

CONSENT AGENDA

POSSIBLE MOTION

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

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 June 5, 12, and 14 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*

Tuesday, June 5, 2018

6:00 PM

Assembly Chambers

SPECIAL MEETING

I. CALL TO ORDER

II. FLAG SALUTE

III. ROLL CALL

Present: 5 - Miyasato, Eisenbeisz, Hunter, Knox, and Wein

Absent: 2 - Potrzuski, and Bean

IV. PERSONS TO BE HEARD

Kevin Mosher spoke to the recent advertisement for a Municipal Engineer. He suggested in light of fiscal challenges, the position be eliminated.

Alene Henning stated she had noticed a reduction in cell phone use at the roundabout and thanked citizens. Of concern, however, was an increased number of vehicles speeding through the roundabout.

Dr. Marilyn Coruzzi expressed concern with the high number of conditional use permits issued by the Planning Commission for short-term rentals and bed and breakfasts and believed those types of businesses changed the character of a neighborhood.

Carin Adickes stated short-term rentals were eliminating long-term housing availability in Sitka.

V. NEW BUSINESS:

- A 18-109** Approve the Administrator and Evaluation Committee's recommendation of Quorum and SEARHC for phase 2 as specified in the Sitka Community

Hospital RFP

Mayor Hunter outlined the process for the evening. Attorney Michael Gatti (filling in for Municipal Attorney Brian Hanson) would review the legal parameters, followed by a presentation by Hospital RFP Consultants Sarah Cave and Steve Huebner, and ending with a possible motion for recommendation.

Gatti emphasized the importance of the Assembly adhering to the RFP process and the decision points that had been developed through the RFP. He shared legal principles associated with competitive government procurement: 1) government procurement was designed to protect the best interests of the public, and, 2) government procurement was like a quasi-judicial activity and thus the Assembly must work under those parameters - e.g. follow process outlined in RFP, no ex parte contact. Gatti explained the decision point before the Assembly was to review the recommendation of the Administrator and evaluation committee for advancing to phase 2. Regarding public disclosure of the proposals, Gatti reminded the process was ongoing. He stated there was information in the proposals of a competitive nature which would be premature to disclose prior to a final decision being made. Typically, the proposals would not be subject to disclosure prior to a letter of intent to award being issued. Gatti spoke to the possible desire for an executive session to discuss some of these matters. Gatti stated the matter before the Assembly tonight was not a matter for executive session. The process to be followed was contained in the RFP and there was not a subject matter to go into executive session about. Gatti reiterated the Assembly's role was to accept or reject the Administrator's recommendation. To do otherwise would be contrary to the process outlined in the RFP.

Hospital RFP Consultants, Sarah Cave and Steve Huebner, provided an overview of the objectives for the evening: a recap of the RFP process, the Assembly's guiding principles and goals of affiliation, review of the RFP evaluation team's assessment of proposals, and discussion and approval of the Municipal Administrator's recommendation (on behalf of the evaluation team) of advancing two proposals to the next phase of the RFP process. Cave and Huebner reminded site visits had been scheduled for July 11-12, an oral presentation before the Assembly on August 13, and selection of a preferred proposer by the Assembly on August 28.

Evaluation team members were Dr. Kimberly Bakkes, Sitka Community Hospital (SCH) Chief of Medical Staff; Keith Brady, City and Borough of Sitka Municipal Administrator; Hospital RFP Consultants, Cave and Huebner; and Connie Sipe, Sitka Community Hospital Board President. A summary of the rating scale and evaluation team's scoring results (lowest to highest) were provided: 1) Sitka Jet Center, 2) Alaska Regional Hospital, 3) Quorum Health Resources, 4) RCCH HealthCare Partners, and, 5) SEARHC. The recommendation of the evaluation team was to advance SEARHC and Quorum to phase 2 of the RFP process.

Eisenbeisz wondered what the next steps would be if the Assembly was not in support of advancing SEARHC and Quorum to phase 2. Brady believed the options would be either to end the RFP process or move forward with the Assembly's chosen recommendations as opposed to the evaluation team's recommendations. Cave cautioned the Assembly in making changes to the process and noted that proposers may be discouraged and withdraw. Gatti stated the Assembly's role was to either accept or reject the evaluation team's recommendations.

A motion was made by Miyasato to APPROVE the Administrator and Evaluation Committee's recommendation of Quorum and SEARHC for phase 2 as specified in the Sitka Community Hospital RFP.

Public Comment

Nancy Davis, Kevin Mosher, Karen Lucas, Lois Rhodes, Diane Larsen, and Dr. Marilyn Corruzi believed the process was moving too quickly, there was a lack of transparency, and wished to have more information about each of the proposals. Travis Hudson spoke to issues affecting the objectivity of the process. Carin Adickes suggested moving all 5 proposals forward to phase 2. Tony Jackson stated the process had not been collaborative. Tom Pratt urged the Assembly to cancel the contract with the consultant and make the decision themselves. Steve Hartford suggested the Assembly place the RFP process on hold.

A motion to AMEND was made by Wein to keep all 5 proposals in the process moving forward to phase 2. The amendment PASSED by the following vote.

Yes: 5 - Miyasato, Eisenbeisz, Hunter, Knox, and Wein

Absent: 2 - Potrzuski, and Bean

Travis Hudson, Carolyn Evans, Kevin Mosher and Karen Lucas spoke in support of the amendment.

Assembly Deliberation

Municipal Clerk Sara Peterson read a letter on behalf of absent Assembly member Potrzuski. Administrator Brady disclosed he had learned a few days earlier that his mother had been hired by SEARHC. He reiterated the evaluation committee had conducted an objective process and believed the two best options to move forward were SEARHC and Quorum. Assembly members expressed frustration in not being able to make the proposals public at this phase of the process. Gatti reminded of the RFP specifications and reiterated that typically in competitive procurement proposals, such as this, proposals were not made available for public review in order to maintain the competitive nature of the process.

A motion to AMEND was made by Eisenbeisz to make the following a requirement of advancement to phase 2: each proposer agree to a public release of materials submitted in response to the Sitka Community Hospital RFP process. The amendment PASSED by the following vote.

Yes: 4 - Eisenbeisz, Hunter, Knox, and Wein

No: 1 - Miyasato

Absent: 2 - Potrzuski, and Bean

Travis Hudson and Kevin Mosher spoke in support of the amendment.

The main motion as AMENDED PASSED by the following vote.

Yes: 5 - Miyasato, Eisenbeisz, Hunter, Knox, and Wein

Absent: 2 - Potrzuski, and Bean

VI. PERSONS TO BE HEARD:

None.

VII. EXECUTIVE SESSION

None.

VIII. ADJOURNMENT

A motion was made by Miyasato to ADJOURN. Hearing no objections, the meeting ADJOURNED at 9:40pm.

ATTEST:

Sara Peterson, MMC
Municipal Clerk



CITY AND BOROUGH OF SITKA

ASSEMBLY CHAMBERS
330 Harbor Drive
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Minutes - Draft

City and Borough Assembly

*Mayor Matthew Hunter
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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*

Tuesday, June 12, 2018

6:00 PM

Assembly Chambers

REGULAR MEETING

I. CALL TO ORDER

II. FLAG SALUTE

III. ROLL CALL

Present: 5 - Miyasato, Eisenbeisz, Hunter, Knox, and Wein

Absent: 1 - Bean

Telephonic: 1 - Potrzuski

IV. CORRESPONDENCE/AGENDA CHANGES

Mayor Hunter announced agenda changes: 1) Roberta Littlefield's application for the Historic Preservation Commission would be considered at the June 26 meeting and 2) Item L, the Trident Seafoods Corporation lease, had been pulled.

18-116 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)

18-115 Special Reports: 1) Hospital RFP Consultant - Steve Huebner and 2) Update from Sitka Community Hospital

Hospital RFP Consultant Steve Huebner stated a letter had been emailed to the respondents announcing the Assembly's decision of June 5 that all five proposers would move forward to phase 2 contingent upon their approval to make their proposal public. All respondents were made aware of the July 11-12 site visits and oral presentations scheduled for August 13 with a final decision of the Assembly on August 28. Huebner noted some of the respondents had expressed concern with the Assembly's decision to change the RFP process.

Rob Allen, Sitka Community Hospital (SCH) Chief Executive Officer, and Steve Hartford, SCH Director of Operations, provided an update. Allen shared Cerner staff was visiting to prepare for implementation of the electronic health records program; SCH had record revenue levels in May; cash levels were stable; census levels had increased; Cheri Hample had been hired as the new clinic manager; and surgeon, Dr. Melissa DeWolfe, had signed a one year contract with SCH.

VII. PERSONS TO BE HEARD

Alene Henning reported an increased use of cell phones and speeding at the roundabout. She urged the Assembly to reconsider their decision to eliminate the senior citizen sales tax exemption.

VIII. REPORTS

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

Mayor - Hunter reported he and Administrator Brady had met recently with US Forest Service representatives to explore possible areas for collaboration between the two entities.

Administrator - Brady reported on the quarterly "Ask the Administrator" event, attended the Gary Paxton Industrial Park Dock grand opening, presented an inaugural plaque to the crew of the Star Legend, attended the June 12 public BBQ in celebration of the 75th anniversary of USCG helicopter operations, reminded harbor autopay users that the City was changing credit card systems to be in compliance with federal guidelines and that users would need to reenroll autopay information, and noted the senior citizen sales tax exemption would be changing to a needs based program effective July 1.

Liaisons - Knox reported on the work of the Planning Department regarding the Hazard Mitigation Plan, Miyasato on the Police and Fire Commission, Eisenbeisz spoke to the recent Hospital Board meeting, and Hunter reported on the Library Commission.

Clerk - Peterson announced the upcoming vacancies on the Assembly and School Board to be filled at the Municipal Election in October. In addition, Peterson reviewed the candidate filing period dates.

IX. CONSENT AGENDA

A 18-111 Approve the minutes of the May 22 Assembly meeting

This item was APPROVED ON THE CONSENT AGENDA.

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

Absent: 1 - Bean

- B RES 18-11** Authorizing a grant application to the Edward Byrne Memorial Justice Assistance Grant (JAG) Program

This item was APPROVED ON THE CONSENT AGENDA.

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

Absent: 1 - Bean

- C RES 18-12** Setting the millage rates for the fiscal year July 1, 2018 through June 30,

Wein spoke to portions of the memo from Assessor Wendy Lawrence.

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

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

Absent: 1 - Bean

X. BOARD, COMMISSION, COMMITTEE APPOINTMENTS

- D 18-113** Appoint 1) Christopher Wright to a three-year term on the Parks and Recreation Committee and 2) Amy Zanzoski to a three-year term on the Local Emergency Planning Committee and Reappoint 1) Ana Dittmar and Roberta Littlefield to three-year terms on the Historic Preservation Commission

It was noted Roberta Littlefield's application would be considered at the June 26 meeting. Miyasato thanked the applicants for their willingness to serve.

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

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

Absent: 1 - Bean

XI. UNFINISHED BUSINESS:

- E ORD 18-21** Adjusting the FY18 Budget (SEACAD Justice Assistance Grant)

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, Hunter, Knox, and Wein

Absent: 1 - Bean

- F ORD 18-18** Amending Title 18 "Property Acquisition and Disposal" and Title 19 "Building

and Construction" of the Sitka General Code by modifying Chapter 18.12 "Real Property Disposal", Chapter 18.16 "Tidelands Lease Procedure", and Chapter 19.07 "Demolition or Removal of Municipally Owned Buildings" (*postponed from the May 8 Assembly meeting*)

A motion was made by Miyasato that this Ordinance be POSTPONED INDEFINITELY. The motion PASSED by the following vote.

Yes: 4 - Miyasato, Eisenbeisz, Hunter, and Wein

No: 2 - Potrzuski, and Knox

Absent: 1 - Bean

XII. NEW BUSINESS:

New Business First Reading

- G ORD 18-29** Amending Title 18 "Property Acquisition and Disposal" and Title 19 "Building and Construction" of the Sitka General Code by authorizing an advisory vote and modifying Chapter 18.12 "Real Property Disposal", Chapter 18.16 "Tidelands Lease Procedure", and Chapter 19.07 "Demolition or Removal of Municipally Owned Buildings"

Cosponsors Hunter and Miyasato stated the ordinance would change the mandatory voter ratification to an advisory vote and increase 1) the threshold for the sale or disposal of real property from \$500,000 to \$5 million and 2) the threshold for the lease of real property from \$750,000 to \$7.5 million. Wein recommended a three tiered approach to the ordinance depending upon the subject property: 1) notify/notice the Assembly 2) may seek an advisory vote and 3) shall seek an advisory vote. In addition he stated he had requested an inventory of municipal lands that was tentatively scheduled to be available in July. Without the inventory, he felt he could not make an informed decision on the values proposed in the ordinance. Knox encouraged the public to offer opinions on the proposed thresholds and noted the importance of the constitutionality issues at hand. Hunter and Potrzuski concurred with Knox.

A motion was made by Miyasato that this Ordinance be APPROVED on FIRST AND FINAL READING.

A motion was made by Eisenbeisz to POSTPONE this Item to the 1st regular meeting in August to allow for completion of the lands inventory. The motion FAILED by the following vote.

Yes: 2 - Eisenbeisz, and Wein

No: 4 - Miyasato, Potrzuski, Hunter, and Knox

Absent: 1 - Bean

An AMENDMENT was made by Wein to revert back to the original ordinance amounts of \$500,000 and \$750,000. The motion FAILED by the following vote.

Yes: 1 - Wein

No: 5 - Miyasato, Eisenbeisz, Potrzuski, Hunter, and Knox

Absent: 1 - Bean

The main motion, to **APPROVE** this Ordinance on **FIRST READING**, **PASSED** by the following vote.

Yes: 5 - Miyasato, Eisenbeisz, Potrzuski, Hunter, and Knox

No: 1 - Wein

Absent: 1 - Bean

H ORD 18-26

Amending Title 15 "Public Utilities" of the Sitka General Code to increase water rates at Section 15.05.240 "Service Connection Charge" and Section 15.05.620 "Rates and Fees"

Kevin Mosher urged the Assembly to cease all rate increases.

A discussion of the Assembly ensued. Members while sympathetic to rate users, expressed the need to maintain existing infrastructure and plan for future projects such as a secondary water source. Wein wondered if the proposed secondary water source project was the best decision and desired additional information.

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

Yes: 5 - Miyasato, Eisenbeisz, Potrzuski, Hunter, and Knox

No: 1 - Wein

Absent: 1 - Bean

I ORD 18-27

Amending Title 15 "Public Utilities" of the Sitka General Code to increase wastewater treatment rates at Section 15.04.100 "Service Connection Charge" and Section 15.04.320 "Rates and Fees"

While difficult decision, Assembly members reiterated the need for increasing rates. Eisenbeisz believed capital projects were the impetus for increasing rates and suggested the Assembly consider reducing the number of projects.

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

Yes: 5 - Miyasato, Potrzuski, Hunter, Knox, and Wein

No: 1 - Eisenbeisz

Absent: 1 - Bean

J ORD 18-28

Amending Title 15 "Public Utilities" of the Sitka General Code to increase solid waste collection rates at Sections 15.06.020 "Solid Waste Disposal Policy and Rates", 15.06.035 "Rates for Treatment and Collection", 15.06.045 "Special Refuse and Treatment Charges" and changing the title of 15.06.045 to "Transfer Station Drop-Off Charges and Special Refuse Collection Charges"

Matt Donohoe and Kevin Mosher spoke in opposition.

Wein suggested the Assembly explore alternatives for solid waste disposal to reduce costs. Assembly members reiterated the political and social pressures felt by increasing rates.

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

Yes: 5 - Miyasato, Potrzuski, Hunter, Knox, and Wein

No: 1 - Eisenbeisz

Absent: 1 - Bean

Additional New Business Items

K 18-110 Consideration and award of the request for proposals submitted for the available funds (\$42,000) in the Fisheries Enhancement Fund

Matt Donohoe and Pat Kehoe spoke to the proposal submitted by Chinook Futures Coalitions, Inc., Linda Behnken provided an overview of the Alaska Longline Fisherman's Association proposal, and Lisa Busch of Sitka Sound Science Center explained their proposal.

Knox wondered of the definition of enhancement. Municipal Attorney, Brian Hanson, stated there was no statutory definition of enhancement. However, in his research he had found only references made to aquaculture. He stated the history of the Assembly, and past Assemblies, was to include all these applicants as eligible for the program. He found no research to preclude the Assembly from doing so.

A motion was made by Knox to make \$42,000 in the Fisheries Enhancement Fund available for disbursement. The motion PASSED by the following vote.

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

Absent: 1 - Bean

A motion was made by Eisenbeisz to award \$10,000 to Alaska Longline Fisherman's Association. The motion PASSED by the following vote.

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

No: 1 - Hunter

Absent: 1 - Bean

A motion was made by Wein to award \$9,500 to Chinook Futures Coalition, Inc. The motion PASSED by the following vote.

Yes: 4 - Miyasato, Eisenbeisz, Potrzuski, and Wein

No: 2 - Hunter, and Knox

Absent: 1 - Bean

Pat Kehoe, Matt Donohoe, and Sherri Aitken spoke in support of full funding for the Chinook Futures Coalition, Inc. Charles Bingham suggested the Assembly compromise and award \$5,000.

A motion to AMEND the award to Chinook Futures Coalition, Inc. to \$2,500 was made by Eisenbeisz. The motion FAILED by the following vote.

Yes: 2 - Potrzuski, and Hunter

No: 4 - Miyasato, Eisenbeisz, Knox, and Wein

Absent: 1 - Bean

A motion was made by Eisenbeisz to award the remaining \$22,500 to the Sitka Sound Science Center. The motion PASSED by the following vote.

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

Absent: 1 - Bean

Assembly Member Knox gave notice to reconsider the amounts awarded to Sitka Sound Science Center (\$22,500) and Alaska Longline Fisherman's Association (\$10,000) at the June 26 Assembly meeting.

- L 18-114** Approve a lease agreement between Trident Seafoods Corporation and the City and Borough of Sitka for Block 4, Lot 6 of the Gary Paxton Industrial
No action taken, item pulled from agenda.

- M RES 18-06A** Increasing Grid, Eliason Harbor Load Zone, and Work Float Charges and Fees (*this amends Resolution 2018-06 approved on April 25, 2018*)
Harbormaster, Stan Eliason, stated he recommended the elimination of fees for the work float and drive down load zone from September 15 through March 15 thereby encouraging boat owners to conduct major repairs during the off season. This resolution replaces Resolution 2018-06 approved in April 2018.

A motion was made by Miyasato to APPROVE this Resolution on FIRST AND FINAL READING. The motion PASSED by the following vote.

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

Absent: 1 - Bean

- N 18-112** Direct the Administrator to explore Pittman-Robertson funding opportunities and prepare a grant application for potential cabin development on City and Borough of Sitka property
Cosponsors Hunter and Eisenbeisz summarized the item. Hunter explained Representative Jonathan Kreiss-Tomkins had notified him of a surplus of federal Pittman-Robertson funds available to build infrastructure that improved access to hunting and wildlife viewing. The funds, administered by the Alaska Department of Fish and Game, were collected through taxes on the sale of firearms and ammunition. At a

3:1 match, Pittman-Robertson funds would increase a CBS outlay of \$50,000 to a project total of \$200,000, providing a budget large enough to build two cabins on municipal land. Hunter noted CBS profits were approximately \$4-5,000 per year on the Tom Young Cabin. Hunter and Eisenbeisz reminded the only action before the Assembly was to direct the Administrator to explore the funding opportunities and prepare a grant application.

A motion was made by Miyasato to direct the Administrator to explore Pittman-Robertson funding opportunities and prepare a grant application by August 2018 for potential cabin development on municipal land. The motion PASSED by the following vote.

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

Absent: 1 - Bean

XIII. PERSONS TO BE HEARD:

Charles Bingham announced Mark Winne, a food policy expert, was planning a visit to Sitka; reminded the Sitka Farmer's Market started July 7; and urged the Assembly to consider contacting the State of Alaska to explore a collaborative management agreement for the local parks.

Helen Craig reminded the Assembly to speak clearly into the microphones; stated increased rates had created financial hardships for citizens; requested the City build a dog park for Sitkans to bring their dogs to; and stated properly functioning voting booths were needed for the local, state, and federal elections.

XIV. EXECUTIVE SESSION

None.

XV. ADJOURNMENT

A motion was made by Miyasato to ADJOURN. Hearing no objections, the meeting ADJOURNED at 9:58pm.

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 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*

Thursday, June 14, 2018

6:00 PM

Assembly Chambers

SPECIAL MEETING

I. CALL TO ORDER

II. FLAG SALUTE

III. ROLL CALL

Present: 5 - Miyasato, Eisenbeisz, Hunter, Knox, and Wein

Absent: 2 - Potrzuski, and Bean

IV. PERSONS TO BE HEARD

None.

V. NEW BUSINESS:

A 18-117

Consideration of an appeal filed by Tamico, Inc. of the bid evaluation and letter of intent to award for the O'Connell Bridge Lightering Facility Pile Replacement Project (*possible executive session*)

Municipal Attorney Brian Hanson spoke to the process for the appeal and reminded the Assembly was acting as a quasi judicial body. Regarding the appeal of the bid rejection, Hanson stated the scope encompassed the bid documents, proposal made by Tamico, grounds for the City and Borough of Sitka (CBS) rejecting the proposal, materiality of the grounds, and the reasonable basis for rejecting. Hanson recommended that upon reaching a decision the Assembly include findings to support their decision.

Appellant

Jim Martinsen of Tamico, Inc. stated the main reason for his appeal pertained to

permitting. Martinsen stated requirements for an Incidental Harassment Authorization (IHA) permit were unclear and believed CBS had not disclosed all information with regards to permitting. He relayed that because it was a maintenance project, the US Army Corp of Engineers (USACE) and National Marine Fisheries Service (NMFS) had indicated that with some sound mitigation measures, a standard nationwide permit could be attained. He suggested the CBS reject all bids and rebid the project.

City and Borough of Sitka

Hanson stated in June 2017, CBS Harbor staff discovered the pilings at the O'Connell Lightering Float were leaning towards shore. Moorage was suspended and an investigation ensued. After CBS Public Works staff determined the pilings were in need of repair, a project was initiated and appropriations for the project were obtained from the Assembly. In October 2017, the USACE informed CBS that the project area fell within an Endangered Species Act (ESA) action area of 7000 meters. CBS determined the action area to be impractical and hired an environmental consultant, Solstice Alaska Consulting, to work with USACE and NMFS and investigate possibilities for a reduced action area. Despite efforts, NMFS denied a reduction from 7000 meters and CBS determined extraordinary permitting to be required, one of which could include a high cost IHA permit. Hanson stated at the April 2018 pre-bid meeting, CBS verbally advised all participants that an ESA action area would be required and an IHA permit would likely be required and noted the contractor was responsible for determining, coordinating, and acquiring all authorizations required and for permit compliance. CBS received two bids for the project: Tamico, Inc. and Turnagain Marine. Upon evaluation of the bids, CBS requested permission from Tamico, Inc. to speak with their proposed permitting specialist. It was determined the firm did not meet the required bidder qualification specifications: evidence of having obtained 2 prior IHA permits within the last 5 years. CBS rejected Tamico's bid as "non-responsive" for (1) failure of their permitting specialist to list at least 2 previous IHA authorizations of similar scope within the last 5 years and (2) failure to demonstrate the ability to obtain the required insurance. In addition, CBS deemed Tamico a "non-responsible bidder" for its failure to strictly comply with governmental permits when performing the Sitka Transient Float Project.

Assembly Deliberation

Assembly members discussed the materials presented by both parties. Mayor Hunter reminded the Assembly was tasked with determining whether or not CBS had justly found the bid to be responsive or not. Items discussed were insurance, permitting, and failure to comply with local, state, and federal permits.

A motion was made by Eisenbeisz to DENY THE APPEAL based on bidder qualification 1.2.c.4 Permitting Specialist (List of at least two previous Incidental Harassment Authorizations successfully obtained for marine projects of similar scope and considerations within the past 5 years). The motion PASSED by the following vote.

Yes: 5 - Miyasato, Eisenbeisz, Hunter, Knox, and Wein

Absent: 2 - Potrzuski, and Bean

VI. PERSONS TO BE HEARD:

None.

VII. ADJOURNMENT

A motion was made by Miyasato to ADJOURN. Hearing no objections, the meeting ADJOURNED at 9:10pm.

ATTEST: _____

Sara Peterson, MMC
Municipal Clerk