

H [18-136](#)

Approve a lease agreement between the Sitka Historical Society, Inc. and the City and Borough of Sitka for a portion of 330 Harbor Drive

Executive Director of the Sitka History Museum Hal Spackman mentioned the July 26 grand opening date for the museum noting the museum had been in existence since 1957. Spackman told of lease amendments he felt the museum needed and several members of the audience showed their support for the museum by raising hands. Amendments included a sign outside of the museum by approval of the assembly, a waiver of utility fees, a waiver of rental fees for foyer use for special events not to conflict with other activities, and a waiver of property tax.

Municipal Attorney Brian Hanson stated the lease came to the legal department many months ago, that it has been challenging to work through as the previous lease was decades old. Don Kluting, Harrigan Centennial Hall (HCH) Director spoke of concerns with the sign amendments inconjunction to the master plan of the entire HCH campus. He told of utility costs and noted if the fees were waived, the overall HCH budget would need to increase. He mentioned concern with use of the foyer since it was the main entrance, that it would need to be coordinated, and HCH staff would be required to be on duty for events which would add additional costs.

Bean had concerns, but thought all parties could get to a place where everyone agreed, or mentioned to shorten the term. Wein wanted more information regarding the sign amendment. Eisenbeisz had concerns with the unlimited utilities and the need to increase the HCH budget to subsidize utilities. He noted that the amendments were shifting the burden back to the city and therefore the public, and wondered if the museum would offer free access to public. Spackman noted that most museums were ran by the city and felt it was a great service provided at less expense to the city. He stated the museum needed time and monetary relief. Knox voiced that a thirty year term was long, and that the Historical Society provided a benefit. He would like to know the cost of the amendments. Mayor Hunter clarified historically they had been charged, however relayed the funding the city paid to the Historical Society had decreased over the years. He thought it was a reasonable expenditure from the Visitor's Enhancement Fund. He mentioned granting the waivers for a period of time in order to know the costs. Miyasato agreed and voiced a one year waiver. He was in support of a long term lease. Wein was in support of the subsidization. Bean agreed with Hunter and Wein, and offered a 24 month term. Knox wished to go forward with the long term lease but on a short term basis for the utilities and property tax waiver to be revisited in 24 months. Mayor Hunter stated he would like to approve the lease and then make amendments. Eisenbeisz reminded that the sign code needed to be followed, was amendable to the waiver of property tax, but thought utilities should be paid.

A motion was made by Miyasato to approve a lease agreement between the Sitka Historical Society, Inc. and the City and Borough of Sitka for a portion of 330 Harbor Drive and authorize the Municipal Administrator to execute this document.

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

No: 2 - Eisenbeisz, and Bean

Absent: 1 - Potrzuski

John Stein noted the items were a public trust and the artifacts were irreplaceable.

Eisenbeisz requested a financial review and confirmed with Spackman that the timing of the 24 months coming due in the summer season would not cause concern. Bean

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