

was also in favor of a financial review. Miyasato was in support.

A motion was made by Knox to direct staff to execute within the terms of the lease with the Sitka Historical Society, Inc., a waiver of utilities and property taxes for a period of 24 months at which time it would be revisited.

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

Absent: 1 - Potrzuski

I 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 felt that lease extensions needed to come forward to the Assembly. Eisenbeisz expressed lease extensions should be processed by staff. Wein had concerns of liability for the city with possible lack of general liability insurance. Chief Finance and Administrative Officer Jay Sweeney explained there was approximately a \$2 million balance in the Marine Service Center Fund and noted that the bulk head was owned by the Harbor Fund. Brady stated the lease had expired June 30th, that this was signed by Administration, however needed the assembly to ratify it. Staff had been working internally to changes in the contract. Hanson recommend postponement in order to look at the risk of insurance.

A motion was made by Miyasato to POSTPONE this item to the July 24, 2018 Assembly meeting. The motion PASSED by the following vote.

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

Absent: 1 - Potrzuski

J ORD 18-30

Making supplemental appropriations for Fiscal Year 2019 (*E911 Software System Acquisition*)

IT Director Ron Duvall stated this ordinance was moving dedicated E911 funds to MIS funds for the project. He told approval of the contract, not to exceed \$285,000, would be at the next regular meeting. He communicated the reasoning of this ordinance coming prior to the contract was because it took two readings and the second reading of this ordinance and the contract approval would be placed on the agenda for the next meeting together. Duvall noted funds were available, yet no money would be issued until the contract was approved. Bean inquired if the police department would move to a different location that the system could be moved. Duvall confirmed and noted that this system was for both the police department and fire department. Mayor Hunter voiced this was the process that had been done previously, and it was a matter of style yet the effect was the same.

A motion was made by Miyasato that this ordinance be PASSED ON FIRST READING. The motion PASSED by the following vote.

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

No: 1 - Wein

Absent: 1 - Potrzuski

K ORD 18-31

Amending Title 4 "Revenue and Finance" of the Sitka General Code by modifying Chapter 4.09 "Sales Tax" at Section 4.09.100 "Exemptions" by including an exemption for sales tax on groceries and residential utilities and

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