

# **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 motions is suggested:

## **POSSIBLE MOTION**

**I MOVE TO** approve the minutes of the  
March 27, 29 and April 5, 2018 Assembly meetings.



# CITY AND BOROUGH OF SITKA

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

## Minutes - Draft

### City and Borough Assembly

*Mayor Matthew Hunter  
Deputy Mayor 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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Tuesday, March 27, 2018

6:00 PM

Assembly Chambers

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#### REGULAR MEETING

#### I. CALL TO ORDER

#### II. FLAG SALUTE

#### III. ROLL CALL

**Present:** 5 - Miyasato, Eisenbeisz, Knox, Bean, and Wein

**Absent:** 1 - Hunter

**Telephonic:** 1 - Potrzuski

#### IV. CORRESPONDENCE/AGENDA CHANGES

No agenda changes.

**18-054** Reminders, Calendars and General Correspondence

#### 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)

Chief of Police, Jeff Ankerfelt spoke to the March 18 shooting and reported nine individuals were arrested. Ankerfelt also reported the Police Department had met with School District staff to review active shooter training protocol in the schools. He noted that violent encounters police and EMS professionals face today were very different

that a decade ago. Best practice was to issue rifle grade armor and ballistic helmets to police officers and EMS personnel. Ankerfelt stated the Police and Fire Departments would be coming forward with a request to purchase such equipment.

Wendy Lawrence, Assessor, informed the Assessing Department had mailed real property assessment notices for the 2018 tax year. Lawrence noted most property owners would see an increase of approximately 3.6% on this year's assessment. She encouraged property owners to contact her if they felt there was an error in their assessment and added property owners had the right to file a formal appeal, in writing, prior to 4pm April 16. The Assembly would sit as the Board of Equalization on May 7.

## VII. PERSONS TO BE HEARD

Connie Kreiss and Sue Litman read a petition in support of eliminating the senior sales tax exemption and reallocate the monies to the School District.

Martha Pearson spoke in support of the Tobacco 21 initiative.

Garry White, Director of the Sitka Economic Development Association (SEDA) announced SEDA was sponsoring the Sitka Economic Summit on April 5.

## VIII. REPORTS

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

Administrator - Brady announced the release date for the Sitka Community Hospital RFP was March 30; stated the City had received recognition in the Historic Preservation Fund Annual Report as a Certified Local Government success story for the grant opportunities that had been provided for the Sheldon Jackson National Historic Landmark - Sitka was one of only 2 certified local governments, out of over 1900+ nationwide, to be highlighted; reported he along with Mayor Hunter, Jay Sweeney, and Maegan Bosak had participated in a special General Fund call-in show on Raven Radio; announced annual spring cleanup dates.

Liaison Representatives - Knox spoke to the Planning Commission, Wein reported on the Library Commission, and Miyasato on the Historic Preservation Commission.

Clerk - Peterson reviewed upcoming budget meetings.

## IX. CONSENT AGENDA

**A 18-055** Approve the minutes of the March 8, 13, and 15 Assembly meetings

**A motion was made by Miyasato that the Consent Agenda consisting of item A be APPROVED. The motion PASSED by the following vote.**

**Yes:** 6 - Miyasato, Eisenbeisz, Potrzuski, Knox, Bean, and Wein

**Absent:** 1 - Hunter

## X. BOARD, COMMISSION, COMMITTEE APPOINTMENTS

**B 18-058 Reappoint Trish White to a three-year term on the Local Emergency Planning Committee**

Wein thanked Trish White for her service to the community.

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

**Yes:** 6 - Miyasato, Eisenbeisz, Potrzuski, Knox, Bean, and Wein

**Absent:** 1 - Hunter

**XI. UNFINISHED BUSINESS:****C ORD 18-04S Amending Title 15 of the Sitka General Code by adding a new Chapter 15.15 "Utility Cost Subsidization Program"**

Wein suggested waiting until after the budget cycle to consider such an ordinance. Bean recommended reaching out to consultant Bill Wilks, who had helped the City with the O'Connell Lightering Facility Project and Gary Paxton Industrial Park Tariff, to assist the City in designing and implementing a subsidy program. While a number of people were struggling to make ends meet in Sitka he didn't feel the subsidization ordinance was the right tool. Eisenbeisz questioned what was the wisest use of the money - to reduce everyone's rate or those who needed it. Miyasato while supportive of the program wished to see a lower amount appropriated. Cosponsors, Knox and Potrzuski, believed the ordinance created a good starting point for a program to move forward. Knox reminded the Assembly controlled the amount of funding for the program.

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

**Yes:** 4 - Miyasato, Eisenbeisz, Potrzuski, and Knox

**No:** 2 - Bean, and Wein

**Absent:** 1 - Hunter

**D ORD 18-06 Adjusting the FY18 Budget (*Library Donation, O'Connell Lightering Facility Repair Project*)**

Wein spoke in support of the O'Connell Bridge Lightering Float repairs and marketing plans. He suggested the Assembly receive an annual update on statistics related to the facility use. Bean was hesitant the projected rates would draw business and recommended monies be spent on repairing existing infrastructure rather than marketing. Eisenbeisz and Knox spoke positively of the project and believed there would be a return on investment. Eisenbeisz thanked the White Elephant Shop for their donation to the Sitka Public Library.

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

**Yes:** 5 - Miyasato, Eisenbeisz, Potrzuski, Knox, and Wein

**No:** 1 - Bean

**Absent:** 1 - Hunter

**E     ORD 18-07     Amending Sitka General Code Title 21 "Subdivision"**

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

**Yes:** 6 - Miyasato, Eisenbeisz, Potrzuski, Knox, Bean, and Wein

**Absent:** 1 - Hunter

**XII.   NEW BUSINESS:****New Business First Reading****F     ORD 18-08     Adjusting the FY18 Budget (*Thomsen Harbor Lift Station Rehabilitation Project*)**

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

**Yes:** 6 - Miyasato, Eisenbeisz, Potrzuski, Knox, Bean, and Wein

**Absent:** 1 - Hunter

**Additional New Business Items****G     18-056     Approve the Sitka Public Library Code of Conduct policies and Multipurpose Room policies**

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

**Yes:** 6 - Miyasato, Eisenbeisz, Potrzuski, Knox, Bean, and Wein

**Absent:** 1 - Hunter

**XIII.   PERSONS TO BE HEARD:**

None.

**XIV.   EXECUTIVE SESSION****H     18-057     *legal matters affecting bulk water sales***

Bean reminded the Assembly to stay on topic and offer a statement after coming out of executive session informing the public of what had been discussed. Municipal Attorney Brian Hanson suggested the Assembly call in Bryan Bertacchi, Michael Harmon and Garry White at the onset of executive session.

**A motion was made by Miyasato to go into executive session to discuss with the Municipal Attorney legal matters affecting the municipality regarding bulk**

water sales and invite in if desired, and when ready, Utility Director Bryan Bertacchi, Public Works Director Michael Harmon and Director of the Gary Paxton Industrial Park Garry White. The motion PASSED by the following vote.

**Yes:** 6 - Miyasato, Eisenbeisz, Potrzuski, Knox, Bean, and Wein

**Absent:** 1 - Hunter

The Assembly was in executive session from 7:25pm to 8:27pm.

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

**Yes:** 6 - Miyasato, Eisenbeisz, Potrzuski, Knox, Bean, and Wein

**Absent:** 1 - Hunter

A motion was made by Bean to direct the Administrator to renegotiate the Green Gold bulk water contract. The motion PASSED by the following vote.

**Yes:** 5 - Miyasato, Eisenbeisz, Potrzuski, Knox, and Bean

**No:** 1 - Wein

**Absent:** 1 - Hunter

## **XV. ADJOURNMENT**

A motion was made by Miyasato to ADJOURN. Hearing no objections, the meeting ADJOURNED at 8:30pm.

**ATTEST:** \_\_\_\_\_  
Sara Peterson, MMC  
Municipal Clerk



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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 29, 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, Hunter, Knox, Bean, and Wein

**Absent:** 1 - Potrzuski

#### IV. PERSONS TO BE HEARD

None.

#### V. NEW BUSINESS:

**A 18-059** Executive Summary of the FY2019 Internal Service, Trust and Agency Funds, Permanent Fund, Debt Service Fund, and Special Revenue Funds  
Controller Melissa Haley outlined the discussion for the evening: internal service, trust, agency, permanent, and non-major governmental funds.

**B 18-060** Discussion/Direction/Decision on proposed Management Information Systems Fund operating outlays and capital outlays  
Controller Melissa Haley reviewed the Management Information Systems Fund: undesignated working capital, fees, and capital projects.

**C 18-061** Discussion/Direction/Decision on proposed Central Garage Fund operating



## outlays and capital outlays

Staff reviewed the Central Garage Internal Service Fund: age of the fleet, fleet composition, total vehicles/equipment by budget division, fee breakdowns, undesignated working capital and FY2019 vehicle/equipment purchases totaling \$829,000.

**D 18-062** Discussion/Direction/Decision on proposed Building Maintenance Fund operating outlays and capital outlays

The final Internal Service Fund, the Building Maintenance Fund, was reviewed. Staff summarized total deferred maintenance, estimated deferred maintenance for the next 5 years, City-wide building maintenance, undesignated working capital, and maintenance projects planned for FY2019.

**E 18-064** Discussion/Direction/Decision on proposed Trust and Agency Funds, Permanent Fund, Debt Service Fund, and Special Revenue Funds operating outlays and capital outlays

Staff reviewed the Trust and Agency Funds: the Rowe Trust and the Sitka Cemetery Agency. Next, Controller Melissa Haley reviewed the Permanent Fund. She spoke to its purpose, current fund balance, expected FY2019 revenue, and the FY2019 appropriation. Haley explained the purpose of the School Bond Debt Service Fund, its Fund balance, the amount of school bond debt, expected revenue in FY2019 and the appropriation for debt service in FY2019. In conclusion, Haley spoke to each of the Special Revenue Funds: Pet Adoption, SEACAD, CBS Asset Forfeiture, NARCO Task Force, State Asset Forfeiture, Homeland Security Grant, Library Building, Southeast Alaska Economic Development, GPIP Contingency, Tobacco Excise Tax, Student Activities Travel, Fisheries Enhancement, Commercial Passenger Vessel Excise Tax, Visitor Enhancement, Revolving, Guarantee, Library Endowment, and Bulk Water.

**F 18-065** Approve the transfer of 50% of Secure Rural Schools funding receipts for FY2018 and FY2019 to the Sitka School District

**A motion was made by Miyasato to approve the transfer of 50% of Secure Rural Schools funding receipts for FY2018 and transfer 60% of Secure Rural Schools funding in FY2019 to the Sitka School District.**

**A motion was made by Eisenbeisz to AMEND the amount to a 50/50 split. The amendment passed by the following vote.**

**Yes:** 6 - Miyasato, Eisenbeisz, Hunter, Knox, Bean, and Wein

**Absent:** 1 - Potrzuski

**The MAIN MOTION AS AMENDED PASSED by the following vote.**

**Yes:** 6 - Miyasato, Eisenbeisz, Hunter, Knox, Bean, and Wein

**Absent:** 1 - Potrzuski

**G 18-063** Discussion/Direction/Decision of the FY2019 Enterprise Funds and/or General Fund and as they may relate to other Funds, the School District, and the Sitka Community Hospital (*Assembly action may be taken*)

Administrator Brady provided an update on decrements to date stating his final

recommendations would be ready for the April 5 meeting. After discussion, the Assembly broadened the scope of their requested decrements from the Administrator.

**A motion was made by Knox to direct the Administrator to present three decrement scenarios: operations, nonoperations and a hybrid of the two. The motion PASSED by the following vote.**

**Yes:** 6 - Miyasato, Eisenbeisz, Hunter, Knox, Bean, and Wein

**Absent:** 1 - Potrzuski

**H 18-066 Discussion of revenue generating ideas**

Assembly members discussed ideas for generating revenue. Those mentioned were a severance tax, a local tax, amendments to bed tax, amendments to the senior sales tax program, an increase in alcohol tax, a new business utility rebate, and the idea of eliminating all exemptions.

**VI. PERSONS TO BE HEARD:**

Planning Director Michael Scarcelli shared his department would be bringing forward a fees update for Assembly consideration.

**VII. EXECUTIVE SESSION**

None.

**VIII. ADJOURNMENT**

**With no further business before the Assembly, Mayor Hunter ADJOURNED the meeting at 8:45pm.**

**ATTEST:** \_\_\_\_\_  
**Sara Peterson, MMC**  
**Municipal Clerk**



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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, April 5, 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, Hunter, Knox, Bean, and Wein

**Telephonic:** 1 - Potrzuski

#### IV. PERSONS TO BE HEARD

Karen Lucas urged the Assembly to take a stand in opposition to the herring fishery.

#### V. UNFINISHED BUSINESS:

- A 18-073** Update from Municipal Attorney on direction given at the March 22, 2018 Assembly meeting regarding a secondary potable water supply (the need, source, permitting, risks)

Municipal Attorney Brian Hanson explained a motion was approved at the March 22, 2018 special meeting directing the Administrator to explore all legal options in regards to the City's secondary potable water supply - e.g. the need, source, permitting, risks. Due to the legal nature, Hanson stated he had spoke with staff and researched the topic. His conclusion was a secondary water source was necessary and without one, public health would be in danger and there would be liability concerns.

- B 18-068** Update and Discussion/Direction/Decision from the Municipal Administrator on additional decrement scenarios totaling \$1,000,000 (*operations, nonoperations, hybrid*)

Administrator Brady reviewed the details of his decrement scenarios: \$1 million in operations, \$1 million in nonoperations, and his own recommendations.

**VI. NEW BUSINESS:**

- C 18-067** Discussion/Direction/Decision of the FY2019 Sitka Community Hospital budget *(Assembly action may be taken)*
- Rob Allen, Chief Executive Officer of Sitka Community Hospital (SCH); Cynthia Brandt, Chief Financial Officer, and SCH Board President Connie Sipe addressed the Assembly and answered questions of Assembly members. The three spoke to the budget process, reviewed the budget at a glance, and explained expense reductions and additions. In conclusion, a review of cash flow and a summary of budget requests and authorization to spend were addressed. No Assembly action was taken.
- D 18-069** Discussion/Direction/Decision of local support of public education to the Sitka School District contained in the proposed FY2019 General Fund and other issues pertaining to financial support of education related activities *(Assembly action may be taken)*
- Mayor Hunter clarified the intent of the agenda item was to discuss and ideally give some direction to the School District. He reminded nothing was final until a budget had been received from the School District. Once received, the Assembly had 30 days to make a determination on the minimum amount of funding. Assembly members shared their thoughts. Wein wished to gather more information before making any decisions. No Assembly action was taken.
- E 18-072** Discussion/Direction/Decision on proposed Enterprise Fund user fees *(Assembly action may be taken)*
- Chief Finance and Administrative Officer Jay Sweeney reminded the Assembly while the Enterprise Funds had been reviewed at a previous meeting, the capital improvements, to be paid for by user fee increases, would be included in the FY2019 budget. Mayor Hunter reviewed proposed rate increases. No Assembly action was taken.
- F 18-070** Discussion/Direction/Decision of the FY2019 General Fund and as it relates to other Funds, the School District, and the Sitka Community Hospital *(Assembly action may be taken)*
- Assembly members further discussed the decrement scenarios brought forward by Administrator Brady. The Assembly offered the following decrements from the General Fund: a reduction of \$18,700 from travel/training; a reduction of partial funding for the Crescent Harbor park bathrooms in the amount of \$150,000; a reduction of \$316,724 for FY2019 funding of the Police CAD/RMS and phone system (financing to instead be made through an internal loan from the Southeast Economic Development Fund over a 5 year period); removing the proposed FTE for the Assistant Fire Chief position, and reducing supplies by \$25,000.
- A motion was made by Miyasato to adopt the following decrements from the General Fund: a reduction of \$18,700 from travel/training; a reduction of partial funding for the Crescent Harbor park bathrooms in the amount of \$150,000; a reduction of \$316,724 for FY2019 funding of the Police CAD/RMS and phone system (financing to instead be made through an internal loan from the Southeast Economic Development Fund over a 5 year period); removing**

the proposed FTE for the Assistant Fire Chief position, and reducing supplies by \$25,000.

A motion was made by Eisenbeisz to AMEND the motion to remove the decrement of \$25,000 in supplies. The AMENDMENT PASSED by the following vote.

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

The MAIN MOTION AS AMENDED PASSED by the following vote.

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

The Assembly directed the Municipal Administrator to bring back scenarios of what a \$200,000 reduction of temporary wages from the General Fund would look like.

## **VII. PERSONS TO BE HEARD:**

Fire Chief Dave Miller reported on the Triennial Mass Casualty Drill held April 4.

School Board President Jennifer McNichol thanked the Assembly for their work. She reminded of the importance of funding and the possible negative ramifications and ripple effects of reducing funding as outlined in the Administrator's decrement memos.

## **VIII. EXECUTIVE SESSION**

None.

## **IX. ADJOURNMENT**

A motion was made by Miyasato to ADJOURN. Hearing no objections, the meeting ADJOURNED at 9:52pm.

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