

## **CONSENT AGENDA**

### **POSSIBLE MOTION**

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

**I wish to remove Item(s) \_\_\_\_\_**

**REMINDER – Read aloud a portion of each item being  
voted on that is included in the consent vote.**

Should this item be pulled from the Consent Agenda the following motion is suggested:

**POSSIBLE MOTION**

**I MOVE TO** approve the minutes of the  
March 22 Assembly meeting.



# CITY AND BOROUGH OF SITKA

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

## Minutes - Draft

### City and Borough Assembly

*Mayor Matthew Hunter  
Deputy Mayor Steven Eisenbeisz,  
Vice Deputy Mayor Bob Potrzuski,  
Aaron Bean, Kevin Knox, Dr. Richard Wein,  
Benjamin Miyasato*

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

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Thursday, March 22, 2018

6:00 PM

Assembly Chambers

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#### SPECIAL MEETING

#### I. CALL TO ORDER

#### II. FLAG SALUTE

#### III. ROLL CALL

Present: 6 - Miyasato, Eisenbeisz, Potrzuski, Hunter, Bean, and Wein

Telephonic: 1 - Knox

#### IV. PERSONS TO BE HEARD

None.

#### V. UNFINISHED BUSINESS

##### A 18-048

RECONSIDERATION of the decision made at the March 22nd special meeting to eliminate the contracted lobbyist and any associated costs with the lobbyist contract

Utility Director, Bryan Bertacchi, stated lobbyist Larry Markley played a significant role in advocating for the Electric Department capital projects. Bertacchi noted the contract cost had been \$41,000 however he had negotiated and reduced it to \$25,000.

A motion was made by Miyasato to RECONSIDER the motion made at the March 15 meeting to eliminate the contracted lobbyist and any associated costs with the lobbyist contract. The motion PASSED by the following vote.

Yes: 7 - Miyasato, Eisenbeisz, Potrzuski, Hunter, Knox, Bean, and Wein

A motion was made by Potrzuski to fund the contracted lobbyist at \$25,000 for FY19 in the Electric Fund budget. The motion PASSED by the following vote.

Yes: 7 - Miyasato, Eisenbeisz, Potrzuski, Hunter, Knox, Bean, and Wein

## VI. NEW BUSINESS:

### B 18-043 Executive Summary of the FY19 Enterprise Fund budgets

Administrator Brady and Chief Finance and Administrative Officer Jay Sweeney provided an overview of the evening's agenda in which the eight enterprise funds would be examined. Sweeney reminded the Administrator's budget would move forward as presented unless amendments were made by the Assembly.

### C 18-044 Discussion/Direction/Decision on proposed Water Fund user fees, operating outlays and capital outlays

It was noted a 22% user fee increase was being proposed for FY2019 which would then drop back to 2.2% in FY2020 through FY2026 with inflationary increases thereafter. Environmental Superintendent Shilo Williams explained required regulations and the need for an alternative potable water supply. Assembly members discussed the merits of the project, estimated costs, and options for an alternative potable water supply. Utility Director Bryan Bertacchi noted there were inherent risks in delaying the alternative water source in particular the inspection of the Blue Lake tunnel and ultimately the domestic water supply.

A motion was made by Bean to direct the Administrator to explore all legal options in regards to our secondary potable water supply (the need, source, permitting, risks). The motion PASSED by the following vote.

Yes: 6 - Miyasato, Eisenbeisz, Potrzuski, Hunter, Bean, and Wein

No: 1 - Knox

### D 18-045 Discussion/Direction/Decision on proposed Wastewater Fund user fees, operating outlays and capital outlays

It was noted a 5.5% user fee increase was being proposed annually for 2019 and 2020; an increase of 7% in 2021; 3.5% in 2022-2024; and 3% in 2025 and beyond. Chief Finance and Administrative Officer Jay Sweeney and Controller Melissa Haley stated the proposed increases were directly tied to financing the long-term infrastructure plan.

### E 18-046 Discussion/Direction/Decision on proposed Solid Waste Fund user fees, operating outlays, capital outlays and new FTE positions

Controller Melissa Haley reviewed the capital projects. A 6.5% user fee increase was being proposed in FY2019 through 2022 and after, a 2% annual increase.

### F 18-049 Discussion/Direction/Decision on proposed Harbor Fund user fees, operating outlays and capital outlays

Staff stated a 6% user fee increase was being proposed for the Harbor Fund in FY2019. It was noted the Fund faces challenges in terms of funding capital improvements given the high cost and modest amount of working capital. Also mentioned was the continued decline in state assistance. Staff reviewed and spoke to the critical need for planned improvements in the harbor system.

- G 18-050** Discussion/Direction/Decision on proposed Electric Fund user fees, operating outlays and capital outlays
- Staff reviewed capital projects and noted no increase had been proposed for FY2019 due to current consumption trends.
- J 18-053** Discussion/Direction/Decision on proposed Gary Paxton Industrial Park Fund user fees, operating outlays and capital outlays
- Staff anticipated now that the dock was complete, there would be additional revenue generated. The amount, however, was unclear based on unknown use levels and therefore minimal revenue had been budgeted. Gary Paxton Industrial Park Director Garry White stated the Park was moving forward in a positive direction with continued plans for development.
- I 18-051** Discussion/Direction/Decision on proposed Marine Service Center user fees, operating outlays and capital outlays
- Staff noted a tenant vacancy had resulted in decreased revenue from the previous year.
- H 18-052** Discussion/Direction/Decision on proposed Airport Terminal Fund user fees, operating outlays and capital outlays
- Staff stated the budget included a \$4,000,000 airport terminal revenue bond to finance the improvements of the airport terminal. Passenger Facility Charges would be used to pay for debt service.
- K 18-047** Discussion/Direction/Decision of the FY2019 Enterprise Funds or General Fund and as they relate to other Funds, the School District, and the Sitka Community Hospital (*Assembly may take action*)
- In an effort to balance the budget and consider additional funding to the School District, Mayor Hunter suggested the Assembly make a motion directing the Administrator to come up with another potential \$1,000,000 in decrements to operations in the General Fund to see what those reductions in service would look like.
- A motion was made by Potrzuski to direct the Administrator to come up with another \$1,000,000 in potential decrements to operations (reduced services) in the General Fund. The motion PASSED by the following vote.**
- Yes:** 7 - Miyasato, Eisenbeisz, Potrzuski, Hunter, Knox, Bean, and Wein
- A motion was made by Eisenbeisz to limit all rate increases to a maximum of 5% in Enterprise Funds with the exception of the Water Fund. The motion FAILED by the following vote.**
- Yes:** 2 - Eisenbeisz, and Bean
- No:** 5 - Miyasato, Potrzuski, Hunter, Knox, and Wein

**VII. PERSONS TO BE HEARD:**

None.

**VIII. EXECUTIVE SESSION**

None.

**IX. ADJOURNMENT**

A motion was made by Miyasato to ADJOURN. Hearing no objections, the meeting ADJOURNED at 10:28pm.

ATTEST:

\_\_\_\_\_  
Sara Peterson, MMC  
Municipal Clerk