

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 August 14, 17, and 30 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, August 14, 2018

6:00 PM

Assembly Chambers

REGULAR MEETING

I. CALL TO ORDER

II. FLAG SALUTE

III. ROLL CALL

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

IV. CORRESPONDENCE/AGENDA CHANGES

18-151 Reminders, Calendars and General Correspondence

V. CEREMONIAL MATTERS

Mayor Hunter recognized Brendan Jones for his service on the Port and Harbors Commission.

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

Connie Sipe, President of the Sitka Community Hospital Board, shared an update on the CEO recruitment process.

Sitka Police Lieutenant Lance Ewers reminded of the bear attraction nuisance ordinance and stated the Police Department was issuing citations to individuals who place their garbage cans out prior to pickup day.

18-150 Special Reports: 1) Sitka Community Hospital - Rob Allen 2) Hospital RFP Consultants - Sarah Cave and Steve Huebner

Sitka Community Hospital (SCH) Chief Executive Officer, Rob Allen provided an update on cash levels, the Electronic Health Records Cerner implementation, and spoke to the recent media reports regarding Medicaid overpayments to providers. Allen noted SCH's reimbursement amount was lower than anticipated.

SCH RFP Consultants, Sarah Cave and Steve Huebner, outlined the Town Hall meeting process for August 20.

VII. PERSONS TO BE HEARD

Cheri Hample thanked the Assembly for their support of Tobacco 21. She announced a tobacco cessation class was scheduled for September.

Speaking from the Sitka Health Summit CO2 Reducers Group and the Sitka RainPower Project groups were Chandler O'Connell and Brant Brantman. The two relayed concerns about climate change and offered a list of specific policy and administrative actions for the City to pursue. Libby Stortz, also a member of the Sitka Health Summit CO2 Reducers Group, spoke in support of the proposed policy and administrative actions.

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

Mayor - Hunter thanked Deputy Mayor Eisenbeisz for attending a recent meeting with Lisa Murkowski to discuss CBS issues.

Administrator - Brady spoke of his visits with Don Young and Lisa Murkowski. Federal priorities and grant opportunities were discussed. Brady invited the public to a Town Hall Meeting on August 20 for citizens to voice their opinions on the Sitka Community Hospital request for proposal process, mentioned interviews had been started for the Library Director and Planning Director positions, and discussions continued on the possibility of a new seaplane base, land needed, and funding.

Liaison Representatives - Potrzuski spoke to the recent Gary Paxton Industrial Park Board meeting, Wein to the Sitka Community Hospital Board meeting, and Miyasato to the Police and Fire Commission meeting. Miyasato thanked the US Coast Guard for their cleanup work at Herring Cove.

Clerk - Peterson reminded of the voter registration deadline for the October 2 Municipal Election, announced early voting for the State Primary Election was happening at City Hall through August 20, read through the list of board vacancies, and announced the citizen initiative and citizen referendum petitions had been certified.

IX. CONSENT AGENDA**A 18-148** Approve the minutes of the July 24 and July 31 Assembly meetings

A motion was made by Potrzuski that this Item be APPROVED. The motion PASSED by unanimous consent.

X. BOARD, COMMISSION, COMMITTEE APPOINTMENTS

None.

XI. UNFINISHED BUSINESS:

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

Assembly members thanked Municipal Attorney Hanson for his additional insurance research.

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

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

- C 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*)

Mayor Hunter summarized the intent of the ordinance was to raise the transient lodging tax (previously known as bed tax) from 6% to 12% year round and the tax would be exempt from sales tax from 6% yielding a net increase of 1% during the winter months.

Speaking in opposition to the increase was the Greater Sitka Chamber of Commerce, Carol Frasier of Aspen Hotels, Fred Reeder, and Duane Lambeth, owner of Dove Island Lodge.

A discussion of the advantages and disadvantages of raising the tax ensued among Assembly members. Cosponsors Hunter and Knox noted while it was a modest increase it would nonetheless yield additional revenue, reminded the transient lodging tax would be tax exempt, and would indirectly allow for a future Assembly to possibly raise the alcohol tax. It was noted a tax on alcohol could not be higher than a current sales tax.

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

Yes: 3 - Potrzuski, Hunter, and Knox

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

- D 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 (*ballot proposition*)

Public Testimony

Those speaking in opposition were Martha Pearson, Cheri Hample, Doug Osborne, Amanda Roberts, Connie Sipe, Brian Guvenir, and Emily Neenan. Neenan, the Alaska Government Relations Director for the American Cancer Society Cancer Action network, stated Sitka was the only community who had taken up the option allowed by the state law to exempt itself from the statewide public smoking ban.

Kevin Mosher spoke in support of putting the issue to a vote. Helen Craig expressed her dislike of cigarette smoke. Joe Darnell, Chief Investigator of Tobacco Enforcement and Youth Education for the State of Alaska Department of Health & Social Services, stated he was in Sitka assisting with the rollout of Tobacco 21 conducting classes for retail establishments.

Assembly Discussion

The Municipal Clerk noted staff had finished verifying signatures for the citizen initiative filed on August 1 to exempt the municipality from the state law. Peterson stated the sponsors had filed the initiative after it appeared a majority of members were not in favor of the ballot question at their July 31, 2018 meeting. Peterson stated she had certified the petition as sufficient and the proposition would appear on the October 2 ballot.

Eisenbeisz made a motion to postpone the ordinance indefinitely. Emily Neenan spoke in opposition voicing concern over the purpose language section.

A motion was made by Eisenbeisz to POSTPONE INDEFINITELY. The motion FAILED by the following vote.

Yes: 3 - Miyasato, Eisenbeisz, and Bean

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

A motion was made by Knox to AMEND the ordinance by striking the sentence in lines 34-37 "The new law imposes an unreasonable negative financial impact on establishments that, under the existing law, have chosen to remain exempt from the smoking prohibition." The motion FAILED by the following vote.

Yes: 1 - Knox

No: 6 - Miyasato, Eisenbeisz, Potrzuski, Hunter, Bean, and Wein

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

Yes: 2 - Hunter, and Bean

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

XII. NEW BUSINESS:

New Business First Reading

- E ORD 18-37** Making Supplemental Appropriations for Fiscal Year 2019 (*reappropriation of Fiscal Year 2018 unexpended appropriations*)

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

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

- F ORD 18-39** Amending Title 15 "Public Utilities" of the Sitka General Code by repealing Chapter 15.01 "Electric Utility Policies" Section 15.01.020 "Electrical Rates" (*Plug-In Electric Vehicle Incentive Credit*)

Doug Osborne suggested the Assembly look for a way to encourage and incentivize rather than repeal the code section.

Cosponsors Hunter and Potrzuski spoke to the ordinance. Eisenbeisz stated the incentive was at low cost to the municipality.

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

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

No: 1 - Eisenbeisz

- G ORD 18-40** Authorizing a property tax exemption through December 31, 2020 for the Sitka Historical Society, Inc. in the lease premises at Harrigan Centennial

Municipal Attorney Hanson explained the Assembly had approved a lease agreement with two provisions: a waiver of utilities and property taxes for a period of 24 months.

Hunter explained the museum had used all of their reserves for design and construction of the their new space. To allow the museum to regain their financial footing the Assembly had approved the above mentioned exemptions.

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

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

- H ORD 18-41** Amending Title 4 "Revenue and Finance" of the Sitka General Code by modifying Chapter 4.09 "Sales Tax" at Section 4.09.020 "Collection of Tax" (*products not authorized for sales tax exemptions on sales tax free days*)

Hunter stated the proposed ordinance added alcoholic beverages, tobacco products, and marijuana to the list of products not authorized for sales tax exemptions on sales tax free days typically held in November.

Bean recused himself due to his ownership of a marijuana business. He reminded of the economic advantage to businesses during the sales tax free days.

Eisenbeisz inquired whether the proposed ordinance would violate any law because it was a sales tax adjustment that might require voter approval. The Assembly asked Municipal Attorney Hanson to research the question.

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

Recused: 1 - Bean

Additional New Business Items

- I 18-149** Award a professional services contract to Arcticom LLC for the E911 system replacement with a not to exceed amount of \$285,000

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

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

- J 18-152** Discussion / Direction on the administrative policy for the Stortz Gallery at City Hall

Municipal Administrator Brady noted the updated policy set criteria for the type of artwork placed in the gallery, addressed liability of the artwork and put the responsibility on the artist, and continued the position of the volunteer curator recommended by the Sitka Fine Arts.

Assembly members offered their opinions and concerns with the policy and discussed content to be displayed. Municipal Attorney Hanson stated it was the public forum doctrine, limited public forum in this circumstance, that allowed the City to impose content based limitations.

Norm Campbell, curator, expressed disappointment at the need for the policy to be addressed. Heather Bauscher stated it was important to have art in public spaces. Lance Ewers reminded of the recent display that was taken down at City Hall after objections from the public. He suggested that City Hall may not be the most well suited place for an art exhibit. Scott Saline stated he was offended by a recent display with what he felt were political messages.

A motion was made by Wein to EXTEND to 11pm. The motion FAILED by the following vote. Six votes in the affirmative are needed to extend past 10:30pm.

Yes: 5 - Hunter, Bean, Wein, Knox, Potrzuski

No: 2 - Eisenbeisz, Miyasato

Noting the mandatory adjournment time of 10:30pm, the Assembly suggested the item come back for further discussion on August 30.

- K 18-153** Discussion / Direction of a request from SEDA for an economic impact analysis of Sitka Community Hospital on the local economy and the effect if current operations were to cease or be sold

The meeting automatically adjourned at 10:30pm before this item was addressed. The Mayor noted this item would be considered by the Assembly on August 28.

XIII. PERSONS TO BE HEARD:

None.

XIV. EXECUTIVE SESSION

None.

XV. ADJOURNMENT

The meeting automatically ADJOURNED at 10:30pm.

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,
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*

Friday, August 17, 2018

6:00 PM

Assembly Chambers

SPECIAL MEETING

I. CALL TO ORDER

II. FLAG SALUTE

III. ROLL CALL

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

Absent: 1 - Eisenbeisz

Telephonic: 1 - Wein

IV. CORRESPONDENCE/AGENDA CHANGES

None.

V. PERSONS TO BE HEARD

Travis Hudson spoke to the CEO search for Sitka Community Hospital and reported five candidates had been identified. Hudson believed there were excellent management opportunities around the corner to help the hospital to succeed.

Tone Jackson provided a letter from the Office of Inspector General to the Assembly. He cautioned the Assembly in proceeding with the SEARHC proposal.

VI. UNFINISHED BUSINESS:

- A 18-153** Discussion / Direction of a request from SEDA for an economic impact analysis of Sitka Community Hospital on the local economy and the effect if

current operations were to cease or be sold

It was stated this agenda item was not addressed at the August 14 meeting and a special meeting had been called rather than wait until August 28.

Bean thought there would be more options for the Assembly and public to consider from the RFP process. He had no doubt there would be an economic impact on the community if the hospital were to cease to exist or be sold. Bean suggested perhaps a ballot measure for a 2 mill increase be put forth to the voters to see if there was support to fund the hospital. Hunter didn't feel he needed a study to tell him the hospital was a critical pillar of Sitka's economy. Upon Assessing the risk to the municipality he believed the only way forward was to proceed with the SEARHC proposal or ensure Sitka Community Hospital (SCH) was sustainable long-term.

SCH RFP consultants, Sarah Cave and Steve Huebner, cautioned the Assembly in delaying the RFP process by initiating an economic study and or ballot question stating it likely would cause current proposers to withdraw from the process. Answering questions from the Assembly related to due diligence, they relayed the process typically took 6 to 9 months and costs were absorbed by the acquiring organization. They reminded if SEARHC were selected on August 28, the cost of committing to a letter of intent and due diligence process was high. Cave noted the due diligence process was a time for both parties to do their homework. Huebner reminded the Assembly had engaged them to come to the right conclusion. He urged the Assembly to consider the risk to the City if the hospital remained at status quo.

Miyasato wondered if the Assembly would consider waiting 90 days to make a decision so an economic study could be conducted. He believed there to be merit in the SEDA requested and noted it had been recommended by a unanimous vote of the Board. He stated the difficulty of the decision and that the Assembly needed as much information before making a decision. Wein believed there would be a definite impact on the economy if SCH were to cease to exist. He added the economic impact should have been addressed earlier in the process and was a critical part of due diligence in a study. Knox didn't believe an economic impact study was needed, stated it was clear what the failure of SCH would do to Sitka's economy, and reminded of the consequences of delaying the RFP process. Potrzuski agreed and stated as is, SCH was not sustainable and too great of a risk for the municipality. He reminded the Assembly had received a letter from the Hospital Board asking for a decision to be made.

No Assembly action was taken.

VII. PERSONS TO BE HEARD:

Speaking in support of an economic impact study were Sheila Finkenbinder, Travis Hudson, Nancy Davis, Trish White, Dirk White, and Tone Jackson. Pat Alexander, Dr. Marilyn Corruzi, and Carin Adickes spoke to the importance of having two hospitals in Sitka. Dr. Terry Babb expressed disappointment and concern at comments that had been previously made suggesting an issue with the quality of care offered at SEARHC. Municipal Clerk Sara Peterson read a letter submitted by Dr. Myron Fibush. He stated it was not a financial reality to maintain two separate hospitals in Sitka.

VIII. EXECUTIVE SESSION

None.

IX. ADJOURNMENT

A motion was made by Miyasato to ADJOURN. Hearing no objections, the meeting ADJOURNED at 8:05pm.

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,
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, August 30, 2018

6:00 PM

Assembly Chambers

SPECIAL 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

18-156 Reminders, Calendars and General Correspondence

Item J was moved to beginning of New Business. Mayor Hunter received a letter from the SAFV Shelter requesting consideration of permitting and inspection fee waivers for their upcoming building expansion and renovation project. The Municipal Clerk shared the letter with other assembly members via email.

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)

None.

VII. PERSONS TO BE HEARD

Public Works Director Michael Harmon introduced Municipal Engineer Cliff Richter. Richter stated he had been welcomed by staff and was impressed by how hard working city staff was.

Blossom Twitchell suggested education within the community in light of the recent hospital request for proposals events, noted there were many questions from the community, and spoke to the benefits of knowing the basics of native issues and politics.

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

Mayor - Hunter deferred to the Administrator to report on Alaska Municipal League (AML).

Administrator - Brady reported he and Eisenbeisz went to Denali for AML and mentioned a main topic of cyber security as municipalities and cities had been targeted recently. He stated the Gavan Hill landslide mapping was in draft form and noted infrastructure for Keet Gooshi Heen Elementary School and Sitka High School were in low risk zones. The report would be shared shortly. He noted ongoing negotiations with the Chamber contract. He met with Senator Sullivan and USCG Commandant Admiral Karl Schultz.

Liaison - Knox reported on Parks and Recreation Committee. Wein reported on the Hospital Board.

Clerk - Henshaw noted advanced voting will begin September 17 at City Hall and absentee voting by mail and fax was available.

IX. CONSENT AGENDA

- A 18-157** Approve a liquor license renewal for JD & PR Colton and JP & TE Colton dba the Nugget Restaurant at 600 Airport Road Ste A
- A motion was made by Knox that this Item be APPROVED. The motion PASSED by unanimous consent.

X. BOARD, COMMISSION, COMMITTEE APPOINTMENTS

- B 18-158** Reappoint James Poulson to a three-year term on the Historic Preservation Commission and appoint James Poulson to an unexpired term on the Parks and Recreation Committee
- Miyasato thanked the applicant. Wein noted that Poulson represented an asset and interest and was committed to the process for the Historic Preservation Commission.
- A motion was made by Miyasato 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:

18-152 Discussion / Direction on the administrative policy for the Stortz Gallery at City Hall

Wein noted that Sitka was a fine arts community, thought that City Hall needed to reflect that, and that there should be trust in the judgement of artists and curator.

Lucy Phillips suggested input from the artist community for the curator position. Robert Hattle had concern with the tragedy that also affected others and wondered if in the display that the others could also be recognized. Libby Stortz stated that she would have liked the idea of also honoring the Diaz brothers as an integral part of the gallery. She suggested to let the curator make the decisions of the censorship. Jay Sweeney expressed concerns of uncensored art and gave examples. Blossom Twitchell was in support of having the art uncensored.

Municipal Attorney Brian Hanson commented on the word "uncensored" and stated there was limitation within the form. He would look toward the constitutional limitations. Municipal Administrator Keith Brady had concerns with uncensored art as staff was disrupted by art that was displayed previously and they felt threatened by the public. Bean noted the curator would be appointed by the Administrator and approved by the assembly. Knox had concerns with politicizing the curator position and felt censorship could be problematic. Miyasato thanked previous curator Norm Campbell and members of the public. He was in agreement with including the Diaz brother's memory. He was in support of uncensored art. Potrzuski noted the first amendment would allow the assembly to have limited artwork in the gallery. He had concerns with the building being public and that there were employees that are subject to it on a daily basis. He stated it is not just an art gallery, this was city hall and there was business to conduct there. Wein agreed with the assembly approval of curator. Knox told of staff that felt threatened by the controversial art from members of the public previously. Hanson noted the gallery created a limited public forum for art. He stated there was constitutional limitations but no censorship with exceptions i.e., disruption of workplace, safety and health of workers. Mayor suggested a sign by each piece of art with the curator information and where to direct complaints. Potrzuski noted it was people not the art that created a hostile workplace. Bean mentioned that a disclaimer could handle some of the issues and the reason for assembly approval. He thought to leave in the hands of the curator and not have a written policy. He stated there could be a disclaimer and curator contact information. Brady reminded the space was a place of work and people come to this building for a place of business. He had concerns with it being an unsafe space for his staff.

A motion was made by Wein to provide a venue at City Hall for the William Stortz Gallery an uncensored public art space subject to curation by a curator appointed by the Administrator and approved by the Assembly. The motion PASSED by the following vote.

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

Absent: 1 - Eisenbeisz

D ORD 18-37 Making Supplemental Appropriations for Fiscal Year 2019

(reappropriation of Fiscal Year 2018 unexpended appropriations)

Wein noted \$65,000 was to complete the hospital request for proposals process.

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

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

Absent: 1 - Eisenbeisz

- E ORD 18-39** Amending Title 15 "Public Utilities" of the Sitka General Code by repealing Chapter 15.01 "Electric Utility Policies" Section 15.01.020 "Electrical Rates" (Plug-In Electric Vehicle Incentive Credit)

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

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

Absent: 1 - Eisenbeisz

- F ORD 18-40** Authorizing a property tax exemption through December 31, 2020 for the Sitka Historical Society, Inc. in the lease premises at Harrigan Centennial Hall

Sheila Finkenbinder a member of the Board of Directors of the Sitka Historical Society thought it was reasonable to exempt the museum from property tax.

Wein recognized the the value of the Historical Society.

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

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

Absent: 1 - Eisenbeisz

- G ORD 18-41** Amending Title 4 "Revenue and Finance" of the Sitka General Code by modifying Chapter 4.09 "Sales Tax" at Section 4.09.020 "Collection of Tax" (products not authorized for sales tax exemptions on sales tax free days)

Bean recused himself. Municipal Attorney Brian Hanson noted the issue of taxation and type of amendment by voter approval. He researched and reached out to the state assessor and there may be issues with alcohol and marijuana purchases. He needed additional time and requested a postponement.

A motion was made by Miyasato that this ordinance be POSTPONED to the meeting of September 25. The motion PASSED by the following vote.

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

Absent: 1 - Eisenbeisz

Recused: 1 - Bean

XII. NEW BUSINESS:

J 18-159 Discussion / Direction / Decision to move forward with the Sitka Seaplane Base and land acquisition

Municipal Administrator Keith Brady asked for direction from the assembly on whether or not to pursue a seaplane base.

Kevin Mulligan provided a report in support of a Sitka seaplane base. He told of benefits and impacts of remote areas that needed Sitka and a seaplane base. He read from correspondence from Baranof Wilderness Lodge, NSRAA, Port Armstrong Hatchery, in support of a Sitka seaplane base and land acquisition. He noted that there were still grants available for this. He told of the benefits of visitors coming to Sitka if there were a seaplane base in Sitka. He felt there was a responsibility for the outlying communities. He stated the current seaplane facility was insufficient. He noted it could be treated as an airport and there could be federal funding available.

Municipal Administrator Keith Brady estimated the project to cost \$15 million. Mayor Hunter noted 93.7% would be covered as a cost to the project from FAA. Knox mentioned the opportunity 100% covered by grants. Mayor Hunter suggested giving direction to staff to pursue, then a resolution from the assembly. Brady updated that staff has reached out and conversations have taken place with the state including the department of education. The property has been assessed by the state higher than the municipal assessment. He noted that the Coast Guard has encroached on some of the land. In order to be included for funding to be able to apply for grant, with no obligation, Brady stated paperwork was needed to be sent and a resolution would be needed. Wein thought a seaplane base was long overdue, had many advantages, and felt the city had lost the ability to be a hub and thought it was an important part of the rural status.

Public Comment

Sheila Finkenbinder was in support of the Seaplane Base and noted the economic potential. Floatplane owner, Dave Gordon expressed his support. Sherri Aitkin, Visit Sitka was in support. Joe List representing Westmark Sitka, Fish Baranof and Totem Square was in support thought it would be a boost to the economy.

Assembly Deliberation

Bean felt this was needed and clarified that a new facility would be pursued with grant funding. Miyasato thanked Mulligan for the information he provided in his report.

A motion was made by Knox to have the Administrator pursue as a priority, a Sitka seaplane base and land acquisition.

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

Absent: 1 - Eisenbeisz

New Business First Reading

H ORD 18-42 Making Supplemental Appropriations for Fiscal Year 2019 (FY2018 Purchase Orders)

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

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

Absent: 1 - Eisenbeisz

Additional New Business Items

- I **RES 18-18** Approving submittal and execution of Alaska Drinking Water Fund Loan applications to the State of Alaska Department of Environmental Conservation totalling up to \$18,000,000 for the project entitled Critical Secondary Water Supply

Municipal Administrator Keith Brady told of waiver conversations with representatives, state officials, and EPA. Mayor Hunter explained a filtration waiver was being pursued and reminded that when the penstock needs to be shut down, surface water was still needed from the creek that would need filtration.

Public Works Director Michael Harmon stated the project was steady, recommended rates were passed for loan funding to keep project on schedule. He said this was driven by the penstock closure for maintenance to the dam. Potrzuski wondered how bulk water related to this issue, since it used part of the system. Harmon stated the penstock was used by bulk water. Environmental Superintendent Shilo Williams told of what would cause a boil water notice and that there hadn't been a city wide boil water notice that she was aware of. They are typically localized/small and isolated. Harmon told of assembly involvement throughout the project. Chief Finance and Administrative Officer, Jay Sweeney reminded the resolution would allow the Administrator to apply for the loan and that an appropriation would be needed. He added that the loan was the most economical way to finance the fund and that the current loan rate was 1.5%. Bean wondered if the rate increased today, based on assumption, what would cause us to have to go back and raise rates and the cost were to go over \$18 million. Harmon stated the interest rate would be locked in. Mayor Hunter was in support of passing the resolution and the assembly could make another motion to direct the project to come back for final or before the contract was awarded. Bean thought to postpone. Harmon noted the ability to do maintenance and inspections to the dam to meet FERC requirements. Wein was not in support of the \$18 million and expressed the need from the state. He was concerned with change orders and felt Indian River could suffice as a secondary source. Bean was not in support and stated he did not feel this was needed at this time. Potrzuski felt that a secondary water supply was important and reminded that an inspection was needed by the dam by law and it would have to be closed. Mayor Hunter noted this project came to be because of changes in regulations however was concerned with rate increases.

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

A motion was made by Potrzuski to come back for final approval by the

Assembly before any contract is awarded.

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

Absent: 1 - Eisenbeisz

K 18-160 Update on Pittman-Robertson funding opportunities and grant application for potential cabin development

Mayor Hunter explained the federal money available for cabin development. He stated direction was given to the Administrator to investigate. Municipal Administrator Keith Brady added the Parks and Recreation Committee suggested locations. Mayor Hunter felt it could increase opportunities for travelers and locals. Wein told of funding and mandates for the use of cabins. He had concerns with the maintenance that would have to be guaranteed in perpetuity. Brady asked for direction.

Lance Ewers confirmed that the grant was for hunting, trapping, and some wildlife viewing.

A motion was made by Wein to direct city staff to pursue and be mindful of the requirements for successful granting.

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

Absent: 1 - Eisenbeisz

XIII. PERSONS TO BE HEARD:

Jeff Kinnan stated the red tape was unbelievable with regards to an environmental impact statement.

Richard Wein clarified that at the last meeting he had made a factual error with regards to his comment on mythology.

XIV. EXECUTIVE SESSION

L 18-161 Legal personnel matter / lawsuit involving the Sitka Police Department

Municipal Attorney Brian Hanson recommended the Police Chief not participate in executive session.

A motion was made by Knox to go into executive session to discuss communications with the Municipal Attorney concerning a legal personnel matter and lawsuit affecting the municipality, the immediate knowledge of which would adversely affect the finances of the municipality and invite in, if desired and when ready, Police Chief Jeff Ankerfelt. The motion PASSED by unanimous consent.

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

Absent: 1 - Eisenbeisz

The Assembly was in executive session from 9:37 p.m. to 10:25 p.m.

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

A motion was made by Potrzuski to pursue \$10,000 appropriation for legal fees. The motion PASSED by the following vote.

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

Absent: 1 - Eisenbeisz

A motion was made by Bean to extend the meeting to 10:45 p.m. The motion PASSED by the following vote.

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

Absent: 1 - Eisenbeisz

A motion was made by Hunter to pursue a \$100,000 appropriation for legal defense.

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

Absent: 1 - Eisenbeisz

XV. ADJOURNMENT

A motion was made by Potrzuski to ADJOURN. Hearing no objections, the meeting ADJOURNED at 10:27 p.m.

ATTEST: _____
Melissa Henshaw, CMC
Acting Municipal Clerk