

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
July 24 and July 31 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, July 24, 2018

6:00 PM

Assembly Chambers

REGULAR MEETING

I. CALL TO ORDER

II. FLAG SALUTE

III. ROLL CALL

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

Absent: 1 - Eisenbeisz

IV. CORRESPONDENCE/AGENDA CHANGES

18-146 Reminders, Calenders and General Correspondence

None.

V. CEREMONIAL MATTERS

18-140 Citation - Honoring U.S. Coast Guard Day

Mayor Hunter read and presented a Citation, honoring U.S. Coast Guard Day, to Commander Mike Frawley and Master Chief Josh Ewing.

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

Investment Committee Chair Mike Reif briefed the Assembly on the Committee's work,

reported investment managers, Alaska Permanent Capital Management, had recommended the addition of a new asset class, and noted a large takeout percentage was causing the Permanent Fund to grow slowly. The goal was ultimately to reduce the amount to 4%.

VII. PERSONS TO BE HEARD

Michelle Putz noted Sitka had become less affordable and encouraged the Assembly to explore ways to make it more equitable.

VIII. REPORTS

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

Administrator - Brady reminded the public that property tax bills were mailed July 16 and due no later than September 14, announced the Utility Cost Subsidization program would start August 1 and interested citizens could meet with the Finance Department to verify eligibility, and provided an update on bulk water infrastructure.

Attorney - Hanson reported Legal Assistant, Coral Crenna, was out of the office through August 12 and to contact him directly.

Liaisons - Wein summarized the recent meeting of the Health Needs and Human Services Commission and Miyasato reported on the Investment Committee meeting.

Clerk - Peterson spoke to the Board and Commission vacancies and told of the candidate filing deadline for the municipal election.

IX. CONSENT AGENDA

- A 18-142 Approve the minutes of the July 10 Assembly meeting

This item was APPROVED by unanimous consent.

X. BOARD, COMMISSION, COMMITTEE APPOINTMENTS

- B 18-143 Appoint Dr. Paul Bahna to an unexpired term on the Library Commission

Wein and Hunter thanked Dr. Bahna for applying.

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

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

Absent: 1 - Eisenbeisz

XI. UNFINISHED BUSINESS:

- C 18-138** Approve the Extension of Agreement between Seafood Producers Cooperative and the City and Borough of Sitka regarding the Sitka Marine Service Center

Municipal Attorney Brian Hanson noted there were questions regarding insurance at the July 10 meeting. Upon further review, he stated it was unclear as to why the "x" mark appeared on the insurance provisions of the previous lease. He stated it was best practice to require the tenant to have property damage and general liability insurance. Hanson advised he had requested Seafood Producers Cooperative to provide a certificates of insurance - general liability and product. The Assembly wished to see proof of insurance prior to taking action.

A motion was made by Wein that this Item be POSTPONED to the meeting of August 14. The motion PASSED by the following vote.

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

Absent: 1 - Eisenbeisz

- D ORD 18-30** Making supplemental appropriations for Fiscal Year 2019 (E911 Software System Acquisition)

Wein expressed a desire to review the contract prior to approving an appropriation.

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

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

No: 1 - Wein

Absent: 1 - Eisenbeisz

- E ORD 18-33** Amending Title 4 "Revenue and Finance" of the Sitka General Code by modifying Chapter 4.24 "Transient Lodging Tax" and Chapter 4.09 "Sales Tax", by exempting transient lodging rent from sales tax (companion ordinance to Ordinance 2018-34A)

Rachel Roy and Kevin Mosher spoke in opposition.

Wein believed passage of this ordinance would eventually allow for a potential increase in alcohol tax. Hunter reminded alcohol was the only commodity that could not be taxed higher than a sales tax. The ordinance at hand, would exempt eligible bed tax sales from sales tax. Hunter clarified this ordinance would only go into effect if Ordinance 2018-34A was approved by the Assembly and ultimately the voters.

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

Yes: 4 - Miyasato, Potrzuski, Hunter, and Knox

No: 2 - Bean, and Wein

Absent: 1 - Eisenbeisz

XII. NEW BUSINESS:

- F ORD 18-34A** Amending Title 4 "Revenue and Finance" of the Sitka General Code, by modifying Chapter 4.24 "Transient Lodging Tax", Section 4.24.020 "Imposition of Transient Lodging Tax"; and, submitting the question of such an amendment to the qualified voters at a regular election on October 2, 2018 (ballot proposition)

Knox wished to see the issue be brought forward to the voters. Miyasato spoke in opposition and believed the increase would have a negative impact on revenues.

A motion was made by Knox that this Ordinance be APPROVED ON FIRST READING AS PREVIOUSLY AMENDED. The motion PASSED by the following vote. (Note: Section 3.02 of the Home Rule Charter states the only way an ordinance fails on first reading is if there are four votes in opposition.)

Yes: 3 - Potrzuski, Hunter, and Knox

No: 3 - Miyasato, Bean, and Wein

Absent: 1 - Eisenbeisz

- G 18-145** Approve 1) the Extension of Agreement between the City and Borough of Sitka and the Nugget Restaurant regarding Airport Sublease and 2) the Consent To and Approval of Assignment of Sublease between the City and Borough of Sitka and the Nugget Restaurant to DPJT, Inc. (possible executive session)

A motion was made to go into executive session with the Municipal Attorney to discuss legal matters affecting the municipality with respect to the Nugget Restaurant sublease at the Sitka Rocky Gutierrez Airport, the immediate knowledge of which would adversely affect the finances of the municipality. The motion PASSED by the following vote.

Yes: 6 - Hunter, Bean, Wein, Miyasato, Knox, Potrzuski

Absent: 1 - Eisenbeisz

The Assembly was in executive session from 6:55pm to 7:15pm.

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

The Assembly requested an update on the sublease from the Municipal Attorney at the September 25 Assembly meeting.

A motion was made by Bean to APPROVE the Extension of Agreement between the City and Borough of Sitka and the Nugget Restaurant regarding Airport Sublease and APPROVE the Consent To and Approval of Assignment of Sublease between the City and Borough of Sitka and the Nugget Restaurant to DPJT, Inc. The motion PASSED by the following vote.

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

Absent: 1 - Eisenbeisz

- H RES 18-15** Approving submittal and execution of Municipal Harbor Facility Grant applications to the State of Alaska, Department of Transportation and Public Facilities (DOT&PF) in the amounts of \$1,500,000 for the project entitled Eliason Harbor Electrical Replacement, and \$203,000 for the project entitled Thomsen Harbor Corrosion Protection

Hunter reminded these grants may or may not be funded by the state. In addition, he noted the \$1.5 million for the Eliason Harbor electrical replacement had been in the Harbor Master Plan for a number of years. Bean spoke in opposition, stating the projects could lead to future rate increases which he was not in favor of.

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

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

No: 1 - Bean

Absent: 1 - Eisenbeisz

- I RES 18-16** Approving submittal and execution of an application to the Alaska Municipal Bond Bank to issue an amount of Harbor Revenue Bonds in the amount of \$8,025,000 through the Bond Bank to finance the City and Borough of Sitka's portion of Phase 1 of the reconstruction of Crescent Harbor

Harbor staff spoke to the failing infrastructure in Crescent Harbor and stressed the need for replacement. Potrzuski thanked staff and noted the importance of the project. Knox feared delaying the project and the potential problems associated with delay. Wein agreed the harbor needed to be replaced; the issue was how to best finance it. He suggested the City explore self investment. Bean spoke in opposition to spending money on the project and in turn increasing rates. Jay Sweeney, Chief Finance and Administrative Officer, stated the City could request a grant extension from the State if desired, however, reminding procuring a grant was difficult and the opportunity may not present itself again.

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

Yes: 4 - Miyasato, Potrzuski, Hunter, and Knox

No: 2 - Bean, and Wein

Absent: 1 - Eisenbeisz

- J RES 18-17** Approving submittal and execution of an application to the Alaska Municipal Bond Bank to issue an amount of Airport Terminal Revenue Bonds up to \$4,025,000 through the Bond Bank to finance the City and

Borough of Sitka's portion of the renovation of the Rocky Gutierrez Airport Terminal

Public Works Director, Michael Harmon, commented the project provided an opportunity to replace aging infrastructure and create efficiencies. Wein believed the airlines should contribute to the cost of the project. He encouraged the City to explore self investment.

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

Yes: 4 - Miyasato, Potrzuski, Hunter, and Knox

No: 2 - Bean, and Wein

Absent: 1 - Eisenbeisz

XIII. PERSONS TO BE HEARD:

Kevin Mosher expressed concern over Sitka's debt load.

XIV. EXECUTIVE SESSION**K 18-144 Financial Matter: Baranof Island Brewing Company - Forbearance Agreement**

A motion was made by Miyasato to go into executive session with Chief Finance and Administrative Officer Jay Sweeney and Controller Melissa Haley to discuss subjects that tend to prejudice the reputation and character of any person and to discuss matters, the immediate knowledge of which, would adversely affect the finances of the City and Borough of Sitka and invite in if desired, and when ready, Suzan Hess and/or Rick Armstrong of Baranof Island Brewing Company and/or their Attorney, Brita Speck. The motion PASSED by the following vote.

Yes: 6 - Potrzuski, Miyasato, Knox, Bean, Hunter, Wein

Absent: 1 - Eisenbeisz

The Assembly was in executive session from 8:35pm to 9:15pm.

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

A motion was made by Wein to extend the forbearance agreement between the City and Borough of Sitka and BISCO to December 31 with reporting requirements promulgated by the Finance Director. The motion PASSED by the following vote.

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

Absent: 1 - Eisenbeisz

XV. ADJOURNMENT

A motion was made by Miyasato to ADJOURN. Hearing no objections, the meeting ADJOURNED at 9:18pm.

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
Deputy Mayor Steven Eisenbeisz,
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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, July 31, 2018

6:00 PM

Assembly Chambers

SPECIAL MEETING

I. CALL TO ORDER

II. FLAG SALUTE

III. ROLL CALL

Present: 5 - Miyasato, Potrzuski, Knox, Bean, and Wein

Absent: 2 - Eisenbeisz, and Hunter

IV. CORRESPONDENCE/AGENDA CHANGES

None.

V. PERSONS TO BE HEARD

Ben Miyasato reminded drivers to watch for pedestrians at the roundabout.

VI. NEW BUSINESS:

- A ORD 18-36** Adding a ballot question on the next municipal regular election to be held on October 2, 2018, on whether to exempt the municipality from the provisions of AS 18.35.301 - 18.35.350, an act prohibiting smoking in certain places (effective October 1, 2018), and, if exempted, Sitka General Code, Chapter 9.20 "Smoking in Public Places and Places of Employment", would continue to be the law for the municipality as to banning smoking in certain public places

Testifying in opposition to the ordinance was Amelia Mosher, Charles Bingham, Amanda Roberts, and Doug Osborne.

In support of the ordinance was Karen Lucas, Kevin Mosher, Margaret Carlson, and Stan Filler.

Wein, while not in support of smoking, believed the question should be placed before the voters to decide. Bean agreed. Knox spoke in opposition, stating the tobacco industry purposefully manipulated individuals into smoking. He stated as a public health measure it was paramount to reduce every available avenue.

A motion was made by Wein that this Ordinance be APPROVED ON FIRST READING. The motion PASSED by the following vote. (Note: Section 3.02 of the Home Rule Charter states the only way an ordinance fails on first reading is if there are four votes in opposition.)

Yes: 2 - Bean, and Wein

No: 3 - Miyasato, Potrzuski, and Knox

Absent: 2 - Eisenbeisz, and Hunter

VII. PERSONS TO BE HEARD:

Additional comments regarding Ordinance 2018-36: Stan Filler spoke in support of maintaining the status quo, Margaret Carlson reiterated the need for a public vote, Doug Osborne agreed businesses should have rights, however, if employees and patrons health was at risk it was the governments place to step in, and Charles Bingham stated action should be taken to reduce smoking related illnesses.

VIII. EXECUTIVE SESSION

None.

IX. ADJOURNMENT

A motion was made by Miyasato to ADJOURN. Hearing no objections the meeting ADJOURNED at 7:02pm.

ATTEST: _____

**Sara Peterson, MMC
Municipal Clerk**