballot initiative in 2006
- Elimination of State dairy program

Not bad things

These programs remain
in the budget for now.

Approx. \$310,726,800

PCE	\$32,355,000
AMLR	\$4,263,100
PILT (\$10,428,200) and SRS (\$600,000 est)	
AEA Rural Energy Assistance	\$6,668,300
ASMI	\$20,360,300
Regional and Community Jails	\$7,000,000
Spill Prevention and Response	\$19,747,600
Fish and Game	Maintained
DEC Water	\$19,056,900
Public Assistance	Maintained
VPSO	\$10,977,400
Municipal Bond Bank	\$1,006,600
PERS on behalf payment	\$159,055,000
Fisheries taxes	\$3,100,000
Shared taxes and fees	
• Electric and telephone coop tax	\$4,600,000
• Liquor license fee	\$900,000
• Aviation fuel tax or surcharge	\$136,600
• Commercial vessel passenger tax	\$21,500,000

Communications

- Alaskans as citizens deserve their share of the state's resource wealth. Alaskans as taxpayers deserve public services that their wealth contributes to.
- Governor Dunleavy's proposal increases taxes and eliminates essential services.
- All cuts are not created equal.
- "Prudent behavior" by local governments rewarded by cost-shifting and burdens.
- Erosion of quality of life, loss of jobs, etc. = preparation for recession (i.e.; rainy day).
- Budget plan accepts status quo as good enough for Alaskans – no growth scenario.

Solutions – broad policy

“Anything you take off the table has to be replaced” – Mike Barnhill, OMB Policy

- Use of Earnings Reserve
- Implementation of broad-based tax
- Reduce or reallocate payout of PFD
 - Equitable distribution of PFD
- Decrease repayment of oil tax credits
- Reduce actual size of State government

The Governor has requested solutions

Improve local government ability to adapt to cost-shifting:

- Municipal severance tax
- Raise municipal tax cap, and maximum level of education contribution
- Reduce Title 29 compliance requirements and burdens
- School taxing authority, with municipal oversight
- 5% resource revenue sharing to form municipal-held community dividend
- Intergovernmental agreement to accept federal PILT and SRS funds within Unorganized Borough
- Impact Aid as part of local contribution – break the formula

AML willing to:

- DCRA grant management to AML - unfunded
- DCRA RUBA program to AML – federal funds
- LGS program to AML – 50% funding levels



CITY AND BOROUGH OF SITKA

Legislation Details

File #: 19-040 Version: 1 Name:

Type: Item Status: AGENDA READY

File created: 2/20/2019 In control: City and Borough Assembly

On agenda: 2/26/2019 Final action:

Title: Special Reports: 1) SCH / SEARHC Affiliation Project - Sarah Cave, and, 2) Update on the Southeast Conference Mid-Session Summit and Alaska Municipal League Winter Legislative Conference - Jay Sweeney, Chief Finance and Administrative Officer

Sponsors:

Indexes:

Code sections:

Attachments: [Scheduled Special Reports](#)

Date	Ver.	Action By	Action	Result
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Scheduled Special Reports

- 1) SCH / SEARHC Affiliation Project -
Sarah Cave**
- 2) Update on the Southeast Conference Mid-Session Summit
and Alaska Municipal League Winter Legislative Conference –
Jay Sweeney, Chief Finance and Administrative Officer**



CITY AND BOROUGH OF SITKA

Legislation Details

File #: 19-037 Version: 1 Name:

Type: Item Status: AGENDA READY

File created: 2/20/2019 In control: City and Borough Assembly

On agenda: 2/26/2019 Final action:

Title: Approve the minutes of the January 22, 24, 29, 31 and February 12 Assembly meetings

Sponsors:

Indexes:

Code sections:

Attachments: [Motion](#)
[January 22](#)
[January 24](#)
[January 29](#)
[January 31](#)
[February 12](#)

Date	Ver.	Action By	Action	Result
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CONSENT AGENDA

POSSIBLE MOTION

**I MOVE TO APPROVE THE CONSENT AGENDA
CONSISTING OF ITEM A**

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
January 22, 24, 29, 31 and February 12
Assembly meetings.



CITY AND BOROUGH OF SITKA

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

Minutes - Draft

City and Borough Assembly

*Mayor Gary Paxton
Deputy Mayor Steven Eisenbeisz,
Vice Deputy Mayor Valorie Nelson,
Aaron Bean, Kevin Knox, Dr. Richard Wein, Kevin Mosher*

*Municipal Administrator: Keith Brady
Municipal Attorney: Brian Hanson
Municipal Clerk: Sara Peterson*

Tuesday, January 22, 2019

6:00 PM

Assembly Chambers

5:00 PM WORK SESSION: FY18 FINANCIALS

19-022 Work Session Materials: FY18 Financials

Joy Merriner, Assurance Partner with BDO reviewed the results of the audit from FY2018 and the comprehensive annual financial report (CAFR).

REGULAR MEETING

I. CALL TO ORDER

II. FLAG SALUTE

III. ROLL CALL

Present: 6 - Eisenbeisz, Knox, Bean, Wein, Mosher, and Nelson

Absent: 1 - Paxton

IV. CORRESPONDENCE/AGENDA CHANGES

19-019 Reminders, Calendars and General Correspondence

None.

V. CEREMONIAL MATTERS

None.

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

Sitka Community Hospital Director Rob Allen reported on an upcoming board meeting, staffing, patient numbers, and financial performance.

Tribal Chairman of Sitka Tribe of Alaska KathyHope Erickson reported the food pantry was open for Federal employees and invited the assembly to the annual meeting.

VII. PERSONS TO BE HEARD

None.

VIII. REPORTS

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

Administrator - Brady noted the Sitka Community Hospital and SEARHC negotiations took place, another to be held on Monday. He gave an update on the Human Resources Director, IT Director, and Planning Director positions. He stated staff had met with the Greater Sitka Chamber of Commerce regarding a contract.

Attorney - Hanson reported his attendance at the negotiation meeting in Seattle for the hospital merger.

Liaison Representatives - Knox reported on the Port and Harbors meeting; Wein on the Library Commission meeting and the Health Needs and Human Services meeting; Eisenbeisz on the Tree and Landscape Committee meeting; Mosher on the School Board meeting.

Other - Bean noted the lawsuit filed by Sitka Tribe of Alaska regarding subsistence herring eggs and that a hearing would be held.

IX. CONSENT AGENDA

A motion was made by Nelson that the Consent Agenda consisting of items A, B, and C be APPROVED. The motion PASSED by the following vote

Yes: 6 - Eisenbeisz, Knox, Bean, Wein, Mosher, and Nelson

Absent: 1 - Paxton

A 19-013 Approve the minutes of the January 8, 2019 Assembly meeting

This item was APPROVED ON THE CONSENT AGENDA.

B 19-014 Approve a liquor license renewal application, and duplicate license renewal application (downstairs), for Mean Queen at 205 Harbor Drive

This item was APPROVED ON THE CONSENT AGENDA.

C RES 19-02 Adopting an alternative allocation method for the FY19 Shared Fisheries

Business Tax Program and certifying that this allocation method fairly represents the distribution of significant effects of fisheries business activity in FMA 18: Central Southeast Area

This item was APPROVED ON THE CONSENT AGENDA.

X. BOARD, COMMISSION, COMMITTEE APPOINTMENTS

- D 19-016** Reappoint Daniel Gunn to a three-year term on the Library Commission and appoint Christopher Brewton to a three-year term on the Employment Relations Board (City representative seat)

Knox thanked the applicants.

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

Yes: 6 - Eisenbeisz, Knox, Bean, Wein, Mosher, and Nelson

Absent: 1 - Paxton

XI. UNFINISHED BUSINESS:

- E ORD 19-01** Making supplemental appropriations for Fiscal Year 2019 (*Harrigan Centennial Hall Staffing and Security Monitoring Video Equipment*)

Knox noted the importance to provide staffing. Municipal Administrator Keith Brady stated joint meetings with the Greater Sitka Chamber of Commerce would continue. Eisenbeisz thought that security camera costs for projects going forward should be included.

A motion was made by Nelson that this ordinance be APPROVED ON SECOND and FINAL READING. The motion PASSED by the following vote.

Yes: 6 - Eisenbeisz, Knox, Bean, Wein, Mosher, and Nelson

Absent: 1 - Paxton

XII. NEW BUSINESS:

New Business First Reading

- F ORD 19-02** Making supplemental appropriations for Fiscal Year 2019 (PERS On-Behalf Payments)

Jay Sweeney Chief Finance and Administrative Officer explained the unfunded pension liability obligation and need for it to be recorded as revenues and expenditures for accounting purposes.

A motion was made by Knox that this ordinance be APPROVED ON FIRST READING. The motion PASSED by the following vote.

Yes: 6 - Eisenbeisz, Knox, Bean, Wein, Mosher, and Nelson

Absent: 1 - Paxton

G ORD 19-03**Making supplemental appropriations for Fiscal Year 2019 (Utility Subsidization)**

Municipal Administrator Keith Brady noted this appropriation transferred funds in order to pay out the subsidy. Controller Melissa Haley stated this was an appropriation for the remainder of the fiscal year.

A motion was made by Knox that this ordinance be APPROVED ON FIRST READING. The motion PASSED by the following vote.

Yes: 6 - Eisenbeisz, Knox, Bean, Wein, Mosher, and Nelson

Absent: 1 - Paxton

Additional New Business Items**H 19-021****Rescind the January 8 appointments of Mary Ann Hall and David Lam to the Sitka Community Hospital Board due to administrative errors**

Eisenbeisz noted there was an error in advertising of the seat specific board. He explained that it would take five affirmative votes to rescind according to Sitka General Code.

David Lam noted the code was clear that the positions had certain expertise and was in support of rescinding, stating he felt he was not qualified for the financial seat.

Nelson and Wein were not in support to rescind. Bean said that the rescind was a procedural matter and to keep in compliance with code and was necessary. Municipal Attorney Brian Hanson stated the two seats were category specific per the code and by appointing without the title would violate code. Eisenbeisz stated the code was not upheld and rescinding was necessary. Nelson thought there was a member of the assembly that had a substantial financial interest that created a conflict of interest. Eisenbeisz ruled no conflict.

A motion was made by Knox to rescind the January 8 appointments of Mary Ann Hall and David Lam to the Sitka Community Hospital Board due to an administrative error. The motion FAILED by the following vote.

Yes: 3 - Eisenbeisz, Knox, and Bean

No: 3 - Wein, Mosher, and Nelson

Absent: 1 - Paxton

I 19-020**Approve Consents of Assignment of two tidelands leases, seaward of the uplands property located at 204 Siginaka Way, from K&R Enterprises, Inc. to Sitka Tribe of Alaska**

Wein was in favor of the transfer of owners however, thought the contract needed updating. Eisenbeisz stated he was a proponent for standardizing leases however, wondered if now was an appropriate time. Municipal Attorney Brian Hanson noted it could affect K&R's plans of selling and financing in process. Wein was not in favor of long term leases. Bean disclosed that he was a tribal citizen and his children receive gifts and possible scholarships. Eisenbeisz ruled no conflict. Knox noted the 55 year term, however had concerns of the implications of not transferring.

Director of Sitka Tribe of Alaska Lisa Gassman noted financing would be stalled if the lease was not transferred. Travis Vaughn, Owner of Remax Realty echoed that the lender required the lease be assigned.

A motion was made by Mosher to approve Consents of Assignment of two tidelands leases, seaward of the uplands property located at 204 Siginaka Way, from K&R Enterprises, Inc. to Sitka Tribe of Alaska and authorize the Municipal Administrator to sign these documents. The motion PASSED by the following vote.

Yes: 6 - Eisenbeisz, Knox, Bean, Wein, Mosher, and Nelson

Absent: 1 - Paxton

J 19-018

Discussion / Direction of the Police Officer Recruitment and Retention Plan

Police Chief Jeff Ankerfelt noted the difficulties with attracting and retaining Police Officers. He told of challenges such as the reduction in officers. He noted the overtime cost in the last 5 years, and proposed to raise the base rate wage, compress the wage scale, and include a pay increase.

Nelson had concerns with the wage increase, other staff, and wondered of health benefits. Municipal Administrator Keith Brady noted PSEA employees did not pay toward health benefits and were covered at 100%. Mosher had concerns of the budget and other staff within the department. Ankerfelt relayed concerns with turnover which has cost the city, a poor working environment, and understaffing. Bean was unsure if increasing wages would help with the turnover rate, was cognizant Police Officers were underpaid, and mentioned different factors for retaining officers in Sitka.

Brady noted that the State Troopers had attracted officers with their wage increase. He explained that the budget would be a wash, with the current cost of overtime. Ankerfelt noted the high rate of turnover for jailers and dispatch and explained that officers were not getting time off. Wein thought it important to consider a new Police Chief with different recruitment ideas. Nelson thought it would be beneficial to see similar communities pay wages and had concerns with morale.

A motion was made by Nelson to SUSPEND THE RULES to allow for public comment. The motion PASSED by the following vote.

Yes: 5 - Eisenbeisz, Knox, Wein, Mosher, and Nelson

No: 1 - Bean

Absent: 1 - Paxton

Mary Ferguson an employee of the Sitka Police Department (SPD) gave history and told of lawsuits. She thought that a wage increase would not fix recruitment. Ryan Silva an employee of the SPD told of the workplace environment. David Nelson President of the PSEA Chapter in Sitka was in support. He told of concerns with giving wage increase to only the Police Officers and stated PSEA should be a part of the discussion. Jackie O'Jala Secretary of the PSEA in Sitka and a civilian employee echoed Nelson and told of upcoming negotiations. SPD Lt. Lance Ewers told of the importance of recruiting the right type of person for Sitka. Pat Alexander Chairperson of Tlingit and Haida, SPD Officer Jayson Christner, and Charles Bingham were in support.

D. Nelson researched two years ago SPD wages and at that time were low compared to others in the State. He stated there had only been one step increase in the last few

years. He noted that Jailer positions were down two positions out of five. O'Jala explained the high turnover for Dispatch positions. Mosher would like to see an increase of \$4 more per hour. He felt the union should be involved, and would like to see an increase for other employees at the SPD. He noted that exit interviews were imperative. Staff was directed to pursue the Police Department Recruitment and Retention Plan, to include union representatives and all Police Department staff, and to draw comparisons of five similar communities around the State.

K 19-017

Discussion / Direction to waive late fees levied on utility bills for federal employees affected by the government shutdown

Eisenbeisz explained that this item was a discussion on removing the 1% late payment penalty fee for the period covered during the government shutdown. Nelson recused herself as a furloughed employee of the Federal Government. Mosher was in support. Bean thanked the Coast Guard and those doing their job without pay. Wein was in support. Eisenbeisz noted the recommendation from staff of a period covered by the current partial government shutdown.

Charles Bingham, Valorie Nelson speaking as a member of the public, and Helen Craig were in support.

Municipal Attorney Brian Hanson clarified that an "employee" would not include contractors. Municipal Administrator Keith Brady added that staff would create a process, that proof of employment was needed.

A motion was made by Knox to recommend staff allow federal employees who are affected by the shutdown, be able to come to city hall and request the 1% late fee levied on their utility bills be waived for the period covered by the current partial government shutdown.

Yes: 5 - Eisenbeisz, Knox, Bean, Wein, and Mosher

Absent: 1 - Paxton

Recused: 1 - Nelson

L 19-015

Discussion of the recent ruling in the cruise ship industry lawsuit against the City and Borough of Juneau (CBJ), with respect to passenger fees assessed against the cruise ship industry by CBJ, and the implications for the City and Borough of Sitka with respect to commercial passenger excise tax funds

Eisenbeisz explained a lawsuit against the City and Borough of Juneau (CBJ) with respect to the passenger fees assessed against the cruise ship industry that limited how funds should be spent. Municipal Attorney Brian Hanson further explained that the lawsuit was from CBJ's Commercial Passenger Excise Tax (CPET) funds and how and what the funds were used for. He stated city projects were reevaluated. Municipal Administrator Keith Brady noted projects to be reconsidered: cross trail, sea walk, security for Crescent Harbor, and bus transportation. He suggested replacing the CPET funds for the projects with the Visitor Enhancement Fund or other. He noted that funding already spent was not reevaluated. Wein was in support of reevaluating. Brady stated he was working on the bus transport plan. Hanson told of risk with those contracts that were in progress.

XIII. PERSONS TO BE HEARD:

KathyHope Erickson Sitka Tribe of Alaska (STA) Tribal Chairman told of free

transportation for employees of the federal government due to the shutdown on The Ride and stated that STA would like to be a part of the hire process for the Police Chief.

XIV. EXECUTIVE SESSION

None.

XV. ADJOURNMENT

A motion was made by Knox to ADJOURN. Hearing no objections, the meeting ADJOURNED at 9:19 p.m.

ATTEST: _____
Melissa Henshaw, CMC
Acting Municipal Clerk



CITY AND BOROUGH OF SITKA

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

Minutes - Draft

City and Borough Assembly

*Mayor Gary Paxton
Deputy Mayor Steven Eisenbeisz,
Vice Deputy Mayor Valorie Nelson,
Aaron Bean, Kevin Knox, Dr. Richard Wein, Kevin Mosher*

*Municipal Administrator: Keith Brady
Municipal Attorney: Brian Hanson
Municipal Clerk: Sara Peterson*

Thursday, January 24, 2019

6:00 PM

Assembly Chambers

SPECIAL MEETING

I. CALL TO ORDER

II. FLAG SALUTE

III. ROLL CALL

Present: 6 - Eisenbeisz, Knox, Wein, Paxton, Mosher, and Nelson

Absent: 1 - Bean

IV. PERSONS TO BE HEARD

None.

V. NEW BUSINESS:

A 19-023 Discussion / direction / decision of the Enterprise Funds

Municipal Administrator Keith Brady stated the meeting would be an overview of the enterprise funds that did not include new infrastructure. He gave a general timeline. He told of scenarios that would be gone over with regards to rate increases for each fund. Chief Finance and Administrative Officer Jay Sweeney prefaced the presentation on the need to continue to provide uninterrupted service and how to maintain the infrastructure by looking 10, 20, to 30 years into the future. He stated there would be historical context, and review of current and future compacity with regards to infrastructure. He told of approval of the operating appropriations, capital expenditure plans, user fees, and debt financing which, he told, were all interlinked. He asked for guidance from the assembly. Wein commented on the process and had concerns with the timeline. Mayor Paxton stated if the assembly was not ready in February, decisions could be further out.

Controller Melissa Haley began with a brief history of the electric, water, and

wastewater funds and noted the likelihood of lack of state funding going forward. She went over the electric fund's operating revenue, expense, debt, capital outlays, and user fee scenarios. Sweeney stated that the bonds for both Green Lake and Blue Lake were bonded together and three bonds were interest only payments in order to avoid a high user rate increase. The final Blue Lake debt payment would be in 2049.

Paxton told of his priorities with working toward federal funding. Eisenbeisz affirmatively confirmed with staff that the electric fund user fee increase discussed did not include an increase in the base user fee. Mosher asked about cuts and wondered why they were not being discussed. Haley spoke to risk that may come with cuts. Paxton stated he felt that enterprise funds should stand alone. Nelson stated she was not in favor of user fee increases and suggested contracted employees in order to cut costs. Staff was directed to look at reduced operating costs.

Sweeney stated there were large capital needs into the future for the water fund. Haley went over revenue, expense, capital outlays, debt, and rates. Sweeney and Haley encouraged holding working capital in this fund. Sweeney told of the upcoming Lincoln Street paving project that would require a loan from the State of Alaska.

Haley told of aging infrastructure with regards to the wastewater fund. She explained revenue, expense, capital outlays, debt, and rates. Michael Harmon Public Works Director expanded on the projects. Haley noted that the cost of the projects were stated in today's dollars not taking inflation into consideration. Nelson and Mosher had concerns with a rate increases. Paxton wondered if user fees were not increased in the fund, which capital project would either be postponed or not done. Knox remarked that Sitka was not the only place where increases were taking place and cautioned postponing projects especially with regards to the wastewater fund.

Haley noted that the rates were driven by the operating costs for the solid waste fund which was contracted out. She told of operating revenue, expense, capital outlays, and rates. Brady told of cost savings with regards to taking over the Scrap Yard rather than contracting it out.

Haley showed revenue, expense, capital outlays, debt and rates for the harbor fund. Sweeney noted the projected four major projects in the near future and that grants had been applied for but not yet received. Knox mentioned the idea of a subsidization. Harmon highlighted that the harbor fund was moving away from the master plan, infrastructure was being reduced, and gave the example of the Marine Service Center and the Grid. Sweeney told of the pros and cons of privatizing a harbor. Nelson was not in support of the subsidization of the harbor system. Knox told of the impacts of shutting down a harbor. Mosher thought that privatizing was worth looking at. Wein thought to not sell the land but rather give a long-term lease. Harmon explained there were models that other communities have done, and suggested using the land around the harbor for revenue. Sweeney listed out the utilities individually noting solid waste disposal was driving the high amount as the harbor systems garbage was picked up daily on week days.

Haley spoke to the Airport Terminal Improvement Project that included \$10 million in grant funding. She noted the Marine Service Center had a small capital project. The Gary Paxton Industrial Park (GPIP) had no capital projects slated but because of the Administration building situation, not enough revenue was coming in to support the fund. Sweeney noted 2 to 3 years when the GPIP capital funding would run out.

Wein encouraged to think outside the current revenues. He felt that we needed to move away from the models of generating funding. Brady noted that staff would bring motions to the next meeting and have an overview of each fund. Paxton thanked staff and assembly.

VI. PERSONS TO BE HEARD:

Garry White Gary Paxton Industrial Park (GPIP) and SEDA Director commented that the GPIP Board of Directors has a strategic plan. He stated he had been working with consultants to look at a future port authority. Charles Bingham used an example that all citizens help pay for school funding, and thought that similarly, there could be benefits of defraying the cost with regards to the harbors.

VI. EXECUTIVE SESSION

None.

VIII. ADJOURNMENT

A motion was made by Nelson to ADJOURN. Hearing no objections, the meeting ADJOURNED at 9:17 p.m.

ATTEST: _____
Melissa Henshaw, CMC
Acting Municipal Clerk



CITY AND BOROUGH OF SITKA

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

Minutes - Draft

City and Borough Assembly

*Mayor Gary Paxton
Deputy Mayor Steven Eisenbeisz,
Vice Deputy Mayor Valorie Nelson,
Aaron Bean, Kevin Knox, Dr. Richard Wein, Kevin Mosher*

*Municipal Administrator: Keith Brady
Municipal Attorney: Brian Hanson
Municipal Clerk: Sara Peterson*

Tuesday, January 29, 2019

6:00 PM

Assembly Chambers

SPECIAL MEETING

I. CALL TO ORDER

II. FLAG SALUTE

III. ROLL CALL

Present: 6 - Knox, Bean, Wein, Paxton, Mosher, and Nelson

Absent: 1 - Eisenbeisz

IV. SPECIAL REPORT

19-024 Special Report: Recent bomb threat at Sitka High School - Dave Miller

Fire Chief Dave Miller provided a debrief of the bomb threat that occurred at Sitka High School on January 23.

V. PERSONS TO BE HEARD

Rachel Roy, Executive Director of the Greater Sitka Chamber of Commerce / Visit Sitka, reminded of the annual awards gala on February 2, told of upcoming speakers at the Chamber lunch, and introduced filmmakers, Rafael Thomaseto and Helena Sardinha. The filmmakers spoke to development of the Sitka TV Show, a six-part anthology series reflective of a more authentic Alaskan experience as opposed to reality TV.

VI. NEW BUSINESS:

A 19-025**Discussion / Direction on the SCH / SEARHC Affiliation Project (*executive session anticipated*)**

Consultants Sarah Cave and Steve Huebner highlighted key progress on issues "resolved" pending Assembly endorsement: governance model, accountabilities & remedies, continuity of clinical services during interim period, analysis of three purchase options to pursue, lease agreement provisions.

Bean, a charter operator, disclosed he had scheduled charters for SEARHC recently, however, didn't feel there was a substantial financial conflict of interest. Municipal Attorney Brian Hanson concurred. Mayor Paxton ruled Bean did not have a conflict.

A motion was made by Nelson to overturn the Mayor's ruling. The motion FAILED by the following vote.

Yes: 2 - Mosher and Nelson

No: 4 - Paxton, Bean, Knox, and Wein

Absent: 1 - Eisenbeisz

Cave and Huebner continued with their briefing. Cave provided a status update on the due diligence process; SEARHC had been responsive and provided a considerable amount of data thus far. Cave noted negotiations had been productive and reiterated the negotiating team had taken a strong stance to ensure a successful affiliation.

From the public, Karen Lucas, Carin Adickes, and Dr. Marilyn Corruzi voiced concern over various aspects of the affiliation project.

A motion was made by Mosher to go into executive session to discuss communications with the Municipal Attorney and Municipal Administrator regarding phase 3 of the CBS / SCH-SEARHC affiliation process, matters the immediate knowledge of which would adversely affect the finances of the municipality, invite in Chief Finance and Administrative Officer, Jay Sweeney, outside legal counsel Sandy Johnson, consultants Sarah Cave and Steven Huebner, and invite in when ready Rob Allen and Dr. Golub. The motion PASSED by the following vote.

Yes: 4 - Knox, Paxton, Mosher, and Bean

No: 2 - Wein and Nelson

Absent: 1 - Eisenbeisz

The Assembly was in executive session from 7:55pm to 10:15pm with a break from 9:15 to 9:25pm. Dr. Golub and Rob Allen were invited in at 8pm and dismissed at 9pm. Assembly Member Bean unexpectedly had to leave at 8:20pm.

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

VII. PERSONS TO BE HEARD:

None.

VIII. EXECUTIVE SESSION

See Item A.

IX. ADJOURNMENT

A motion was made by Nelson to ADJOURN. Hearing no objections, the meeting ADJOURNED at 10:18pm.

ATTEST: _____

Sara Peterson, MMC
Municipal Clerk



CITY AND BOROUGH OF SITKA

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

Minutes - Draft

City and Borough Assembly

*Mayor Gary Paxton
Deputy Mayor Steven Eisenbeisz,
Vice Deputy Mayor Valorie Nelson,
Aaron Bean, Kevin Knox, Dr. Richard Wein, Kevin Mosher*

*Municipal Administrator: Keith Brady
Municipal Attorney: Brian Hanson
Municipal Clerk: Sara Peterson*

Thursday, January 31, 2019

6:00 PM

Assembly Chambers

SPECIAL MEETING

I. CALL TO ORDER

II. FLAG SALUTE

III. ROLL CALL

Present: 6 - Knox, Bean, Wein, Paxton, Mosher, and Nelson

Absent: 1 - Eisenbeisz

IV. PERSONS TO BE HEARD

None.

V. UNFINISHED BUSINESS:

A 19-023 Discussion / direction / decision of the Enterprise Funds

Municipal Administrator Brady noted this was a follow-up meeting from January 24 and unless otherwise directed, ordinances for the enterprise funds would be brought forward to the Assembly in February.

Chief Finance and Administrative Officer Jay Sweeney reminded the proposed budget for enterprise funds was designed to ensure the City continue to deliver utility services with the consistency citizens had become accustomed to. Controller Melissa Haley relayed the need to maintain infrastructure was the driver of enterprise funds. Haley reviewed FY2020 priority infrastructure projects and summarized, for each enterprise fund, the operating and capital, proposed rate increases, and new loan/grant application approval. Funds with proposed rate increases were the Wastewater Fund (6.5%), Solid Waste Fund (6.5%), and Harbor Fund (3%).

A discussion ensued. Some members suggested the budget process be slowed down

to allow for thorough review of materials and offered cuts may need to be made. With regards to the harbor fund, and seaplane base project, the Assembly asked staff to provide funding options if 100% grant funding was not received.

A motion was made by Bean to direct the Administrator to bring back a balanced budget without rate increases. The motion FAILED by the following vote.

Yes: 3 - Bean, Mosher, and Nelson

No: 3 - Knox, Wein, and Paxton

Absent: 1 - Eisenbeisz

A motion was made by Wein to postpone introduction of enterprise fund ordinances in February to a later date, bring forward the general fund budget for review in late February, and move general fund budget meetings scheduled for April to March.

Yes: 6 - Knox, Bean, Wein, Paxton, Mosher, and Nelson

Absent: 1 - Eisenbeisz

A motion was made by Wein to direct the Administrator to bring forward options (disseminate by email) for a 3% reduction (operations and capital) in each enterprise fund. The motion PASSED by the following vote.

Yes: 4 - Bean, Wein, Mosher, and Nelson

No: 2 - Knox, and Paxton

Absent: 1 - Eisenbeisz

VI. PERSONS TO BE HEARD:

None.

VII. EXECUTIVE SESSION

None.

VIII. ADJOURNMENT

A motion was made by Bean to ADJOURN. Hearing no objections, the meeting ADJOURNED at 7:48pm.

ATTEST:

Sara Peterson, MMC
Municipal Clerk



CITY AND BOROUGH OF SITKA

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

Minutes - Draft

City and Borough Assembly

*Mayor Gary Paxton
Deputy Mayor Steven Eisenbeisz,
Vice Deputy Mayor Valorie Nelson,
Aaron Bean, Kevin Knox, Dr. Richard Wein, Kevin Mosher*

*Municipal Administrator: Keith Brady
Municipal Attorney: Brian Hanson
Municipal Clerk: Sara Peterson*

Tuesday, February 12, 2019

6:00 PM

Assembly Chambers

WORK SESSION 5:00 PM: Housing - ADU, Tiny Home, Cluster and Cottage Neighborhood Development

19-035 Work Session Materials

The Assembly heard from individuals and groups with respect to housing options - e.g. Mike Vieira, Andrew Thoms, and Sitka Community Land Trust.

REGULAR MEETING

I. CALL TO ORDER

II. FLAG SALUTE

III. ROLL CALL

Present: 7 - Eisenbeisz, Knox, Bean, Wein, Paxton, Mosher, and Nelson

IV. CORRESPONDENCE/AGENDA CHANGES

19-032 Reminders, Calendars and General Correspondence

None.

V. CEREMONIAL MATTERS

None.

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

Sitka Tribal Council Member Woody Widmark provided an update on activities of Sitka Tribe of Alaska and the Council.

19-028

Special Reports: 1) U.S. Census Bureau - Barbara Miranda, Partnership Specialist 2) Sitka Community Hospital - Rob Allen, CEO

Barbara Miranda, Census Partnership Specialist from Juneau, spoke to the importance of the census and answered questions from the Assembly.

Sitka Community Hospital (SCH) CEO Rob Allen briefed the Assembly on the state of affairs at SCH. Allen emphasized while the situation was difficult, staff was dedicated to providing safe and quality care. He told of changes SCH had made over his tenure, and while financials looked good now, the hospital environment nationwide was rapidly changing and with it brought challenges. He reminded that consultants, past and present, had been consistent in their opinions regarding the sustainability of SCH: a challenging and limited future as a stand-alone critical access hospital in today's environment. Allen believed the SEARHC offer was the last and best offer. If the deal were not to happen, SEARHC would compete even harder for patients, and when the next cash crisis occurred for SCH, SEARHC would have no incentive to purchase SCH's assets, all patients and businesses would go to SEARHC and the City would be left with the retirement bill. Allen stated the current deal met the goals and criteria agreed upon by the Assembly.

VII. PERSONS TO BE HEARD

Carin Adickes, Sitka Community Hospital Board President, stated she was stunned by Rob Allen's comments and expressed frustration at learning the Assembly had scheduled a special meeting on the same night of the upcoming Hospital Board meeting, February 28. Jeff Kinnan stated the care at SCH was excellent.

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

Administrator - Brady noted the new HR Director, Matthew Lone, was scheduled to begin February 27, staff was working on a FRQ for the No Name Mountain / Granite Creek Master Plan and a RFP for the Harrigan Centennial Hall promotion materials. Brady noted he and Mayor Paxton would be in attendance at Alaska Municipal League February 19-21.

Liaison Representatives - Wein reported on the recent Health Needs and Human Services Commission and Library Commission meetings.

Clerk - Peterson reviewed Board / Commission / Committee vacancies and the upcoming meeting schedule.

Other - Wein reminded of the importance of not scheduling meetings on the same night. He noted the Hospital Board was to meet on February 28, the same night as the special Assembly meeting regarding the SCH / SEARHC Affiliation Project. The Clerk noted staff was in the process of rescheduling the Hospital Board meeting.

IX. CONSENT AGENDA

Assembly Member Wein requested all items be pulled from the Consent Agenda for

discussion.

A 19-029

Approve a new liquor license application and restaurant designation permit application for Allen Marine Tours, Inc. dba Allen Marine Tours at Lot 6 Finn Island

Jeremy Plank, Chief Financial Officer of Allen Marine Tours explained the proposed use on Finn Island. Plank stated day tours with a meal and alcoholic beverage were planned.

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

Yes: 7 - Eisenbeisz, Knox, Bean, Wein, Paxton, Mosher, and Nelson

B RES 19-03

Adopting the City and Borough of Sitka Local Multi-Hazard Mitigation Plan

Community Affairs Director Maegan Bosak explained in order to be eligible for FEMA funding, if there was an emergency, disaster or with hazard mitigation assistance programs, the City was required to have an approved Multi-Hazard Mitigation Plan. Bosak stated the City completed an approved plan in 2010 and received a grant in 2017 from FEMA to undergo an update as required every five years.

A motion was made by Nelson that this Resolution be APPROVED on FIRST AND FINAL READING. The motion PASSED by the following vote.

Yes: 7 - Eisenbeisz, Knox, Bean, Wein, Paxton, Mosher, and Nelson

C RES 19-04

Affirming the 2020 Census Partnership and Complete Count Committee

A motion was made by Wein that this Resolution be APPROVED on FIRST AND FINAL READING. The motion PASSED by the following vote.

Yes: 5 - Knox, Bean, Wein, Paxton, and Mosher

No: 2 - Eisenbeisz, and Nelson

D RES 19-06

Authorizing a \$163,000 grant application to the Department of Homeland Security and Emergency Management (DHS&EM)

A motion was made by Wein that this Resolution be APPROVED on FIRST AND FINAL READING. The motion PASSED by the following vote.

Yes: 7 - Eisenbeisz, Knox, Bean, Wein, Paxton, Mosher, and Nelson

X. BOARD, COMMISSION, COMMITTEE APPOINTMENTS**E 19-030**

Appoint Tyler Green to an unexpired term on the Port and Harbors Commission

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

Yes: 7 - Eisenbeisz, Knox, Bean, Wein, Paxton, Mosher, and Nelson

XI. UNFINISHED BUSINESS:

- F ORD 19-02** Making supplemental appropriations for Fiscal Year 2019 (PERS On-Behalf Payments)
- A motion was made by Nelson that this Ordinance be APPROVED on SECOND AND FINAL READING. The motion PASSED by the following vote.**
- Yes:** 7 - Eisenbeisz, Knox, Bean, Wein, Paxton, Mosher, and Nelson
- G ORD 19-03** Making supplemental appropriations for Fiscal Year 2019 (Utility Subsidization)
- A motion was made by Nelson that this Ordinance be APPROVED on SECOND AND FINAL READING. The motion PASSED by the following vote.**
- Yes:** 7 - Eisenbeisz, Knox, Bean, Wein, Paxton, Mosher, and Nelson

XII. NEW BUSINESS:

- H RES 19-05** Authorizing the Municipal Administrator to execute a loan application with the Alaska Department of Environmental Conservation (ADEC) for the estimated funding shortfall of \$5,079,500 for the Sitka Wastewater Treatment Plant Rehabilitation Project ("the project") for the completion of the design and construction of the project in accordance with the FY2019 budget
- Municipal Administrator Keith Brady stated an application for a loan was before the Assembly for approval. Environmental Superintendent Shilo Williams spoke to the Wastewater Treatment Plant disrepair and the negative health impacts on staff. Public Works Director Michael Harmon stated the first step was to apply, a financial capacity analysis would be performed and conditions for approval may be made - e.g. the City would need to commit to certain level of rate increases. He reminded this was a rehabilitation project, not a new building. Some Assembly members stated they were not in favor of rate increases however supported moving a loan application forward.
- A motion was made by Knox that this Resolution be APPROVED on FIRST AND FINAL READING. The motion PASSED by the following vote.**
- Yes:** 6 - Eisenbeisz, Knox, Wein, Paxton, Mosher, and Nelson
- No:** 1 - Bean
- I ORD 19-04** Authorizing the vacation and sale of a 1,660 square foot portion of the right-of-way adjacent to 1318 Sawmill Creek Road
- Eisenbeisz noted this sale would set a precedence for adjacent property owners and saw benefits to retaining and selling. Interim Planning Director Scott Brylinsky told of the internal process for sale of land with review by department heads.
- A motion was made by Nelson that this Ordinance be APPROVED on FIRST READING. The motion PASSED by the following vote.**
- Yes:** 7 - Eisenbeisz, Knox, Bean, Wein, Paxton, Mosher, and Nelson

J 19-033 Approve Amendment No. 6 to lease between City and Borough of Sitka and Sitka Animal Hospital

Dr. David Hunt asked the Assembly to consider the following points as to why a competitive bid was inappropriate: the original lease was written 23 years ago, the City and Sitka Animal Hospital (SAH) had a positive working relationship, SAH employed Sitkans, the veterinary business was unique told of a nationwide shortage of veterinarians, and stated SAH had invested a substantial sum of money to equip the leased area with an x-ray machine, lab equipment, surgical suite and pharmacy. He urged the Assembly to support the terms of exceptions and lease amendment.

Sitka Animal Control Officer Ken Buxton spoke in support of the terms of exceptions and lease amendment.

Eisenbeisz didn't believe the Assembly had grounds to exempt the SAH from competitive bidding. Municipal Attorney Brian Hanson stated the previous lease amendments did not take into account competitive bidding. He suggested it was the role of the Assembly to determine whether or not SAH qualified for the exception, stated Sitka General Code language was quite broad, and believed SAH should be considered for the exception. Wein and Knox spoke in support of the exception. Nelson stated she supported the exception for a lease however not a sale.

A motion was made by Mosher to approve Amendment No. 6 to the lease between the City and Borough of Sitka and Sitka Animal Hospital, approve the terms of exception from competitive bidding and authorize the Municipal Administrator to execute the document. The motion PASSED by the following vote.

Yes: 6 - Knox, Bean, Wein, Paxton, Mosher, and Nelson

No: 1 - Eisenbeisz

K 19-031 Approve a Letter of Intent between the City and Borough of Sitka and Northern Southeast Regional Aquaculture Association for water delivery

Nelson disclosed her husband was the owner of a general contracting company that had performed work for Northern Southeast Regional Aquaculture Association (NSRAA) in various locations. She stated she was an officer of the corporation, not a shareholder. Mayor Paxton ruled Nelson did not have a conflict.

Administrator Brady stated there were concerns that both parties recognized and needed to work through with regards to a final water delivery agreement for NSRAA. Brady referenced the Utility Director, Bryan Bertacchi's, memo. Before the Assembly for approval was a Letter of Intent (LOI). Per the LOI, the City intended to provide up to 14cfs per day of raw water to NSRAA (based on a calendar year average with a maximum continuous flow of 20cfs). Brady explained both parties would meet to work out the technical details for water delivery from the City to NSRAA in a finalized agreement before the need or use of the 20cfs. In the interim, the parties would continue to abide by the 2012 agreement.

NSRAA General Manager Steve Reifensuhl stated NSRAA had no intention of burdening rate payers (nor had they ever) with NSRAA's request to use additional Blue Lake water for new chinook production at the Gary Paxton Industrial Park. He clarified the issues that had been raised regarding drought, Green Lake hydro maintenance,

Blue Lake tunnel inspection, and Green Lake shutdown were all aspects of running the hatchery that had been dealt with in the past and they were prepared to deal with in the future. Reifensstuhl noted he had corresponded over the past year with the Utility Director and the City offering solutions and mitigation for each issue. The objective of NSRAA's proposal was to have a main water supply and a backup. He noted the proposed water agreement would allow NSRAA additional water from the high pressure line as a backup until they were able to get the pumps and waterline installed at the tailrace of the Blue Lake turbines. In addition, Reifensstuhl stated NSRAA needed the LOI to obtain the initial ADF&G permit noting the hatchery had a completion date of 2022. At that time, NSRAA expected to have all water pumped from the tailrace. He reminded of money in the raw water fund and Sitka Economic Development Fund to potentially pay for the equipment and installation. Reifensstuhl said he had discussed with Silver Bay Seafoods the idea of NSRAA and Silver Bay working with the City to cut costs.

Public Comment

Frank Rogers spoke in support of NSRAA. He reminded each time someone tapped into the penstock, and if Green Lake were down, the City could be forced to run diesel to subsidize power generation. Rogers asked the Assembly to keep this in mind for long-term growth.

Rich Riggs of Silver Bay Seafoods spoke in support of the LOI and NSRAA. He urged the Assembly to support, and City staff to work with NSRAA, to reach an agreement.

Bert Bergman, board member of NSRAA and Seafood Producers Coop, spoke in support of the LOI and urged the Assembly to encourage and support development.

Bob Dryden, former Systems Engineer for the City, noted water rights were complicated. He spoke in support of NSRAA and urged the City and NSRAA to work together to come to agreement on the best way to utilize water.

Anne Davis of Sitka Tribe of Alaska read a letter from the Tribe opposing NSRAA's request for 20cfs of water due to the likely increase in electrical costs to tribal citizens and the amount of free service currently received by NSRAA at the cost of electrical users in Sitka.

Chris Brewton stated the issue at hand was not water, rather energy. He stated a public utility could not give away energy. Brewton suggested non utility connections not be allowed to the high pressure penstock, approve and publish a low rate for the entire Gary Paxton Industrial Park to encourage growth, and authorize a hatchery connection for emergency purposes.

Kent Barkhau, while supportive of NSRAA, believed the highest and best use of the high pressure water was for the generation of electricity. He spoke in support of taking water from the afterbay to use for the hatchery.

Dave Nichols spoke to electrical consumption and wondered how the water NSRAA wanted translated to the total energy being used by Blue Lake.

Eric Jordan spoke in support of the LOI.

Assembly Discussion

Nelson spoke in support of the LOI and urged the parties to work together to address concerns and come to an agreement. Municipal Administrator Keith Brady noted future

agreements would come to the Assembly for approval. Wein encouraged support of NSRAA however had concerns with the LOI and needed further assurance. Bean suggested an amendment be made to the LOI indicating the water be taken from the penstock not to exceed a period of 30 months. Members suggested moving forward with the LOI, discuss and mitigate concerns, and bring forward a document for the Assembly to approve.

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

Yes: 6 - Eisenbeisz, Knox, Wein, Paxton, Mosher, and Nelson

No: 1 - Bean

L 19-027

Approve a Memorandum of Understanding between Sitka Tribe of Alaska, Sitkans Against Family Violence, and the City and Borough of Sitka Police Department to provide services and enhanced safety to victims of domestic violence and sexual assault

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

Yes: 7 - Eisenbeisz, Knox, Bean, Wein, Paxton, Mosher, and Nelson

M 19-036

Approve Consents of Assignment, for security purposes, from Sitka Tribe of Alaska to First National Bank of Alaska regarding tidelands leases, seaward of the uplands property located at 204 Siginaka Way

Sitka Tribal Attorney Naomi Palosaari explained the need for the Consents of Assignment related to the purchase of 204 Siginaka Way. These documents would allow internal interests to be assigned in the event there was a default on the part of Sitka Tribe of Alaska. Palosaari further explained in the unlikely event of a default the matter would come back before the Assembly.

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

Yes: 7 - Eisenbeisz, Knox, Bean, Wein, Paxton, Mosher, and Nelson

N 19-034

Discussion / Direction on amending the seasonal electric rates

Mosher, a cosponsor, explained he was hoping to bring forward an ordinance that would push back the transition to summer and winter rates by a month on each end beginning in FY2020. Currently rates increased in April and carried through September. He proposed an increase beginning in May and ending in October. It was estimated the adjustment would incur a loss of \$80,000.

Paxton suggested prolonging winter rates for an additional two weeks, Wein proposed the idea of rate equalization, while Nelson suggested a flat rate. Eisenbeisz wondered how the \$80,000 shortfall would be paid for.

No formal Assembly action was taken.

O 19-026

Discussion / Direction of the Investment Committee recommendation to add infrastructure exchange-traded funds as an authorized investment asset

class

The item was POSTPONED to February 26 to allow for the Chief Finance and Administrative Officer Jay Sweeney and investment firm to be present.

A motion was made by Bean to POSTPONE this Item to the February 26 Assembly meeting. The motion PASSED by a unanimous voice vote.

XIII. PERSONS TO BE HEARD:

Jeff Kinnan stated his service dog had been stolen and wished to speak to the Assembly about the matter.

XIV. EXECUTIVE SESSION

None.

XV. ADJOURNMENT

A motion was made by Mosher to ADJOURN. Hearing no objections, the meeting ADJOURNED at 9:48pm.

ATTEST: _____

Sara Peterson, MMC
Municipal Clerk



CITY AND BOROUGH OF SITKA

Legislation Details

File #: 19-041 Version: 1 Name:

Type: Item Status: AGENDA READY

File created: 2/20/2019 In control: City and Borough Assembly

On agenda: 2/26/2019 Final action:

Title: Reappoint: 1) Richard Doland to a three-year term on the Building Department Appeals Board in the category of Alternate Seat, 2) Steve Clayton to a three-year term on the Building Department Appeals Board in the category of Alternate Seat, and, 3) Stephen Morse to a three-year term on the Library Commission

Sponsors:

Indexes:

Code sections:

Attachments: [Motion reappointments](#)
[Doland Application](#)
[Clayton Application](#)
[Morse Application](#)

Date	Ver.	Action By	Action	Result
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POSSIBLE MOTION

I MOVE TO reappoint 1) Richard Doland to a three-year term on the Building Department Appeals Board in the category of Alternate Seat, 2) Steve Clayton to a three-year term on the Building Department Appeals Board in the category of Alternate Seat, and, 3) Stephen Morse to a three-year term on the Library Commission.



Application for Appointment to Boards, Committees, and Commissions
City and Borough of Sitka

Board/Commission/Committee: BUILDING DEPARTMENT APPEALS BOARD
Name: RICHARD DOLAND Preferred Phone: [REDACTED]
Address: [REDACTED] Alternate Phone: [REDACTED]
Email Address: [REDACTED] Fax Number: N/A
Length of Residence in Sitka: 23 YEARS Registered to vote in Sitka? ☒ Yes ☐ No
Employer: SELF
Organizations you belong to or participate in:

Explain your main reason for applying: A FAIR VOICE IN AN APPEAL, I WOULD WANT THIS IF I WAS IN THIS SITUATION

What background, experience or credentials will you bring to the board, commission, or committee membership?
A LIFETIME OF BUILDING EXPERIENCE.

Please disclose any potential conflicts of interest that may arise from your appointment. These may include but are not limited to:

- A substantial financial interest of \$1000 annually that could be influenced by your appointment.
- An immediate family member employed within the scope of this appointment.

Please attach a letter of interest, outline, or resume which includes your education, work, and volunteer experience that will enhance your membership.

→ (To be considered, your application must be complete AND be accompanied by one of the above supporting documents.)

Date: 2/10/19 Signature: Richard Doland

Your complete application and resume should be returned to the Municipal Clerk's Office by noon on the Wednesday prior to an advertised Assembly meeting.

Please note: all information submitted will be made public and published online. Appointments are normally made during open session of an Assembly meeting, however, Assembly members may vote to discuss applicant(s) in closed executive session. In this case, do you wish to be present when your application is discussed? ☐ Yes ☒ No

Return to:

Melissa Henshaw, Deputy Clerk/Records Specialist, 100 Lincoln Street
Fax: 907-747-7403 Email: melissa.henshaw@cityofsitka.org

PLEASE USE MY PREVIOUS LETTER FROM MY LAST APPLICATION AS MY REFERENCE.

Hello,

MY NAME IS RICHARD DOLAND, I WORK AS A BUILDING CONTRACTOR IN SITKA. MY WIFE, Debbie, AND I HAVE LIVED HERE TWICE, ABOUT 7 YEARS BACK IN THE MID 70'S TO EARLY 80'S, AND THIS LAST TIME SINCE 1996. We BOTH LOVE SITKA, AND HOPE TO MAKE IT HOME FOR THE REST OF OUR LIVES.

I FIRST BEGAN TO BE INTERESTED IN CARPENTRY WHEN I WAS 6 YEARS OLD, ~~MY~~ MY PARENTS WERE HAVING SOME WORK DONE ON THEIR HOME, AND I REMEMBER THINKING THAT'S WHAT I WANT TO DO WHEN I GROW UP.

DURING HIGH SCHOOL I WORKED SUMMERS FOR FAMILY FRIEND WHO WAS A CONTRACTOR.

WHEN I GRADUATED, I WENT TO WORK FOR THE WHITE PASS & YUKON RAILROAD IN SKAGWAY, WHERE I WORKED IN THE CAR SHOP, MACHINIST SHOP, & PAINT SHOP FOR 1 1/2 YEARS. BEING A YOUNG FELLOW WITH ITCHY FEET, I SOON FELT I NEEDED A CHANGE, AND ENDED UP MOVING BACK TO JUNEAU, (MY HOME TOWN) & HELPED SOME FRIENDS BUILD THEIR NEW HOME.

I MET MY ~~FO~~UTURE WIFE AT A CHURCH CONVENTION, AND ENDED UP MOVING TO SITKA TO GET TO KNOW HER BETTER. I WORKED IN SITKA FOR SEVEN YEARS, WORKING FOR SEVERAL LOCAL CONTRACTORS.

IN 1982 I WAS OFFERED A JOB BY FIRST BANK AS A HELPER IN THEIR PROPERTIES DEPARTMENT.

& SOON BECAME THEIR PROPERTY MANAGER,
THE JOB WAS VERY SIMILAR TO BEING A CONTRACTOR,
EXCEPT THE VARIETY WAS EVEN GREATER,

IN 1995 WE NEEDED A CHANGE AS A FAMILY,
MOVED TO ELTOPIA, WASHINGTON (NEAR PASCO) WITH
OUR FIVE CHILDREN. WHILE THERE, I WORKED ON
TWO NEW HOMES,

IN 1996, WE MOVED BACK TO SITKA, AND SOON
AFTER ARRIVING I BEGAN MY BUSINESS, DOLANBUILT
HOMES.

I HAVE ALWAYS HAD A PASSION FOR BUILDING,
AND EVEN NOW AM JUST ONE OF THE GUYS
ON THE CREW, STILL LOVING THE HANDS ON PART
OF BUILDING.

I FEEL THAT MY EXPERIANCE HAS BEEN ABOUT
IS EXTENSIVE AS ANY ⁶³57 YEAR OLD COULD HAVE,
AND WOULD ENJOY ANY HELP I COULD BE
ON THE APPEALS BOARD OF THE BUILDING
DEPARTMENT.

SINCERELY
Richard Dolan



BUILDING DEPARTMENT **APPEALS BOARD**

NAME	CONTACT NUMBERS	TERM STARTS	EXPIRES	CATEGORY
GARY SMITH 110 Jarvis Street	747-3142 w gary@schmolck.onmicrosoft.com	9/10/02 10/14/03 11/6/06 10/27/09 10/23/12 2/9/16	9/10/03 10/14/06 11/6/09 10/27/12 10/23/15 2/9/19	CHAIR
DAN LITTLEFIELD 486 Katlian Street	752-0669 c dan@eaglewolfelectric.com	5/27/14 12/26/17	5/27/17 12/26/20	
RYAN WILSON PO Box 414	738-0550 c 747-5424 h rw.designse@gmail.com	9/23/08 10/11/11 3/8/16	9/23/11 10/11/14 3/8/19	
RICHARD DOLAND PO Box 1714	738-3567 c 747-7567 h dolandbuilt@yahoo.com	11/6/06 10/27/09 10/23/12 2/23/16	11/6/09 10/27/12 10/23/15 2/23/19	Alternate
STEVE CLAYTON PO Box 2476	738-6236 c 747-5003 fax sbcclayton@gmail.com	9/10/02 9/13/05 9/23/08 3/8/16	9/10/05 9/13/08 9/23/11 3/8/19	Alternate
Patrick Swedeon 100 Lincoln Street	747-1832 pat.swedeon@cityofsitka.org			Building Official
Melissa Henshaw 100 Lincoln Street	747-1826 melissa.henshaw@cityofsitka.org			Secretary

- The building official is an ex-officio (non-voting) member of the board.

3 Seats (2 alternate members who shall be called by the Chair during the absence or disqualification of a member)

Terms are as follows:

Overlapping three-year terms. Alternates serve 3-year terms.

Revised: April 16, 2018



Application for Appointment to Boards, Committees, and Commissions
City and Borough of Sitka

Board/Commission/Committee: Building Dept. Appeals Board
Name: Steve Clayton Preferred Phone: [REDACTED]
Address: [REDACTED] Alternate Phone: [REDACTED]
Email Address: [REDACTED] Fax Number: [REDACTED]
Length of Residence in Sitka: 45 yrs. Registered to vote in Sitka? ☒ Yes ☐ No
Employer: Retired
Organizations you belong to or participate in: Sitka Sound Science Center

Explain your main reason for applying: Give Back to Community

What background, experience or credentials will you bring to the board, commission, or committee membership?
40 yrs. of Building Buildings

Please disclose any potential conflicts of interest that may arise from your appointment. These may include but are not limited to:

- A substantial financial interest of \$1000 annually that could be influenced by your appointment.
 - An immediate family member employed within the scope of this appointment.
- 1.) Board of Directors Sitka Sound Science Ctr.
2.) BA U.W. in Zoology
3.) 40 yrs. Building Experience

Please attach a letter of interest, outline, or resume which includes your education, work, and volunteer experience that will enhance your membership.

→ (To be considered, your application must be complete AND be accompanied by one of the above supporting documents.)

Date: Feb-12-2019 Signature: Steve Clayton

Your complete application and resume should be returned to the Municipal Clerk's Office by noon on the Wednesday prior to an advertised Assembly meeting.

Please note: all information submitted will be made public and published online. Appointments are normally made during open session of an Assembly meeting, however, Assembly members may vote to discuss applicant(s) in closed executive session. In this case, do you wish to be present when your application is discussed? ☐ Yes ☐ No

Return to:

Melissa Henshaw, Deputy Clerk/Records Specialist, 100 Lincoln Street
Fax: 907-747-7403 Email: melissa.henshaw@cityofsitka.org



BUILDING DEPARTMENT **APPEALS BOARD**

NAME	CONTACT NUMBERS	TERM STARTS	EXPIRES	CATEGORY
GARY SMITH 110 Jarvis Street	747-3142 w gary@schmolck.onmicrosoft.com	9/10/02 10/14/03 11/6/06 10/27/09 10/23/12 2/9/16	9/10/03 10/14/06 11/6/09 10/27/12 10/23/15 2/9/19	CHAIR
DAN LITTLEFIELD 486 Katlian Street	752-0669 c dan@eaglewolfelectric.com	5/27/14 12/26/17	5/27/17 12/26/20	
RYAN WILSON PO Box 414	738-0550 c 747-5424 h rw.designse@gmail.com	9/23/08 10/11/11 3/8/16	9/23/11 10/11/14 3/8/19	
RICHARD DOLAND PO Box 1714	738-3567 c 747-7567 h dolandbuilt@yahoo.com	11/6/06 10/27/09 10/23/12 2/23/16	11/6/09 10/27/12 10/23/15 2/23/19	Alternate
STEVE CLAYTON PO Box 2476	738-6236 c 747-5003 fax sbcclayton@gmail.com	9/10/02 9/13/05 9/23/08 3/8/16	9/10/05 9/13/08 9/23/11 3/8/19	Alternate
Patrick Swedeon 100 Lincoln Street	747-1832 pat.swedeon@cityofsitka.org			Building Official
Melissa Henshaw 100 Lincoln Street	747-1826 melissa.henshaw@cityofsitka.org			Secretary

- The building official is an ex-officio (non-voting) member of the board.

3 Seats (2 alternate members who shall be called by the Chair during the absence or disqualification of a member)

Terms are as follows:

Overlapping three-year terms. Alternates serve 3-year terms.

Revised: April 16, 2018



Application for Appointment to Boards, Committees, and Commissions City and Borough of Sitka

Board/Commission/Committee: LIBRARY
Name: Stephen Morse Preferred Phone: [REDACTED]
Address: [REDACTED] Alternate Phone: [REDACTED]
Email Address: [REDACTED] Fax Number: [REDACTED]
Length of Residence in Sitka: 39 yr Registered to vote in Sitka? ☒ Yes ☐ No
Employer: self
Organizations you belong to or participate in: Sitka Commission for
Arts & Hist. Soc.
Explain your main reason for applying: Volunteering

What background, experience or credentials will you bring to the board, commission, or committee membership?

English lit. major, small press owner, editor

Please disclose any potential conflicts of interest that may arise from your appointment. These may include but are not limited to:

- A substantial financial interest of \$1000 annually that could be influenced by your appointment.
- An immediate family member employed within the scope of this appointment.

Please attach a letter of interest, outline, or resume which includes your education, work, and volunteer experience that will enhance your membership.

→ (To be considered, your application must be complete AND be accompanied by one of the above supporting documents.)

Date: 2-15-19 Signature: Stephen Morse

Your complete application and resume should be returned to the Municipal Clerk's Office by noon on the Wednesday prior to an advertised Assembly meeting.

Please note: all information submitted will be made public and published online. Appointments are normally made during open session of an Assembly meeting, however, Assembly members may vote to discuss applicant(s) in closed executive session. In this case, do you wish to be present when your application is discussed? ☐ Yes ☐ No

Return to:

Melissa Henshaw, Deputy Clerk/Records Specialist, 100 Lincoln Street
Fax: 907-747-7403 Email: melissa.henshaw@cityofsitka.org

92

Pediatric Speech-Language Pathologist Provided speech-language services in private practice. Alaska Adaptations for Daily Living Sept. '05 to June '06 Alaska Adaptations [REDACTED] Sitka, Alaska

Speech-Language Pathologist Provided assessments and inclusive speech services to Blatchley middle school, Sitka high school, and Pacific high school population for the **Sitka School District**. Sept. '04 to June '05 Keet Gooshi Heen Elementary Sitka, Alaska 99835

Speech-Language Pathologist Provided screening, assessment, parent training, and paraprofessional training, as well as direct speech services for school aged children. Sept. '02 to June '04 **Southeast Islands School District Thorne Bay, Ak** Speech-Language Pathologist Provided speech-language evaluations and services for children aged 2 ½ years of age through high school at nine remote locations by float plane

Oct '02 to June '03 Center for Community 700 Katlian St. Sitka, Alaska **Director, Infant Learning Program** Served as program administrator for the Infant Learning Program a state funded 0-3 program that served Sitka, Angoon, and Kake, Alaska.

8/00 to 12/01 SAIC, Science Applications International Corporation San Diego, California EDIS Clinic Spangdahlem, Germany Pediatric Speech-Language Pathologist Provided speech-language services to 0-3 population at the **EDIS Clinic in Spangdahlem, Germany**.

8/98 to 9/00 Sitka School District Box 179 Sitka. Pediatric Speech-Language Pathologist Provided speech-language services to preschool and Kindergarten aged students in **SSD's Early Development Program**.

8/97 to 5/98 Sitka School District, Baranof Elementary Special Education Teacher Provided special education services to **Kindergarten** aged children in an inclusion model.

Jan. 1987 to June 1997 Alaska Therapeutic Consulting Services Inc., private practice Pediatric Speech-Language Pathologist Provided pediatric assessments and family oriented treatment plans for the **Infant Learning Program** (0-3yr) and regularly performed outpatient pediatric assessments for the Searhc Hospital.

9/80-9/97 **Developmental Learning Program, Sitka, Alaska** Pediatric Speech-Language Pathologist Provided screening initial assessments for preschoolers, parent training and direct services for special needs preschoolers. Completed research on annual child find activities.

1/80-8/80 **Yarmouth Regional Hospital, Yarmouth Nova Scotia CANADA** Speech-Language Pathologist Provided inpatient and outpatient Speech-Language services for a wide array of special needs infants, toddlers, and preschoolers. 8/77-12/79 Mt. Eccles Elementary, Cordova Public Schools Cordova, Ak Speech-Language Pathologist District wide SLP services included child find activities, preschool assessments and interventions, as well as school age services in a small rural Alaskan community.



LIBRARY COMMISSION

NAME	CONTACT NUMBERS	TERM STARTS	EXPIRES	CATEGORY
NICOLE FILIPEK PO Box 251	206-769-3685 nicolefilipek@gmail.com	2/14/17	2/14/20	Chair
DANIEL GUNN 204 Marine Street	738-0738 danielforestgunn@gmail.com	1/23/18 1/8/19	1/12/19 1/8/22	Vice Chair
PAUL BAHNA 3001 Barker Street	747-7749 623-0945 bnbahna@alaska.edu	7/24/18	6/13/20	Secretary Eidler/Litman's term
JOSHUA THOMAS PO Box 473	817-471-6054 Josh0417@att.net	9/13/16	9/13/19	
ALICE JOHNSTONE 213 Shotgun Alley	747-3931 johnstone@ak.net	7/22/03 7/11/06 7/14/09 7/24/12 7/14/15	7/22/06 7/11/09 7/14/12 7/24/15 7/14/18	
DARRYL REHKOPF 210 Observatory Street	738-5629 darrylrehkopf@hotmail.com	8/22/17	4/12/19	<i>Lil's term</i>
STEPHEN MORSE 314 Tilson street	509-607-7327 stephen_morse@hotmail.com	4/24/18	1/26/19	<i>Bingham's term</i>
Richard Wein PO Box 2424	752-0577 assemblywein@cityofsitka.org			Assembly Liaison
Elizabeth O'Donnell 214 Observatory	747-8014			Emeritus Member

7 Members from Public 3-year terms

Established by Ordinance 72-50, Ord. 03-1730 added 2 more members

First Wednesday of the Month, 6:00 p.m. at the Sitka Public Library, 320 Harbor Drive

OATH OF OFFICE REQUIRED

Revised: January 29, 2019



CITY AND BOROUGH OF SITKA

Legislation Details

File #: ORD 19-04 Version: 1 Name:

Type: Ordinance Status: AGENDA READY

File created: 2/6/2019 In control: City and Borough Assembly

On agenda: 2/26/2019 Final action:

Title: Authorizing the vacation and sale of a 1,660 square foot portion of the right-of-way adjacent to 1318 Sawmill Creek Road

Sponsors:

Indexes:

Code sections:

Attachments: [Motion Ord 2019-04](#)
[Memo Ord 2019-04](#)
[Ord 2019-04](#)
[Maps](#)
[Staff Memo July 26 Planning Commission Meeting](#)
[Minutes July 26 Planning Commission Meeting](#)

Date	Ver.	Action By	Action	Result
2/12/2019	1	City and Borough Assembly		

POSSIBLE MOTION

I MOVE TO approve Ordinance 2019-04 on
second and final reading.




City and Borough of Sitka

100 Lincoln Street • Sitka, Alaska 99835

Coast Guard City, USA

MEMORANDUM

To: Keith Brady, Municipal Administrator
Mayor Paxton and Members of the Assembly

From: Scott Brylinsky, Planning and Community Development Interim Director 

Subject: Ordinance for sale of portion of Eagle Way Right-of-Way, adjacent to 1318 Sawmill Creek Road, to Adam Chinalski

Date: February 5, 2019

Background

In April 2018 Adam Chinalski applied to purchase a 1660 square foot portion right of way on Eagle Way, adjacent to 1318 Sawmill Creek Road. The intended use is to provide additional parking for Grandma Tillie's Bakery.

The parcel has been determined to be surplus to city needs.

Consistent with established procedure for sale of small parcels of city lands, the request went before the Planning Commission for consideration. At its July 26, 2018 meeting, the Planning Commission voted to recommend approval of the sale subject to the following recommended conditions:

- 1) Approval of all existing and proposed utility easements by the Public Works Director, Electric Utility Director, and Municipal Attorney;
- 2) Maintaining access to Eagle Way Lift Station and associated force main (without paving over it until project is complete);
- 3) Applicant shall prepare a third party fair market appraisal to assist staff and the assembly in determining fair value for the purchase;
- 4) Applicant shall prepare a preliminary and final plat prepared by a licensed surveyor;
- 5) Portion of right of way to be purchased shall be unified with the existing lot (portion of US Survey 2355) and shall remain unified (should not be sold separate from main lot and this shall be noted on plat); and

- 6) Shall follow the appropriate process (see above for illustrative process, but note, process may change to meet needs and requirements of City).

Applicant shall provide a survey showing existing lot and proposed purchase that includes property lines (existing and proposed) and square footage of each area. As well as existing and proposed easements/utilities.”

All conditions have been met.

Valuation

A third party appraiser valued the property. The City Assessor confirmed the valuation at \$22,100.

Recommendation

RECOMMENDED ACTION: Pass a motion to approve the vacation and sale ordinance.

CITY AND BOROUGH OF SITKA

ORDINANCE NO. 2019-04

**AN ORDINANCE OF THE CITY AND BOROUGH OF SITKA, ALASKA AUTHORIZING
THE VACATION AND SALE OF A 1,660 SQUARE FOOT PORTION OF THE RIGHT-OF-WAY
ADJACENT TO 1318 SAWMILL CREEK ROAD**

1. CLASSIFICATION. This ordinance is not of a permanent nature and is not intended to become a part of the Sitka General Code.

2. SEVERABILITY. If any provision of this ordinance or any application to any person or circumstance is held invalid, the remainder of this ordinance and application to any person or circumstance shall not be affected.

3. PURPOSE. To vacate and sell a portion of the Eagle Way right-of-way, not needed by the City and Borough of Sitka, to the adjacent property owners, Adam and Kris Chinalski, with the only realistic benefit of ownership.

4. ENACTMENT. NOW, THEREFORE, BE IT ENACTED by the Assembly of the City and Borough of Sitka:

A. The vacation and sale of a 1,660 square foot portion of right-of-way adjacent to 1318 Sawmill Creek Road, generally described as a portion of Lot 1, US Survey 2355, and Lot 21, US Survey 3695 (the "parcel"), to Adam and Kris Chinalski, husband and wife, is hereby authorized.

B. The sales price of the parcel, as established by the Municipal Assessor, shall be \$22,100.

C. The Assembly finds that the vacated parcel is in excess of municipal needs.

D. The Assembly finds that competitive bidding is inappropriate and unnecessary due to the nature of the property since it can only realistically be used by the adjacent property owners, the Chinalskis.

E. The sale is conditional to the recording of the subdivision plat.

F. The transfer shall be by quitclaim deed.

G. The Chinalskis shall grant a utility easement to the City and Borough of Sitka upon the parcel for the purpose of operating, maintaining, repairing, and improving municipal utility infrastructure.

5. EFFECTIVE DATE. This ordinance shall become effective the day after the date of its passage.

PASSED, APPROVED, AND ADOPTED by the Assembly of the City and Borough of
Sitka, Alaska, this 26th day of February, 2019.

Gary L. Paxton, Mayor

ATTEST:

Sara Peterson, MMC
Municipal Clerk

1st reading 2/12/19

2nd reading 2/26/19

Sponsor: Administrator



City & Borough of Sitka, Alaska

Selected Parcel: 1318 Sawmill Creek Rd ID: 30441000

Printed 2/6/2019 from <http://www.mainstreetmaps.com/ak/sitka/public.asp>

10 m
50 ft



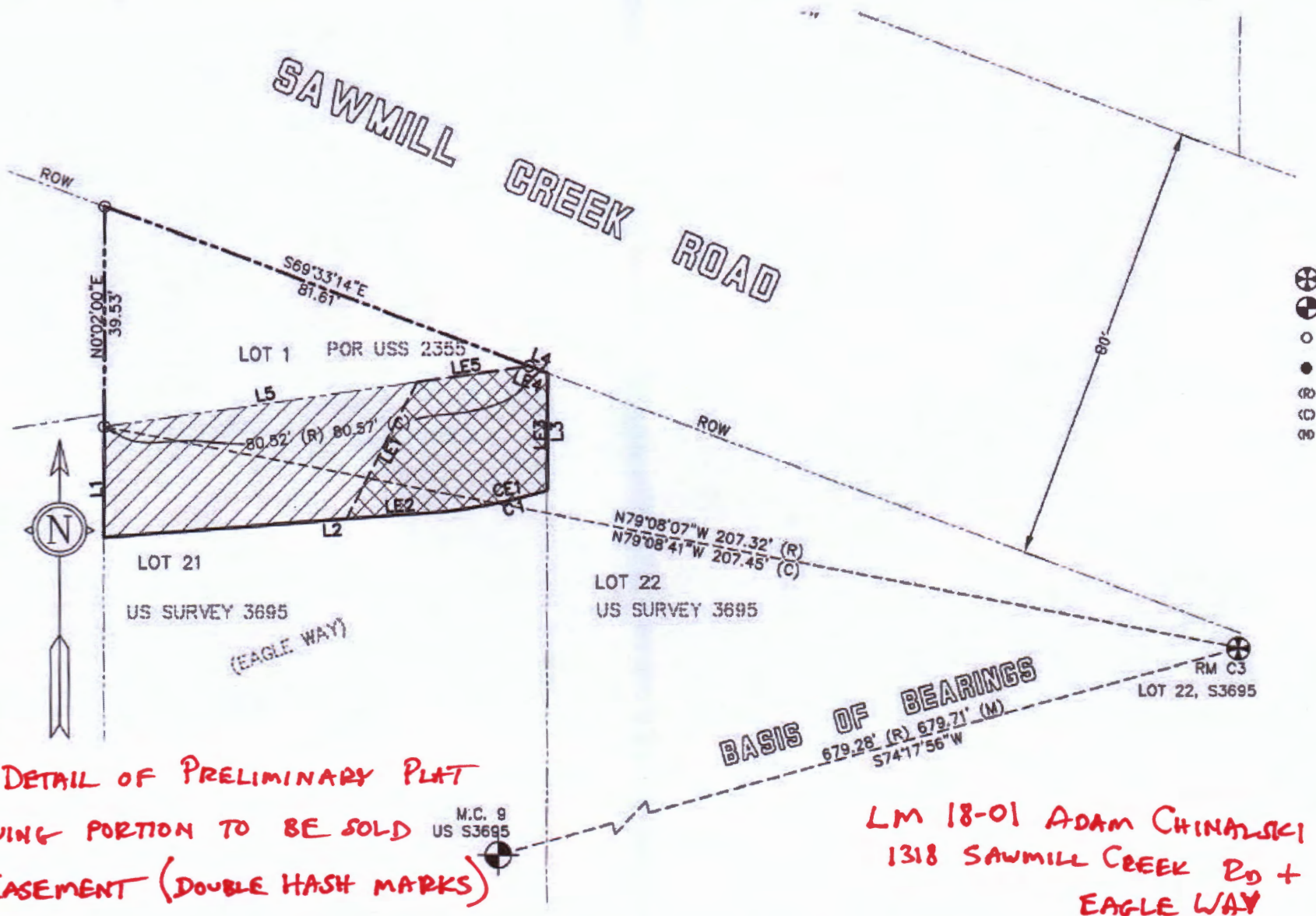
MainStreetGIS
MainStreetGIS, LLC
www.mainstreetgis.com

This map is for informational purposes only. It is not for appraisal of, description of, or conveyance of land. The City & Borough of Sitka, Alaska and MainStreetGIS, LLC assume no legal responsibility for the information contained herein.

LM 18-01 ADAM CHINALSKI

VICINITY MAP

 Portion being sold



RECORD OF REVISIONS		DESIGNED: K. O'NEILL	SURVEYOR'S CERTIFICATE I HEREBY CERTIFY THAT I AM A REGISTERED SURVEYOR, LICENSED IN THE STATE OF ALASKA, AND THAT IN _____ A SURVEY OF THE HEREIN DESCRIBED LANDS WAS CONDUCTED UNDER MY DIRECT SUPERVISION AND THAT THIS PLAT IS A TRUE AND ACCURATE REPRESENTATION OF THE FIELD NOTES OF SAID SURVEY, AND THAT ALL DIMENSIONS AND OTHER DETAILS ARE CORRECT ACCORDING TO SAID FIELD NOTES.
		DRAWN: JCH/ACAD	
		CHECKED: KD	
		DATE OF PLAT: DATE/TIME	
		SCALE: 1" = 20'	DATE _____
		DRAWING NAME: 40052-03	KELLY O'NEILL
		PROJECT NO. 40052-03	LS 13311

CLI



City and Borough of Sitka

100 Lincoln Street • Sitka, Alaska 99835

Coast Guard City, USA

MEMORANDUM

To: Chair Spivey and Planning Commission Members

From: Michael Scarcelli, Planning and Community Development Department Director

CC: Wendy Lawrence, Assessor
Brian Hanson, Municipal Attorney
Keith Brady, Municipal Administrator
Bryan Bertacchi, Electric Utility Director
Michael Harmon, Public Works Director

Subject: LM 18-01: Sale of Portion of Eagle Way Right-of-Way, 1318 SMC, adjacent to Grandma Tillies

Date: July 26, 2018

Request: Adam and Kris Chinalski are requesting to purchase an approximate 1,660 square foot portion of Eagle Way right-of-way (ROW) adjacent to their parcel at 1318 Sawmill Creek Road (Grandma Tillie's Bakery). They would like to develop this area for parking to support their business.

Background: This proposal is supported by the Comprehensive Plan in that it would support an existing business to grow (economic chapter). In addition, it would make best use of otherwise underutilized ROW (Land Use, Facilities, and Transportation chapters), while also preserving the community's interests in the infrastructure and utility of the usable ROW.

This ROW was deeded to the City and Borough of Sitka from the State Department of Transportation and Public Facilities (DOT&PF) and is subject to the following:

- 1) All rights reserved by the State, pursuant to Article 8, Section 9, of the Alaska State Constitution, AS 38.05.125, and AS 38.05.130;
- 2) Restrictions, easements, reservations, or rights noted on the DOT&PF Right of Way map, dated August 14, 2014; and
- 3) All existing legal or equitable rights, easements, reservations, or restrictions of third parties, including other state agencies, recorded or unrecorded.

The sale of municipal land that is a platted right of way must follow Sitka General Code 18.12. Staff envisions the following process:

- 1) Initial Planning Commission recommendation of approval to City Assembly with any specific conditions;

Providing for today...preparing for tomorrow

- 2) City Assembly approval of purchase subject to conditions of approval such as official plat, deed restrictions, and value;
- 3) Planning Commission approval of formal plat;
- 4) Finalization and execution of Sales Agreement and Deeds contemporaneous with recording of final plat (with approval by City Assembly if needed)

Valuation: TBD by Assembly pursuant to SGC 18.12.015.C.3 (with assistance from Assessor or Third party Appraisal).

Recommendations: I move to recommend approval of a sale of an approximate 1,660 square foot portion of the Eagle Way Right of Way adjacent to 1318 Sawmill Creek Road (Portion of US Survey 2355) subject to the following recommended conditions:

- 1) Approval of all existing and proposed utility easements by the Public Works Director, Electric Utility Director, and Municipal Attorney;
- 2) Maintaining access to Eagle Way Lift Station and associated force main (without paving over it until project is complete);
- 3) Applicant shall prepare a third party fair market appraisal to assist staff and the assembly in determining fair value for the purchase;
- 4) Applicant shall prepare a preliminary and final plat prepared by a licensed surveyor;
- 5) Portion of right of way to be purchased shall be unified with the existing lot (portion of US Survey 2355) and shall remain unified (should not be sold separate from main lot and this shall be noted on plat); and
- 6) Shall follow the appropriate process (see above for illustrative process, but note, process may change to meet needs and requirements of City)

10. A detailed rental overview shall be provided to renters detailing directions to the unit, transportation options, appropriate access, parking, trash management, noise control/quiet hours, and a general admonition to respect the surrounding residential neighborhood.
11. The property owner shall communicate to renters that a violation of these conditions of approval will be grounds for eviction of the short-term renters.
12. Failure to comply with any of the above conditions may result in revocation of the conditional use permit. **Motion Carried 3-0.**

M/S Taylor Colvin/Randy Hughey to find that:

1. The granting of the proposed conditional use permit will not:
 - a. be detrimental to the public health, safety, and general welfare specifically, conditions of approval require responsible garbage management and noise monitoring;
 - b. adversely affect the established character of the surrounding vicinity specifically, the rental would make use of an already developed unit of a duplex with on-site owner-managers to monitor for concerns; nor
 - c. be injurious to the uses, property, or improvements adjacent to, and in the vicinity of, the site upon which the proposed use is to be located, specifically, on-site parking is provided.
2. The granting of the proposed conditional use permit is consistent and compatible with the intent of the goals, objectives, and policies of the comprehensive plan and any implementing regulation, specifically, that the proposal provides owners with incentives to develop higher density and additional dwelling units. **Motion Carried 3-0.**

- J Public hearing and consideration for a request to purchase a portion of the municipal right of way, approximately 1660 square feet along Eagle Way adjacent to 1318 Sawmill Creek Road (Grandma Tillie's Bakery). The applicant proposes to use this portion of ROW to provide on-site parking for the bakery. The property is described as a portion of the Eagle Way rights-of-way and improvements from Eagle Intersection at Sawmill Creek Road (Quitclaim Deed 2015-000105-0).

Planning Director Scarcelli gave an overview of the process so far, and outlined the ensuing steps for the right-of-way sale. He reported that State officials stated the utility easements and maintenance agreements for this right-of-way were to be documented. He explained the difference between right-of-way versus tideland sales.

Applicant Adam Chinalski indicated a third party appraisal was acceptable, and he would provide a copy to the Planning Office.

No public comment.

M/S Randy Hughey/Taylor Colvin to recommend approval of a sale of an approximate 1,660 square foot portion of the Eagle Way Right of Way adjacent to 1318 Sawmill Creek Road (Portion of US Survey 2355) subject to the following recommended conditions:

1. Approval of all existing and proposed utility easements by the Public Works Director, Electric Utility Director, and Municipal Attorney;
2. Maintaining access to Eagle Way Lift Station and associated force main (without paving over it until project is complete);
3. Applicant shall prepare a third party fair market appraisal to assist staff and the assembly in determining fair value for the purchase;
4. Applicant shall prepare a preliminary and final plat prepared by a licensed surveyor;
5. Portion of right of way to be purchased shall be unified with the existing lot (portion of US Survey 2355) and shall remain unified (should not be sold separate from main lot and this shall be noted on plat); and
6. Shall follow the appropriate process (see above for illustrative process, but note, process may change to meet needs and requirements of City).
7. Applicant shall provide a survey showing existing lot and proposed purchase that includes property lines (existing and proposed) and square footage of each area. As well as existing and proposed easements/utilities.

Motion Carried 3-0.

I. Adjournment

The meeting was adjourned at 9:33 p.m.



CITY AND BOROUGH OF SITKA

Legislation Details

File #: 19-026 Version: 1 Name:

Type: Item Status: AGENDA READY

File created: 2/6/2019 In control: City and Borough Assembly

On agenda: 2/26/2019 Final action:

Title: Discussion / Direction of the Investment Committee recommendation to add infrastructure exchange-traded funds as an authorized investment asset class (postponed from the February 12 meeting)

Sponsors:

Indexes:

Code sections:

Attachments: [Finance Director Memo](#)

Date	Ver.	Action By	Action	Result
2/12/2019	1	City and Borough Assembly		

Discussion / Direction

of the Investment Committee recommendation to add
infrastructure exchange-traded funds as an authorized
investment asset class



City and Borough of Sitka

100 Lincoln Street • Sitka, Alaska 99835

MEMORANDUM

To: Mayor Paxton and Assembly Members
Keith Brady, Municipal Administrator *KB*

From: Jay Sweeney, Chief Finance and Administrative Officer

Date: February 6, 2019

Subject: Addition of Infrastructure Exchange-Traded Funds as Authorized Investment for the Sitka Permanent Fund

Issue

The City and Borough of Sitka Investment Committee is requesting that the Assembly approve its decision to allow investment of Permanent Fund assets in an additional asset class, infrastructure exchange-traded funds (ETFs).

Facts

1. At its meeting on December 17, 2018, the Investment Committee viewed a presentation by its investment manager, Alaska Permanent Capital Management (APCM), wherein APCM recommended the Permanent Fund portfolio be diversified by allowing investment in infrastructure equities through exchange-traded funds (ETFs).
2. Infrastructure ETFs invest in large privately-owned companies with large infrastructure assets such as railroads, electric utilities, pipelines, toll bridges, toll roads, and high speed railways which generate well-defined cash flows.
3. After hearing the presentation, the Investment Committee has determined that an additional asset class, exchange traded funds (ETFs) investing in infrastructure, will diversify the Permanent Fund, reduce risk, and increase portfolio performance over the long run.
4. The Investment Committee voted unanimously at its meeting on December 17, 2018, to recommend to the Assembly that investment in infrastructure ETFs, be approved.
5. Per SGC 4.28.120 c, sub-allocations of investments within asset classes shall be determined by the investment committee, as necessary and appropriate, and shall be recommended to the assembly for adoption by resolution.

Recommendation

Staff recommends that the Assembly approve the recommendation of the Investment Committee to allow investment in infrastructure ETFs.



CITY AND BOROUGH OF SITKA

Legislation Details

File #: RES 19-07 Version: 1 Name:

Type: Resolution Status: AGENDA READY

File created: 2/20/2019 In control: City and Borough Assembly

On agenda: 2/26/2019 Final action:

Title: Supporting Secure Rural Schools Reauthorization

Sponsors:

Indexes:

Code sections:

Attachments: [Motion and Res 2019-07](#)

Date	Ver.	Action By	Action	Result
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Sponsors: Paxton / Mosher

POSSIBLE MOTION

I MOVE TO approve Resolution 2019-07 on
first and final reading.

CITY AND BOROUGH OF SITKA

RESOLUTION NO. 2019 - 07

**A RESOLUTION OF THE CITY AND BOROUGH OF SITKA
SUPPORTING SECURE RURAL SCHOOLS REAUTHORIZATION**

WHEREAS, the City and Borough of Sitka urges immediate reauthorization and funding for fiscal year 2019 of the Secure Rural Schools and Community Self Determination Act; and

WHEREAS, the City and Borough of Sitka urges multi-year reauthorization and mandatory funding of the Secure Rural Schools and Community Self-Determination Act by the U.S. Congress as a key component of federal financial assistance to local governments and school districts across the country. This law recognizes the need for sustained funding to school districts that have non-taxable national forest lands within their boundaries; and

WHEREAS, the Secure Rural Schools Act is critically important to many rural school districts such as Sitka which have relied heavily on Secure Rural School funds to supplement local revenue for education. The Sitka School District resides in the Sitka Borough which is comprised of 95% Tongass National Forest. The impact of a National Forest that no longer provides adequate revenue to help support local schools and roads places an onerous burden upon our local citizenry that cannot be ameliorated without Federal assistance; and

WHEREAS, it is imperative for many national forested counties and school districts that have no ability to generate local tax revenue to support schools and roads that this act is immediately reauthorized and funded.

NOW, THEREFORE, BE IT RESOLVED that the Assembly of the City and Borough of Sitka, Alaska urges the Alaska congressional delegation (Senator Murkowski, Senator Sullivan and Representative Young) to do all in their power to affect the reauthorization and funding of the Secure Rural Schools and Community Self-Determination Act for fiscal year 2019 and to work towards multi-year reauthorization and mandatory funding for 2020 and beyond.

PASSED, APPROVED, AND ADOPTED by the Assembly of the City and Borough of Sitka, Alaska, on this 26th day of February, 2019.

Gary L. Paxton, Mayor

ATTEST

Sara Peterson, MMC
Municipal Clerk

1st and final reading 2/26/19

Sponsors: Paxton / Mosher



CITY AND BOROUGH OF SITKA

Legislation Details

File #: ORD 19-05 Version: 1 Name:

Type: Ordinance Status: AGENDA READY

File created: 2/20/2019 In control: City and Borough Assembly

On agenda: 2/26/2019 Final action:

Title: Making supplemental appropriations for Fiscal Year 2019 (Economic Development Projects / GPIIP Lease Reviews) - 1st reading

Sponsors:

Indexes:

Code sections:

Attachments: [Motion Memo and Ord 2019-05](#)

Date	Ver.	Action By	Action	Result
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Sponsors: Paxton / Mosher

POSSIBLE MOTION

I MOVE TO approve Ordinance 2019-05 on
first reading.



City and Borough of Sitka

100 Lincoln Street • Sitka, Alaska 99835

MEMORANDUM

To: Assembly Members
Keith Brady, Municipal Administrator

From: Mayor Paxton and Assembly Member Mosher

Cc: Brian Hanson, Municipal Attorney

Date: February 19, 2019

Subject: Approval of Ordinance 2019-05

Background:

There are several leases and projects for the Gary Paxton Industrial Park, and other economic development related projects, that are awaiting legal review. Currently, the Legal Department has limited resources and many high profile issues which have required a significant amount of work, leaving limited time to devote to other tasks. The GPIIP leases fall within the latter category which has delayed the review and completion of the leases.

We are requesting funds be allocated to the Legal Department specifically for GPIIP lease review and completion. We feel this will expedite the timeline.

Recommendation:

Approve Ordinance 2019-05.

CITY AND BOROUGH OF SITKA

ORDINANCE NO. 2019-05
AN ORDINANCE OF THE CITY AND BOROUGH OF SITKA
MAKING SUPPLEMENTAL APPROPRIATIONS FOR FISCAL YEAR 2019
(Economic Development Projects/GPIP Lease Reviews)

BE IT ENACTED by the Assembly of the City and Borough of Sitka, Alaska as follows:

1. **CLASSIFICATION.** This ordinance is not of a permanent nature and is not intended to be a part of the Sitka General Code of the City and Borough of Sitka, Alaska.

2. **SEVERABILITY.** If any provision of this ordinance or any application thereof to any person or circumstance is held invalid, the remainder of this ordinance and application thereof to any person and circumstances shall not be affected thereby.

3. **PURPOSE.** The purpose of this ordinance is to make a supplemental capital appropriation for Fiscal Year 2019.

4. **ENACTMENT.** In accordance with Section 11.10(a) of the Charter of the City and Borough of Sitka, Alaska, the Assembly hereby makes the following supplemental appropriations for the budget period beginning July 1, 2018 and ending June 30, 2019.

FISCAL YEAR 2019 EXPENDITURE BUDGETS
SOUTHEAST ALASKA ECONOMIC DEVELOPMENT FUND
Southeast Economic Development Fund – Interfund Transfers: Increase appropriations in the amount of \$25,000 from the Southeast Economic Development Fund (\$10,000 to the General Fund and \$15,000 to the Gary Paxton Industrial Park Fund).
GENERAL FUND
Legal Department – Operations: Increase appropriations under legal expenditures in the amount of \$10,000 for outside counsel regarding economic development projects.
ENTERPRISE AND INTERNAL SERVICE FUNDS
Gary Paxton Industrial Park Fund – Operations: Increase appropriations under legal expenditures in the amount of \$15,000 regarding the GPIP lease reviews.

EXPLANATION

Necessary revisions in the FY2019 budget were identified. These changes involve the increase of expenditure accounts. A short explanation is included.

5. **EFFECTIVE DATE.** This ordinance shall become effective on the day after the date of its passage.

PASSED, APPROVED, AND ADOPTED by the Assembly of the City and Borough of Sitka, Alaska this 12th Day of March, 2019.

ATTEST:

Steven Eisenbeisz, Deputy Mayor

Melissa Henshaw, CMC
Acting Municipal Clerk

1st reading 2/26/19
2nd and final reading 3/12/19



CITY AND BOROUGH OF SITKA

Legislation Details

File #: 19-042 Version: 1 Name:

Type: Item Status: AGENDA READY

File created: 2/20/2019 In control: City and Borough Assembly

On agenda: 2/26/2019 Final action:

Title: Approve Assembly Action Plans: Lobbying, No Name Mountain / Granite Creek, Seaplane Base, CBS Business Friendly, Affordable Housing, and Cold Storage

Sponsors:

Indexes:

Code sections:

Attachments: [Possible Steps and Motion](#)
[Action Plan Lobbying.](#)
[Action Plan No Name Mountain Granite Creek.](#)
[Action Plan Seaplane Base.](#)
[Action Plans \(3\) Business Friendly, Housing and Cold Storage.](#)

Date	Ver.	Action By	Action	Result
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Possible Steps / Motion

Step 1

Discussion of Action Plans

Step 2

I MOVE TO approve the following action plans:

- 1) Lobbying,
- 2) No Name Mountain / Granite Creek,
- 3) Seaplane Base,
- 4) CBS Business Friendly,
- 5) Affordable Housing, and,
- 6) Cold Storage



CITY AND BOROUGH OF SITKA

Legislation Details

File #: 19-046 Version: 1 Name:

Type: Item Status: AGENDA READY

File created: 2/22/2019 In control: City and Borough Assembly

On agenda: 2/26/2019 Final action:

Title: Discussion / Direction / Decision regarding the Sitka Police Department practices and procedures and a possible investigation of the same by the Assembly (possible executive session)

Sponsors:

Indexes:

Code sections:

Attachments: [Discussion Direction Decision SPD practices and procedures](#)

Date	Ver.	Action By	Action	Result
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Discussion / Direction / Decision

Regarding the Sitka Police Department practices and procedures and a possible investigation of the same by the Assembly

(possible executive session)*

*Sitka General Code 2.04.020 Meetings

D. All meetings shall be open to the public except that the following may be discussed in closed executive session:

1. Matters, the immediate knowledge of which would adversely affect the finances of the municipality;
2. Subjects that tend to prejudice the reputation and character of any person, provided the person may request a public discussion;
3. Matters which by law, municipal Charter or ordinances are required to be confidential;
4. Communications with the municipal attorney or other legal advisors concerning legal matters affecting the municipality or legal consequences of past, present or future municipal actions.



CITY AND BOROUGH OF SITKA

Legislation Details

File #: 19-039 Version: 1 Name:
Type: Item Status: AGENDA READY
File created: 2/20/2019 In control: City and Borough Assembly
On agenda: 2/26/2019 Final action:
Title: Financial / Legal Matters regarding lawsuits involving the Sitka Police Department
Sponsors:
Indexes:
Code sections:
Attachments: [Motion Executive Session](#)

Date	Ver.	Action By	Action	Result
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POSSIBLE MOTIONS

Step 1:

I MOVE to go into executive session to receive and discuss an update from the Municipal Attorney and outside legal counsel, Michael Gatti and Megan Sandone, regarding financial and legal matters affecting the Municipality as a result of the lawsuits filed by Ryan Silva on August 23, 2018 and Mary Ferguson on October 11, 2018.

Step 2:

I MOVE to reconvene as the Assembly in regular session.

*Sitka General Code 2.04.020 Meetings

D. All meetings shall be open to the public except that the following may be discussed in closed executive session:

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