



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*

Tuesday, January 22, 2019

6:00 PM

Assembly Chambers

5:00 PM WORK SESSION: FY18 FINANCIALS

19-022 Work Session Materials: FY18 Financials

Joy Merriner, Assurance Partner with BDO reviewed the results of the audit from FY2018 and the comprehensive annual financial report (CAFR).

REGULAR MEETING

I. CALL TO ORDER

II. FLAG SALUTE

III. ROLL CALL

Present: 6 - Eisenbeisz, Knox, Bean, Wein, Mosher, and Nelson

Absent: 1 - Paxton

IV. CORRESPONDENCE/AGENDA CHANGES

19-019 Reminders, Calendars and General Correspondence

None.

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)

Sitka Community Hospital Director Rob Allen reported on an upcoming board meeting, staffing, patient numbers, and financial performance.

Tribal Chairman of Sitka Tribe of Alaska KathyHope Erickson reported the food pantry was open for Federal employees and invited the assembly to the annual meeting.

VII. PERSONS TO BE HEARD

None.

VIII. REPORTS

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

Administrator - Brady noted the Sitka Community Hospital and SEARHC negotiations took place, another to be held on Monday. He gave an update on the Human Resources Director, IT Director, and Planning Director positions. He stated staff had met with the Greater Sitka Chamber of Commerce regarding a contract.

Attorney - Hanson reported his attendance at the negotiation meeting in Seattle for the hospital merger.

Liaison Representatives - Knox reported on the Port and Harbors meeting; Wein on the Library Commission meeting and the Health Needs and Human Services meeting; Eisenbeisz on the Tree and Landscape Committee meeting; Mosher on the School Board meeting.

Other - Bean noted the lawsuit filed by Sitka Tribe of Alaska regarding subsistence herring eggs and that a hearing would be held.

IX. CONSENT AGENDA

A motion was made by Nelson that the Consent Agenda consisting of items A, B, and C be APPROVED. The motion PASSED by the following vote

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

Absent: 1 - Paxton

A 19-013 Approve the minutes of the January 8, 2019 Assembly meeting

This item was APPROVED ON THE CONSENT AGENDA.

B 19-014 Approve a liquor license renewal application, and duplicate license renewal application (downstairs), for Mean Queen at 205 Harbor Drive

This item was APPROVED ON THE CONSENT AGENDA.

C RES 19-02 Adopting an alternative allocation method for the FY19 Shared Fisheries

Business Tax Program and certifying that this allocation method fairly represents the distribution of significant effects of fisheries business activity in FMA 18: Central Southeast Area

This item was APPROVED ON THE CONSENT AGENDA.

X. BOARD, COMMISSION, COMMITTEE APPOINTMENTS

- D 19-016** Reappoint Daniel Gunn to a three-year term on the Library Commission and appoint Christopher Brewton to a three-year term on the Employment Relations Board (City representative seat)

Knox thanked the applicants.

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

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

Absent: 1 - Paxton

XI. UNFINISHED BUSINESS:

- E ORD 19-01** Making supplemental appropriations for Fiscal Year 2019 (*Harrigan Centennial Hall Staffing and Security Monitoring Video Equipment*)

Knox noted the importance to provide staffing. Municipal Administrator Keith Brady stated joint meetings with the Greater Sitka Chamber of Commerce would continue. Eisenbeisz thought that security camera costs for projects going forward should be included.

A motion was made by Nelson that this ordinance be APPROVED ON SECOND and FINAL READING. The motion PASSED by the following vote.

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

Absent: 1 - Paxton

XII. NEW BUSINESS:

New Business First Reading

- F ORD 19-02** Making supplemental appropriations for Fiscal Year 2019 (PERS On-Behalf Payments)

Jay Sweeney Chief Finance and Administrative Officer explained the unfunded pension liability obligation and need for it to be recorded as revenues and expenditures for accounting purposes.

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

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

Absent: 1 - Paxton

G ORD 19-03 Making supplemental appropriations for Fiscal Year 2019 (Utility Subsidization)

Municipal Administrator Keith Brady noted this appropriation transferred funds in order to pay out the subsidy. Controller Melissa Haley stated this was an appropriation for the remainder of the fiscal year.

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

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

Absent: 1 - Paxton

Additional New Business Items**H 19-021 Rescind the January 8 appointments of Mary Ann Hall and David Lam to the Sitka Community Hospital Board due to administrative errors**

Eisenbeisz noted there was an error in advertising of the seat specific board. He explained that it would take five affirmative votes to rescind according to Sitka General Code.

David Lam noted the code was clear that the positions had certain expertise and was in support of rescinding, stating he felt he was not qualified for the financial seat.

Nelson and Wein were not in support to rescind. Bean said that the rescind was a procedural matter and to keep in compliance with code and was necessary. Municipal Attorney Brian Hanson stated the two seats were category specific per the code and by appointing without the title would violate code. Eisenbeisz stated the code was not upheld and rescinding was necessary. Nelson thought there was a member of the assembly that had a substantial financial interest that created a conflict of interest. Eisenbeisz ruled no conflict.

A motion was made by Knox to rescind the January 8 appointments of Mary Ann Hall and David Lam to the Sitka Community Hospital Board due to an administrative error. The motion FAILED by the following vote.

Yes: 3 - Eisenbeisz, Knox, and Bean

No: 3 - Wein, Mosher, and Nelson

Absent: 1 - Paxton

I 19-020 Approve Consents of Assignment of two tidelands leases, seaward of the uplands property located at 204 Siginaka Way, from K&R Enterprises, Inc. to Sitka Tribe of Alaska

Wein was in favor of the transfer of owners however, thought the contract needed updating. Eisenbeisz stated he was a proponent for standardizing leases however, wondered if now was an appropriate time. Municipal Attorney Brian Hanson noted it could affect K&R's plans of selling and financing in process. Wein was not in favor of long term leases. Bean disclosed that he was a tribal citizen and his children receive gifts and possible scholarships. Eisenbeisz ruled no conflict. Knox noted the 55 year term, however had concerns of the implications of not transferring.

Director of Sitka Tribe of Alaska Lisa Gassman noted financing would be stalled if the lease was not transferred. Travis Vaughn, Owner of Remax Realty echoed that the lender required the lease be assigned.

A motion was made by Mosher to approve Consents of Assignment of two tidelands leases, seaward of the uplands property located at 204 Siginaka Way, from K&R Enterprises, Inc. to Sitka Tribe of Alaska and authorize the Municipal Administrator to sign these documents. The motion PASSED by the following vote.

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

Absent: 1 - Paxton

J 19-018

Discussion / Direction of the Police Officer Recruitment and Retention Plan

Police Chief Jeff Ankerfelt noted the difficulties with attracting and retaining Police Officers. He told of challenges such as the reduction in officers. He noted the overtime cost in the last 5 years, and proposed to raise the base rate wage, compress the wage scale, and include a pay increase.

Nelson had concerns with the wage increase, other staff, and wondered of health benefits. Municipal Administrator Keith Brady noted PSEA employees did not pay toward health benefits and were covered at 100%. Mosher had concerns of the budget and other staff within the department. Ankerfelt relayed concerns with turnover which has cost the city, a poor working environment, and understaffing. Bean was unsure if increasing wages would help with the turnover rate, was cognizant Police Officers were underpaid, and mentioned different factors for retaining officers in Sitka.

Brady noted that the State Troopers had attracted officers with their wage increase. He explained that the budget would be a wash, with the current cost of overtime. Ankerfelt noted the high rate of turnover for jailers and dispatch and explained that officers were not getting time off. Wein thought it important to consider a new Police Chief with different recruitment ideas. Nelson thought it would be beneficial to see similar communities pay wages and had concerns with morale.

A motion was made by Nelson to SUSPEND THE RULES to allow for public comment. The motion PASSED by the following vote.

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

No: 1 - Bean

Absent: 1 - Paxton

Mary Ferguson an employee of the Sitka Police Department (SPD) gave history and told of lawsuits. She thought that a wage increase would not fix recruitment. Ryan Silva an employee of the SPD told of the workplace environment. David Nelson President of the PSEA Chapter in Sitka was in support. He told of concerns with giving wage increase to only the Police Officers and stated PSEA should be a part of the discussion. Jackie O'Jala Secretary of the PSEA in Sitka and a civilian employee echoed Nelson and told of upcoming negotiations. SPD Lt. Lance Ewers told of the importance of recruiting the right type of person for Sitka. Pat Alexander Chairperson of Tlingit and Haida, SPD Officer Jayson Christner, and Charles Bingham were in support.

D. Nelson researched two years ago SPD wages and at that time were low compared to others in the State. He stated there had only been one step increase in the last few

years. He noted that Jailer positions were down two positions out of five. O'Jala explained the high turnover for Dispatch positions. Mosher would like to see an increase of \$4 more per hour. He felt the union should be involved, and would like to see an increase for other employees at the SPD. He noted that exit interviews were imperative. Staff was directed to pursue the Police Department Recruitment and Retention Plan, to include union representatives and all Police Department staff, and to draw comparisons of five similar communities around the State.

K 19-017

Discussion / Direction to waive late fees levied on utility bills for federal employees affected by the government shutdown

Eisenbeisz explained that this item was a discussion on removing the 1% late payment penalty fee for the period covered during the government shutdown. Nelson recused herself as a furloughed employee of the Federal Government. Mosher was in support. Bean thanked the Coast Guard and those doing their job without pay. Wein was in support. Eisenbeisz noted the recommendation from staff of a period covered by the current partial government shutdown.

Charles Bingham, Valorie Nelson speaking as a member of the public, and Helen Craig were in support.

Municipal Attorney Brian Hanson clarified that an "employee" would not include contractors. Municipal Administrator Keith Brady added that staff would create a process, that proof of employment was needed.

A motion was made by Knox to recommend staff allow federal employees who are affected by the shutdown, be able to come to city hall and request the 1% late fee levied on their utility bills be waived for the period covered by the current partial government shutdown.

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

Absent: 1 - Paxton

Recused: 1 - Nelson

L 19-015

Discussion of the recent ruling in the cruise ship industry lawsuit against the City and Borough of Juneau (CBJ), with respect to passenger fees assessed against the cruise ship industry by CBJ, and the implications for the City and Borough of Sitka with respect to commercial passenger excise tax funds;

Eisenbeisz explained a lawsuit against the City and Borough of Juneau (CBJ) with respect to the passenger fees assessed against the cruise ship industry that limited how funds should be spent. Municipal Attorney Brian Hanson further explained that the lawsuit was from CBJ's Commercial Passenger Excise Tax (CPET) funds and how and what the funds were used for. He stated city projects were reevaluated. Municipal Administrator Keith Brady noted projects to be reconsidered: cross trail, sea walk, security for Crescent Harbor, and bus transportation. He suggested replacing the CPET funds for the projects with the Visitor Enhancement Fund or other. He noted that funding already spent was not reevaluated. Wein was in support of reevaluating. Brady stated he was working on the bus transport plan. Hanson told of risk with those contracts that were in progress.

XIII. PERSONS TO BE HEARD:

KathyHope Erickson Sitka Tribe of Alaska (STA) Tribal Chairman told of free

transportation for employees of the federal government due to the shutdown on The Ride and stated that STA would like to be a part of the hire process for the Police Chief.

XIV. EXECUTIVE SESSION

None.

XV. ADJOURNMENT

A motion was made by Knox to ADJOURN. Hearing no objections, the meeting ADJOURNED at 9:19 p.m.

ATTEST: _____
Melissa Henshaw, CMC
Acting Municipal Clerk