

CONSENT AGENDA

POSSIBLE MOTION

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

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
December 20 Assembly meeting.



CITY AND BOROUGH OF SITKA

ASSEMBLY CHAMBERS
330 Harbor Drive
Sitka, AK
(907)747-1811

Minutes - Draft

City and Borough Assembly

*Mayor Gary Paxton
Deputy Mayor Steven Eisenbeisz,
Vice Deputy Mayor Valorie Nelson,
Aaron Bean, Kevin Knox, Dr. Richard Wein, Kevin Mosher*

*Municipal Administrator: Keith Brady
Municipal Attorney: Brian Hanson
Municipal Clerk: Sara Peterson*

Thursday, December 20, 2018

6:00 PM

Assembly Chambers

REGULAR MEETING

I. CALL TO ORDER

II. FLAG SALUTE

III. ROLL CALL

Nelson joined at 7:00pm after having technical difficulties trying to join by phone earlier.

Present: 5 - Eisenbeisz, Knox, Wein, Paxton, and Mosher

Absent: 1 - Bean

Telephonic: 1 - Nelson

IV. CORRESPONDENCE/AGENDA CHANGES

18-242 Reminders, Calendars and General Correspondence

No agenda changes.

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)

Investment Committee Chair Mike Reif briefed the Assembly on the December 17 Committee meeting. Reif noted self funding had been discussed and relayed the Committee was recommending internal loans be excluded as an approved investment. In addition, the Committee discussed the need for a fiscal policy and recommended

the Assembly direct one to be created and appropriate the necessary funds for completion.

18-236

Special Reports: 1) Greater Sitka Chamber of Commerce / Visit Sitka - Rachel Roy, and, 2) SCH / SEARHC Strategic Affiliation Process - Sarah Cave, Steve Huebner, Sandy Johnson

Chamber President Chris McGraw and Chamber of Commerce Executive Director Rachel Roy provided a historical overview of the visitor services request for proposal, funding sources, and contract values.

Consultant Sarah Cave and outside legal counsel Sandy Johnson provided an update on the SCH / SEARHC Affiliation process. A progress report was distributed for work occurring since the December 11 Assembly update.

VII. PERSONS TO BE HEARD

Jeff Kinnan spoke to the importance of reflective gear for service animals.

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

Mayor - Paxton noted his attendance at the recent Investment Committee and Gary Paxton Industrial Park (GPIP) Board of Director meetings.

Administrator - Brady reported on continued conversations with Mt. Edgecumbe High School regarding the Seaplane Base, attended a lunch meeting with US Coast Guard Admiral Matthew Bell and Commander Frawley, and reminded of City Hall office closures over the holidays.

Liaison Representatives - Knox spoke to recent discussions at the Port and Harbors Commission meeting; Wein reported on the Planning Commission, Investment Committee, and Health Needs and Human Services Commission; and Mosher noted his attendance at the GPIP Board of Director's meeting.

Clerk - Peterson reminded of the next visioning session on January 3, regular meeting January 8, and budget work session January 10.

IX. CONSENT AGENDA

A 18-241 Approve the minutes of the December 11 Assembly meeting

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

Yes: 6 - Eisenbeisz, Knox, Wein, Paxton, Mosher, and Nelson

Absent: 1 - Bean

X. BOARD, COMMISSION, COMMITTEE APPOINTMENTS

- B 18-237** Reappoint Liz McKenzie to a three-year term on the Tree and Landscape Committee
- A motion was made by Mosher that this Item be APPROVED. The motion PASSED by the following vote.**
- Yes:** 6 - Eisenbeisz, Knox, Wein, Paxton, Mosher, and Nelson
- Absent:** 1 - Bean

XI. UNFINISHED BUSINESS:

- C ORD 18-55** Making supplemental appropriations for Fiscal Year 2019 (*Senior Citizen Van Match Donation*)
- Knox wondered how many vans were budgeted for maintenance. Public Works Director Michael Harmon noted two were budgeted, however, reminded there were currently three vans. With the purchase of another making four. Knox suggested the overall budget be adjusted to accurately reflect true numbers.
- 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 - Eisenbeisz, Knox, Wein, Paxton, Mosher, and Nelson
- Absent:** 1 - Bean

XII. NEW BUSINESS:

- D RES 18-26** Submitting City and Borough of Sitka FY2020 State Legislative Priorities
- Dr. Jennifer McNichol, President of the Sitka School Board, thanked the Assembly for including the School District in the CBS Legislative Priorities and offered alternative language for the base student allocation section.
- Assembly members commented on different aspects of the priorities. Support was noted for the alternative language suggested by Dr. McNichol. In addition, Eisenbeisz suggested wording be added to the critical secondary water treatment section indicating the project was needed due to regulatory requirements. Nelson suggested a priority be added for Green Lake infrastructure. Upon hearing these suggestions, the Assembly wished to postpone the item to allow staff to rework the document and bring back for Assembly review.
- A motion was made by Wein to POSTPONE this Item to the January 8, 2019 Assembly meeting. The motion PASSED by the following vote.**
- Yes:** 6 - Eisenbeisz, Knox, Wein, Paxton, Mosher, and Nelson
- Absent:** 1 - Bean
- E RES 18-27** Authorizing the Municipal Administrator to apply for and execute a grant from the Alaska Fish and Wildlife Fund for construction of the Peterson Street

Storm Sewer Rehabilitation Project

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

Yes: 6 - Eisenbeisz, Knox, Wein, Paxton, Mosher, and Nelson

Absent: 1 - Bean

- F 18-239** Approve the contract between the City and Borough of Sitka and the Greater Sitka Chamber of Commerce to provide Convention and Visitors Bureau Services (*possible executive session*)

Mosher disclosed his employer, Shee Atika Inc., owned Balance Accounting Solutions who in turn handled bookkeeping for the Chamber and Visit Sitka. It was determined there was no conflict.

At the suggestion of Administrator Brady an amendment was made to the reporting requirements in Exhibit A of the contract currently written as such: "...to provide a staff prepared summary describing activities from the quarter and financial reports including balance sheet, profit and loss statement and income statement, prepared...".

A motion was made by Wein to amend the language in Exhibit A (4) Reporting to read: "...to provide a staff prepared summary describing activities from the quarter and financial reports including the statement of operations semi annually, and the profit and loss quarterly, prepared..." The motion to AMEND PASSED by the following vote.

Yes: 6 - Knox, Paxton, Wein, Mosher, Nelson, Bean, and Eisenbeisz

Absent: 1 - Bean

Wein preferred to postpone approval until after the scheduled January 8 work session with the Chamber / Visit Sitka when more could be learned of overall funding needs (e.g. marketing) which appeared to be greater than the \$300,000 they would receive with approval of the contract. Brady relayed Visit Sitka would have \$300,000 upon approval of the contract. Eisenbeisz reminded the \$300,000 had been approved by the previous Assembly. Nelson, too, wished to have more information. Mosher believed Visit Sitka provided an important service and desired to proceed. Knox spoke to the need for concrete metrics to ensure the City was getting best value.

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

Yes: 5 - Eisenbeisz, Knox, Wein, Paxton, and Mosher

No: 1 - Nelson

Absent: 1 - Bean

- G 18-238** Discussion / Direction supporting the Municipal Administrator to lobby on behalf of Mt. Edgecumbe High School for the potential land sale proceeds of the Seaplane Base

Municipal Administrator Brady reviewed correspondence from 1) Department of

Education and Early Development Commissioner Michael Johnson outlining the recommended process to follow, and, 2) Mt. Edgecumbe High School (MEHS) Advisory Board supporting the concept to use current MEHS land for a Seaplane Base project. The Advisory Board was in support contingent upon: 1) the sale of the land at fair market value, 2) funds from the sale of the land remain with the school, to be used for projects that will benefit current or future MEHS students in a structure that may extend multiple fiscal years. A recommended structure is for the funds to be deposited in the MEHS Endowment fund, and, 3) the proposed access road is pursued as the preferred traffic route to the site. The Advisory Board further requested the City remain in contact as the project progressed and asked for submission of a formal proposal after an appraisal was complete. Brady noted lobbying funds were available from a \$50,000 appropriation previously approved for the Seaplane Base project. Wein spoke to a deed restriction on the property. Brady noted he would be working with the Assistant Attorney General's Office to determine if the Seaplane Base would satisfy conditions of the deed restriction. In response to a question regarding fair market value, Brady stated City Assessor Wendy Lawrence had assessed the property at \$650,000. Brady noted an appraisal would need to be completed.

A motion was made by Knox to approve support of the Municipal Administrator lobbying on behalf of Mt. Edgecumbe High School for the potential land sale proceeds of the Seaplane Base. The motion PASSED by the following vote.

Yes: 6 - Eisenbeisz, Knox, Wein, Paxton, Mosher, and Nelson

Absent: 1 - Bean

XIII. PERSONS TO BE HEARD:

None.

XIV. EXECUTIVE SESSION

H 18-240 Executive Sessions: 1) Financial Matter: Baranof Island Brewing Company Forbearance Agreement 2) Financial / Legal Matters - Phase 3 of the CBS / SCH-SEARHC Affiliation Process

A motion was made by Knox 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, Rick Armstrong of Baranof Island Brewing Company and/or their Attorney, Brita Speck. The motion PASSED by the following vote.

Yes: 6 - Wein, Knox, Eisenbeisz, Mosher, Paxton, and Nelson

Absent: 1 - Bean

The Assembly was in executive session from 8:00pm to 8:45pm.

A motion was made by Knox to reconvene as the Assembly in regular session. The motion PASSED by the following vote.

Yes: 6 - Nelson, Mosher, Paxton, Eisenbeisz, Wein, and Knox

Absent: 1 - Bean

Mayor Paxton noted the Assembly had been advised and provided appropriate direction to staff.

A motion was made by Knox to go into executive session to discuss communications with the Municipal Attorney and Municipal Administrator regarding phase 3 of the CBS / SCH - SEARHC affiliation process, matters the immediate knowledge of which would adversely affect the finances of the municipality, and invite in Chief Finance and Administrative Officer, Jay Sweeney, outside legal counsel Sandy Johnson and consultants Sarah Cave and Steve Huebner. The motion PASSED by the following vote.

Yes: 6 - Mosher, Nelson, Knox, Eisenbeisz, Paxton, Wein

Absent: 1 - Bean

The Assembly was in executive session from 8:50pm to 10:00pm.

A motion was made by Knox to reconvene as the Assembly in regular session. The motion PASSED by a unanimous voice vote. (Nelson was not present having left the meeting after the conclusion of the SCH / SEARHC affiliation executive session was complete.)

XV. ADJOURNMENT

A motion was made by Eisenbeisz to ADJOURN. Hearing no objections, the meeting ADJOURNED at 10:00pm.

ATTEST: _____

Sara Peterson, MMC
Municipal Clerk