



CITY AND BOROUGH OF SITKA

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

Minutes - Draft City and Borough Assembly

*Mayor Mim McConnell
Deputy Mayor Matt Hunter
Vice-Deputy Mayor Benjamin Miyasato
Aaron Swanson, Steven Eisenbeisz
Tristan Guevin, and Michelle Putz*

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

Tuesday, January 27, 2015

6:00 PM

Assembly Chambers

REGULAR MEETING

I. CALL TO ORDER

II. FLAG SALUTE

III. ROLL CALL

Putz was absent from 6:20pm to 8:30pm

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

IV. CORRESPONDENCE/AGENDA CHANGES

Eisenbeisz requested Item K be moved and addressed before Item F. No objection was heard.

15-004 Correspondence and Reminders

V. CEREMONIAL MATTERS

15-001 Certificate for retiring employee Brenda Calkins

Mayor McConnell presented a certificate to retiring employee Brenda Calkins and thanked Calkins for her service of more than 11 years to the City and Borough of Sitka.

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

Rob Allen, Interim CEO of Sitka Community Hospital, gave an update from his first week on the job. Allen reported the Hospital had \$900,000 in cash on hand and hoped to see that number continue to grow. He thanked the Assembly for their

continued support.

VII. PERSONS TO BE HEARD

Melissa Marconi-Wentzel, Executive Director of the Sitka Health Summit, thanked those Sitkans who had participated in the recent Community Health Assessment training.

VIII. REPORTS

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

Mayor - Reported she had attended meetings having to do with the branding project and it was progressing nicely; continued to attend the Gary Paxton Industrial Park Board meetings which had been helpful in understanding the complexity of the proposals; attended the Marijuana Town Hall meeting and thanked the panelists for a great job with their presentations and in answering questions; attended part of the MAPP training for the Health Assessment project and looked forward to seeing the results from the work on this project and how it would end up benefiting the community; met with Mark Gorman and the Planning Department staff to talk about process and timeline for updating the Comprehensive Plan; met with Mark Gorman, staff and Michelle Putz to talk about various revenue ideas. McConnell phoned into an Alaska Municipal League teleconference last week. AML staff needed permission from the Board to continue a neutral stand on the Ketchikan lawsuit with the State concerning local contributions for education funding. The statewide required local contribution amounts to about \$220 million so that is the additional money the State would need to pay under the Superior Court ruling. Municipal lobbyists were concerned that the legislature would want to take Municipal Revenue Sharing and increase the 22% PERS debt retirement municipalities were required to pay in order to cover the \$220 million. School debt service could be another community related benefit under the attack. There was a suggestion to have the legislature sunset the senior property tax exemption, let that be managed on the local level, and in return modify municipal sharing and the 22% PERS payments. McConnell noted this was confusing and urged individuals to ask for clarification.

Administrator - Reported staff responses to the Municipal Solutions report would be provided to the Assembly in the near future, announced Maegan Bosak was the new Director of Planning and Community Development and thanked Scott Brylinsky for stepping in as interim the past few months.

Attorney - Noted she was continuing to work with Delta Airlines to assist with getting settled in the terminal, announced the Employment Relations Board would meet January 28 to discuss a petition filed by the Fire Department Engineers.

Liaison - Putz attended the recent Tree and Landscape Committee meeting and recognized CBS employee Jud Kirkness for receiving his recent certification as a tree arborist, Eisenbeisz reported on recent meetings of the Hospital Board and Gary Paxton Industrial Park Board, and Hunter reported on the Port and Harbors Commission meeting.

Clerk - Reminded the Assembly of the Government to Government Dinner Meeting on January 30.

Assembly Member Putz excused herself from the meeting at 6:20pm.

IX. CONSENT AGENDA

- A 15-002** Approve the minutes of the January 13, 2015 Assembly meeting

X. UNFINISHED BUSINESS:

- B ORD 15-01** Authorizing a lease amendment to the tidelands lease in Alaska Tidelands Survey 1160 to Wade and Gretchen Parrish

A motion was made by Hunter to APPROVE this Ordinance on second and final reading. The motion PASSED by the following vote.

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

Absent: 1 - Putz

- C ORD 15-02** Adjusting the FY15 Budget

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

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

Absent: 1 - Putz

XI. NEW BUSINESS:**New Business Items**

- D 15-003** Appoint Doug Osborne to an unexpired term on the Health Needs and Human Services Commission

Guevin stated he was excited to see Doug Osborne appointed to the Commission and thanked Patrick Williams for his previous service on the Commission.

A motion was made by Hunter to APPROVE this item. The motion PASSED by the following vote.

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

Absent: 1 - Putz

New Business First Reading as Amended

- E ORD 15-03A** Plans to issue a Request for Proposal(s) for an entity to take on the responsibilities for planning, coordinating, promoting and executing all phases of conventions, tourism and marketing for Sitka. Formally dissolving the Sitka Convention and Visitor's Bureau under the City's oversight once the Request for Proposal(s) is awarded. The CBS will provide a percentage of bed tax revenues for funding purposes

Evy Kinnear, Vice President of the Sitka Convention and Visitors Bureau Board (SCVB), spoke in support of the ordinance.

Hunter noted the importance of the services that had been provided by SCVB.

A motion was made by Swanson that this Ordinance be APPROVED on first reading as AMENDED. The motion PASSED by the following vote.

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

Absent: 1 - Putz

Eisenbeisz wondered if the Assembly was limited to one entity as the ordinance was currently written to which Attorney Koutchak replied yes. Koutchak noted any change to this would be considered a substantive change and would require the Ordinance to come back before the Assembly again for first reading.

A motion was made by Eisenbeisz to AMEND line 8 to read, "...a request for proposal(s) for an entity or entities to take on the reponisibilities..." and line 25 and 26 to read, "...will be better served by an organization(s)." The motion to amend PASSED by the following vote.

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

Absent: 1 - Putz

Eisenbeisz wondered how the property and cash of SCVB would be handled after after the SCVB was dissolved. Jay Sweeney, Chief Finance and Administrative Officer, explained the process for handling the property and cash in possession of the SCVB on June 30, 2015. The cash would be put into the budget as a donation to take effect on July 1. The personal property, desks and computers etc, would fall under the purview of the property disposal guidelines of Sitka General Code.

New Business First Reading

- K ORD 15-04** Modifying Chapter 4.24 of the Sitka General Code, Hotel, Motel and Bed and Breakfast Transient Room Tax, by adding Section 4.24.070 which creates a special revenue fund entitled "Visitor Activities Enhancement Fund," which directs that all bed taxes collected are deposited in the fund, and which sets forth policy as to how such funds may be appropriated and used

Hunter explained the idea behind the ordinance noting the bed tax money would be put into a special revenue fund that was protected and would allow for some strategic thought when using in the future - a convention for example.

Guevin thanked Chief Finance and Administrative Officer, Jay Sweeney, for his work on this ordinance.

Assembly members discussed possibilities for dispensing funds in the future.

A motion was made by Hunter that this Ordinance be APPROVED on first reading. The motion PASSED by the following vote.

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

Absent: 1 - Putz

F RES 15-01 Authorizing the application for a loan increase to the Alaska Department of Environmental Conservation under the Alaska Clean Water Fund for the Channel, Lake, Monastery and Landfill lift stations

Jay Sweeney, Chief Finance and Administrative Officer, explained the advantage of getting this loan at a low interest rate.

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

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

Absent: 1 - Putz

G RES 15-02 Supporting a community playground at Crescent Harbor Park

Ken Corson, member of the Parks and Recreation Committee, urged the Assembly to support this resolution.

Hunter expressed there was community support for the playground.

Eisenbeisz was glad to see the ADA issue addressed and hoped to see sufficient parking in the area.

A motion was made by Hunter that this Resolution be APPROVED on first and final reading. The motion PASSED by the following vote.

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

Absent: 1 - Putz

H RES 15-03 Approving the City's participation in a proposed refinancing by the Alaska Municipal Bond Bank of certain of the Bond Bank's general obligation bonds, which provided funds to purchase the City's General Obligation Refunding Bond, 2005, and General Obligation Bond, 2008, under loan agreements between the City and the Bond Bank; and authorizing the City's finance director to approve a revised schedule of principal and interest payments with respect to the City's 2005 Bond and 2008 Bond, in accordance with the loan agreements, if the Bond Bank successfully refinances its bonds

Jay Sweeney, Chief Finance and Administrative Officer, provided an overview of the resolution and the opportunity to refinance the general obligation bonds.

A motion was made by Hunter that this Resolution be APPROVED on first and final reading. The motion PASSED by the following vote.

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

Absent: 1 - Putz

I RES 15-04 Approving the sale of Block 4, Lot 17 building and property at Gary Paxton Industrial Park to Ed & Clara Gray D.B.A. Monarch Tannery, and authorizing the Municipal Administrator to sign the agreement

Guevin reminded the Assembly of the GPIIP (Gary Paxton Industrial Park) Strategic Plan and urged them to follow those guidelines. He didn't feel due diligence had been done or steps had been followed. He stated the burden was on us going through the public process. While he supported the Monarch Tannery he felt a precedent would be set. Without a comprehensive plan he could not justify selling public property without going through the process.

Hunter expressed support for the sale of the subject property and wished the Monarch Tannery luck. He stated at some point private industry had to be given the ability to grow and make a business decision.

McConnell noted there were gaps in the Action Plan as outlined in the Strategic Plan and noted the Tannery was already using the Park property, was being displaced, and looking for a better piece of property to expand their business.

Eisenbeisz was excited to get the Tannery going on the subject property but wondered if this was the highest and best use of the property. He later added it would be difficult for private business to operate in a leased land agreement when the business owned the building.

Swanson believed the intent of the Park was for economic growth and noted since the early 90's most of these lots had been vacant. He didn't believe the City should be in real estate.

Garry White, GPIIP Director, explained the Board had been working on the Strategic Plan since 2008 and added it was a living document that had been addressed by the Board at least a dozen times. He further added there was an infinite number of highest and best uses for the Park and how that equated to Sitka. The goal was to get meaningful development to Sitka.

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

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

No: 1 - Guevin

Absent: 1 - Putz

J RES 15-05 Approving the sale of Block 4, Lot 12A, Lot 13, Lot 9C and Block 4, Lot 11 building and property containing the former water treatment plant at Gary Paxton Industrial Park to Silver Bay Seafoods, LLC, and authorizing the Municipal Administrator to sign the agreements

Betty Jo Moore, Andrea Thomas, Corrie Baggen, Ken Helem, Steve Reifensuhl, Brian Howey, Dale Adams and Wayne Younger spoke in support of the resolution.

Jim Seeland, of Sitka Sound Science Center, spoke in support of Silver Bay Seafoods and noted they had been a wonderful community partner.

Rich Riggs, CEO of Silver Bay Seafoods, noted Silver Bay Seafoods had overwhelmingly exceeded their expectations as a business and had given back to the community.

Troy Denkinger, founder and President of Silver Bay Seafoods, reminded the Assembly of the GPIP Board's recommendation to proceed with the sale as noted in the resolution and spoke of future visions for the property.

Clyde Bright spoke in opposition to the resolution.

Brian Hanson, private Attorney, speaking on behalf of Cove Partners and Star West owners of Lot 5 in GPIP, addressed their concerns over access and use at the Park. He noted this sale may drive what happened with future decisions.

Jeff Farvour, spoke against the resolution and urged the Assembly to make a more informed decision and recommended postponing the resolution.

Pat Glaab stated the development proposal was premature, and while he was supportive of Silver Bay Seafoods he recommended more time be taken to understand the plan of the Park.

Assembly Deliberation:

Guevin stated he was not opposed to Silver Bay Seafoods but again reminded the Assembly of the importance in following the GPIP Strategic Plan. Guevin noted there was a responsibility to the citizens of Sitka and the Assembly needed to do their due diligence.

A motion was made by Swanson that this Resolution be APPROVED on first and final reading as AMENDED. The motion PASSED by the following vote.

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

No: 1 - Guevin

Putz rejoined the meeting at 8:30pm. She noted there were definitely pieces missing and wondered if this resolution should be postponed.

Assembly members discussed the concerns regarding the disposal of Lot 9C.

Clyde Bright spoke in support of postponement.

Rich Riggs stated it would be good to get input on Lot 9C but he would be ok with pulling it out of the resolution in order to proceed.

Chris Brewton offered some comments in regards to the letter he submitted about the substation at the Industrial Park. He noted the substation currently had 60% capacity available. He asked for advance notice if the load were to increase so the Electric Department could plan accordingly.

Steve Reifentstahl and Dale Adams spoke against postponing the resolution.

Troy Denkinger spoke against postponing the resolution and spoke in favor of pulling Lot 9C.

Eisenbeisz wondered if it would be burdensome to pull Lot 9C. Attorney Koutchak stated it would not be an issue.

Garry White came forward and restated it was the Board's recommendation to sell the subject properties. He further added a definite location had not been determined for the dock.

A motion was made by Guevin to POSTPONE this item until resolution on the dock had been reached. The motion FAILED by the following vote.

Yes: 2 - Miyasato, and Guevin

No: 5 - McConnell, Hunter, Swanson, Eisenbeisz, and Putz

A motion was made by Swanson to AMEND the resolution and purchase and sales contract by pulling Lot 9C. The motion PASSED by the following vote.

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

McConnell wished some benchmarks had been set and expressed concern with Lot 12A and Lot 13.

Hunter understood the need for benchmarks, however, this company, an economic powerhouse, was ready to move forward.

Eisenbeisz stated Silver Bay Seafoods had proven themselves and noted they were willing to work with the City.

Guevin reminded the Assembly this was being passed on one reading and the importance of the public process.

Miyasato spoke in support of the motion as amended.

L ORD 15-05 Adjusting the FY15 Budget

A motion was made by Hunter that this Ordinance be APPROVED on first reading. The motion passed by the following vote.

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

M ORD 15-06 Adding a new title to Sitka General Code entitled "Title 7, Marijuana Regulations" to regulate and tax the use, possession, manufacture and sale of marijuana as well as provide penalties for violation as defined in Chapter 7.30, Section 7.30.010 entitled "Public Consumption"

Andrea Thomas spoke against passage of the ordinance and noted when voting in the State election she voted for no public consumption in any public place. She stated the public was not informed about what the ordinance was about.

A motion was made by Swanson to APPROVE this Ordinance on first reading. The motion passed by the following vote.

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

Eisenbeisz wondered if marijuana regulations would better fit under Title 10 of Sitka General Code - Public Peace, Safety and Morals.

Putz spoke of the potential hazard of combining marijuana and alcohol and noted further restrictions should be placed in the ordinance.

Scott Brylinsky, Interim Planning Director, noted the ordinance was modeled after Anchorage's ordinance although there were some similarities to those in Colorado.

Guevin wondered if it was anticipated that Title 7 would grow. Municipal Attorney, Robin Koutchak, responded yes. She suggested the next ordinance to come forward would be establishing a local regulatory agency. Police Chief, Sheldon Schmitt, concurred.

A motion was made by Eisenbeisz to AMEND the ordinance by adding marijuana regulations to Title 10 of the Sitka General Code. The motion FAILED by the following vote.

Yes: 3 - Swanson, Eisenbeisz, and Guevin

No: 4 - McConnell, Hunter, Miyasato, and Putz

Putz wondered whether the ordinance prohibited public consumption in terms of food and drink items. Koutchak noted that edibles were included in this.

The Assembly further discussed issues surrounding public consumption.

Andrea Thomas and Steve Reifentstuhel spoke in favor of the amendment.

A motion was made by Putz to AMEND the Ordinance by removing section B.4. The motion FAILED by the following vote.

Yes: 2 - Swanson, and Miyasato

No: 5 - McConnell, Hunter, Eisenbeisz, Guevin, and Putz

XII. PERSONS TO BE HEARD:

Andrea Thomas noted the ordinance was not clear on where marijuana would be and would not be allowed and felt the public had not been informed.

XIII. EXECUTIVE SESSION

None.

XIV. ADJOURNMENT

A motion was made by Swanson to ADJOURN. Hearing no objections the

meeting ADJOURNED at 9:55pm.

ATTEST: _____

Sara Peterson, CMC
Acting Municipal Clerk