

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
February 20 and February 25 Assembly
meetings.



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 Kevin Mosher,
Kevin Knox, Dr. Richard Wein, Valorie Nelson, Thor Christianson*

*Interim Municipal Administrator: Hugh Bevan
Municipal Attorney: Brian Hanson
Municipal Clerk: Sara Peterson*

Thursday, February 20, 2020

6:00 PM

Assembly Chambers

SPECIAL MEETING

I. CALL TO ORDER

II. FLAG SALUTE

III. ROLL CALL

Present: 4 - Eisenbeisz, Wein, Mosher, and Nelson

Absent: 2 - Christianson, and Paxton

Telephonic: 1 - Knox

IV. PERSONS TO BE HEARD

Jeff Farvour spoke to the need for a working waterfront and urged the Assembly to retain the Marine Services Center.

V. UNFINISHED BUSINESS:

- A ORD 20-06** Making supplemental appropriations for Fiscal Year 2020 (*Crescent Harbor High Load Dock Project*)

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

No: 5 - Eisenbeisz, Knox, Wein, Mosher, and Nelson

Absent: 2 - Christianson, and Paxton

VI. NEW BUSINESS:

- B 20-046** Discussion / Direction / Decision for the FY2021 Municipal Budget with focus

on Enterprise Funds, Internal Service Funds, and specific decision points

Interim Administrator Hugh Bevan stated this was the final budget meeting prior to budget books being prepared.

Electric Fund

Controller Melissa Haley reviewed the Electric Fund: change in working capital, depreciation, capital projects (feeder improvements, island improvements, meter replacement/upgrade, harbor meters, Green Lake overhaul phase I), new debt of \$3,000,000 USDA Rural Development Loan, and available working capital as of end of FY2019. Haley told of the proposed 2% rate increase noting the total annual impact of the rate increase was \$37.44. Haley spoke to the Electric Fund decision points: approve additional Relay Control Technician for two-year training period, approve seeking a low interest \$3,000,000 USDA Rural Development Loan (debt service currently in Electric Fund budget), and a decision on whether the General Fund subsidizes the Electric Fund to cover debt service for a period of time.

A motion was made by Mosher to direct staff (Administrator) to add the additional Relay Control Technician for a two-year training period. The motion PASSED by the following vote.

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

Absent: 2 - Paxton and Christianson

Members stressed it be documented this was for only a two-year period.

A motion was made by Mosher to approve seeking a low interest \$3,000,000 USDA Rural Development Loan for Phase 1 of the Green Lake Power Plant Overhaul. The motion PASSED by the following vote.

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

Absent: 2 - Paxton and Christianson

Wein reminded there was a limit to the amount of debt the City took on no matter how good the intention.

Assembly members discussed the matter of the General Fund subsidizing the Electric Fund to cover debt service. Eisenbeisz spoke in opposition. Wein wondered if the Green Lake loan could be done if the General Fund weren't to subsidize and preferred to wait and make a decision after more information was provided. Finance staff stated it was premature to make any assumptions not knowing if the Assembly was in support of the project. Bevan said the reason for recommending subsidization out of the General Fund was to protect the working capital in the Electric Fund. It was decided to revisit the matter at a future budget meeting.

Water Fund

Haley told of the change in working capital, depreciation, capital projects (water tanks, transmission main condition assessment, Blue Lake slope stabilization), said there was no new debt for FY2021, and told of the available working capital as of end of FY2019. Haley noted a proposed 2% rate increase yielding a total annual impact of \$12.48.

Wastewater Fund

Haley reviewed the change in working capital, depreciation, capital projects (WWTP blower manifold assessment, Lincoln Street lift station valve replacement, WWTP clarifier drive replacement, Thomsen Harbors lift station rehabilitation), told of no new debt for FY2021, and mentioned available working capital as of end of FY2019. Haley said a 2% rate increase had been proposed, an annual impact of \$15.84.

Solid Waste Fund

Haley noted the change in working capital, depreciation, capital projects (scrap yard tank circular concrete structure repairs and transfer station lighting), stated no new debt was planned for FY2021, and told of \$-1.8 million in available working capital as of the end of FY2019. Haley told of the proposed 5.5% rate increase yielding an annual impact of \$40.80. Haley noted the rate increase was driven by the operating costs. Wein believed a comprehensive solid waste management plan was needed. Public Works Director Michael Harmon stated City staff had worked with transfer station employees to better compact materials being shipped out.

Harbor Fund

Haley reviewed the change in working capital, depreciation, capital projects (Crescent Harbor lightering float repairs and Sealing Cove upland/parking lot paving repairs), told of no new debt for FY2021, and noted available working capital as of the end of FY2019. Haley told of the proposed 3% rate increase, however, noted the Port and Harbors Commission had recommended a 5% increase over the next three years and staff was looking for guidance from the Assembly.

A motion was made by Eisenbeisz to direct staff (Administrator) to include a 5% harbor rate increase in the FY2021 budget. The motion PASSED by the following vote.

Yes: 4 - Wein, Knox, Eisenbeisz, and Nelson

No: 1 - Mosher

Absent: 2 - Paxton and Christianson

Port and Harbors Commission member Chris Ystad told of the Commission's desire to have a constant rate for a three-year period for planning purposes and told of the Commission wanting to save money for future repairs.

Nelson voiced concern of a 5% rate increase and wondered with a less than favorable fishing season how people could budget for it. Mosher agreed and worried the increase may drive people out of town. Wein spoke in favor of cost averaging however reminding the City was reaching a tipping point with user rate increases.

Airport Terminal Fund

Haley spoke to the change in working capital, depreciation, capital project (exterior painting - front and south side), told of no new debt for FY2021, and noted available working capital as of end of FY2019. Public Works Director Michael Harmon stated the airport rehabilitation project phase 1 would begin in 2022; no funding had materialized

for phase 2.

Marine Service Center

Haley reviewed the change in working capital, depreciation, capital projects (arctic door replacement egress, freezer vestibule entry curtains, replace loading dock bumper, ramp transition, asphalt patch), told of no new debt planned for FY2021, and spoke to available working capital as of the end of FY2019. Members revisited the idea of retaining or selling the Center. Hugh reminded the Assembly had voted on February 11 to move forward with an RFP to sell or lease the Center.

GPIP Fund

Haley spoke to the change in working capital, depreciation, capital project (fixed crane for GPIP dock funded via transfer from Southeast Economic Development Fund), told of no new debt of FY2021, and noted available working capital as of end of FY2019. Members spoke to the idea of a fixed crane and some noted more information was needed. Bevan reminded it was an alternative to the Marine Service Center.

A motion was made by Wein to remove the fixed crane funding for the GPIP dock until further information was available. The motion FAILED by the following vote.

Yes: 3 - Nelson, Eisenbeisz, and Wein

No: 2 - Mosher and Knox

Absent: 2 - Paxton and Christianson

General Fund Pending Decisions

Haley reviewed items previously presented that were currently included in the preliminary FY2021 budget: Community Affairs (grant focus) position, Assistant Controller position (succession planning), and a higher salary for the Library Director. Items needing direction were: keep or eliminate vacant engineer position in Public Works Department, whether or not to add in \$15,000 in signing bonuses for new police officers, subsidize debt service of \$185,000 for USDA loan, continue to contract out TV coverage of Assembly meetings at \$9,000/year, and long range infrastructure and financial planning facilitator.

A motion was made by Mosher to remove the Community Affairs (grant focus) position from the FY2021 budget. The motion FAILED by the following vote.

Yes: 3 - Mosher, Nelson, and Wein

No: 2 - Knox and Eisenbeisz

Absent: 2 - Paxton and Christianson

Nelson reminded she had supported the decision to hire lobbyist Blank Rome on the condition the Community Affairs Director position was not filled. Eisenbeisz spoke in support of a grant writing position while Knox spoke of the need for the Community Affairs position. Wein reminded a grant writer could be contracted and preferred to focus on lobbying efforts.

A motion was made by Nelson to continue to contract live TV coverage of Assembly meetings in the amount of \$9,000 per year. The motion PASSED by the following vote.

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

Absent: 2 - Paxton and Christianson

Nelson believed there to be a lot of people who didn't have access to the available webstreaming of meetings. Wein reminded there was a number of uninformed people and eliminating live TV coverage didn't make sense.

Regarding the matter to keep or eliminate the vacant engineer position in Public Works, Knox believed eliminating the position would cause the Department to fall considerably behind and stress staff. Nelson reminded an option was to contract engineers as had been done in the past.

Assembly members discussed signing bonuses of \$5,000 for three new police officers. Knox and Wein wondered of the benefits. Nelson reminded employees of the Police Department didn't pay a health insurance premium and to give further concessions was wrong. Eisenbeisz understood the strategy but wondered of its effectiveness. Mosher, noting the shortage of officers, suggested a higher signing bonus of \$15,000.

A motion was made by Eisenbeisz to subsidize the Electric Fund from the General Fund in the amount of \$185,000 to cover debt payment of a USDA loan. The motion FAILED by the following vote.

Yes: 3 - Nelson, Knox, and Mosher

No: 2 - Wein and Eisenbeisz

Absent: 2 - Paxton and Christianson

Wein stated more information was needed before making a decision.

Information Technology Fund

Haley reviewed the change in working capital, depreciation, noted there were no new capital projects, no new debt, and told of available working capital as of the end of FY2019.

Central Garage Fund

Haley spoke to the change in working capital, depreciation, noted there was no new debt, stated the sinking fund was at \$5.9 million for vehicle replacement at the end of FY2020, spoke to available working capital, and reviewed composition of the fleet. Haley told of the assets being proposed to be replaced: lineman shop door replacement, Electric Department boom truck, Police Department Ford Explorer Interceptor, Water Department Ford Ranger, and Solid Waste Track Hoe. Bevan noted the list was half of what had originally been submitted by Departments. Some members suggested extending vehicle life further and spoke to a vehicle management system.

Building Maintenance Fund

Haley reviewed the change in working capital, depreciation, and available working capital. Haley stated the goal was to stop the fund from eating away at its working capital. Haley reminded this was a commitment made during last budget cycle; building maintenance staff and finance had developed the model.

VII. PERSONS TO BE HEARD:

None.

VIII. EXECUTIVE SESSION

None.

IX. ADJOURNMENT

A motion was made by Mosher to ADJOURN. Hearing no objections, the meeting ADJOURNED at 9:42 p.m.

ATTEST:

Sara Peterson, MMC
Municipal Clerk



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ASSEMBLY CHAMBERS
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City and Borough Assembly

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*Interim Municipal Administrator: Hugh Bevan
Municipal Attorney: Brian Hanson
Municipal Clerk: Sara Peterson*

Tuesday, February 25, 2020

6:00 PM

Assembly Chambers

WORK SESSION 5:00 P.M.

20-055 Greater Sitka Chamber of Commerce / Visit Sitka

Rachel Roy and Laurie Booyse of the Greater Sitka Chamber of Commerce and Visit Sitka presented to the Assembly.

REGULAR MEETING

I. CALL TO ORDER

II. FLAG SALUTE

III. ROLL CALL

Mayor Paxton and the Assembly thanked Interim Administrator Hugh Bevan for his service.

Present: 7 - Christianson, Eisenbeisz, Knox, Wein, Paxton, Mosher, and Nelson

IV. CORRESPONDENCE/AGENDA CHANGES

No agenda changes.

20-056 Reminders, Calendars, and General Correspondence

V. CEREMONIAL MATTERS

None.

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

20-047 Special Report: Planning Director Amy Ainslie - Municipal Land at 4951 Halibut Point Road, A Portion of Lot 1 USS 3670

Interim Municipal Administrator Hugh Bevan reminded a work session scheduled on this topic in January had been cancelled due to winter weather. Planning Director, Amy Ainslie, provided an overview and description of the area, history and patent restrictions, the current zoning, and utilities.

VII. PERSONS TO BE HEARD

Harvey Brandt stated the coronavirus was on the minds of many and urged the Assembly and City to prepare.

VIII. REPORTS

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

Mayor - Paxton provided a report on his attendance at the Winter AML Conference.

Interim Administrator - Bevan stated his last day was February 28, a utility director candidate would visit Sitka in the next couple of weeks, and budget books would be distributed February 27.

Attorney - Hanson stated he had just returned from vacation.

Liaison Representatives - Wein reported on the following meetings: Port and Harbors Commission, SEDA, Health Needs and Human Services Commission, and Planning Commission.

Clerk - Peterson spoke of upcoming meetings and the importance of participating in the 2020 Census.

Other - Eisenbeisz spoke to the importance of being proactive about the Coronavirus and Wein read a paragraph from the quarterly financial reporting package regarding the General Fund.

IX. CONSENT AGENDA

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

Yes: 7 - Christianson, Eisenbeisz, Knox, Wein, Paxton, Mosher, and Nelson

A 20-048 Approve the minutes of the February 6 and February 11 Assembly meetings

This item was APPROVED ON THE CONSENT AGENDA.

B 20-049 Approve a liquor license renewal application for Dove Island Lodge & Sitka

Sportfishing Charters, LLC dba Dove Island Lodge at Dove Island

This item was APPROVED ON THE CONSENT AGENDA.

X. BOARD, COMMISSION, COMMITTEE APPOINTMENTS

- C 20-050** Appoint 1) Justin Mullenix to a three-year term on the Local Emergency Planning Committee under Category 4 (Community Groups), and, 2) Joel Hanson to a three year-term on the Local Emergency Planning Committee under Category 6 (Members of the Public)

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

Yes: 7 - Christianson, Eisenbeisz, Knox, Wein, Paxton, Mosher, and Nelson

XI. UNFINISHED BUSINESS:

- D ORD 20-02S(A)** Amending Title 6 "Business Licenses And Regulations", Title 19 "Building and Construction", and Title 22 "Zoning" of the Sitka General Code by modifying Chapter 6.12 "Mobile and Manufactured Homes and Mobile and Manufactured Home Parks", Chapter 19.09 "Residential Code", Chapter 22.08 "Definitions", Chapter 22.16 "District Regulations", Chapter 22.24 "Special Use Permits" and adding Sections 6.12.205 "Construction Requirements For Tiny Houses and Tiny Houses On Chassis", Section 22.08.798 "Tiny House", and Section 22.08.799 "Tiny Houses On Chassis" *(1st reading)*

Planning Director Amy Ainslie and Planning Department Special Projects Manager Scott Brylinsky addressed the Assembly. They told of the interest generated by the topic and spoke to misinformation that had circulated. Ainslie thanked Brylinsky for his work and noted the department had received an unsolicited phone call from the Tiny Home Industry Association complimenting the department on a well-written ordinance and that it could possibly be used as a nationwide model.

Speaking from the public, Connor Nelson reminded tiny homes had always been allowed and expressed concern the proposed ordinance would wipe out previously adopted code regarding HUD building standards. Andrew Thoms and Tamara Kyle spoke in support of the proposed ordinance.

A discussion of the Assembly ensued. Wein wondered of liability issues. Municipal Attorney Brian Hanson stated he had no liability concerns, was satisfied and pleased with the research Brylinsky had done, and noted the subject was in the hands of the Assembly as policy makers. Nelson spoke in opposition; stating the capability of tiny homes already existed.

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

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

No: 1 - Nelson

- E ORD 20-04** Making supplemental appropriations for Fiscal Year 2020 *(Pet Adoption Fund)*

/ GPIIP Dock Expense / Permanent Fund Fees)

Wein mentioned he had inquired to the reason for the budget adjustment and had discovered there had been an abnormally high increase of abandoned litters of kittens in Sitka.

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

Yes: 7 - Christianson, Eisenbeisz, Knox, Wein, Paxton, Mosher, and Nelson

F ORD 20-05

Amending appropriations for Fiscal Year 2020 (*Removing Subsidies for Harbor / School Bond Debt*)

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

Yes: 7 - Christianson, Eisenbeisz, Knox, Wein, Paxton, Mosher, and Nelson

XII. NEW BUSINESS:**G 20-051**

Award the 2020 / 2021 Cruise Ship Passenger Transit Service contract to Halibut Point Marine Services

Members discussed the contract and offered opinions. Wein believed the money could be repurposed instead of being used to subsidize Halibut Point Marine's (HPM) bus service. Knox, Mosher, and Nelson spoke in support. Eisenbeisz spoke to the wear and tear of the buses on roads and environmental damage. Interim Administrator Hugh Bevan reminded each cruise ship passenger paid the state approximately \$30 in tax. Over the past few years about \$450,000 per year had been remitted from the state to the city based on the number of passengers coming through. Bevan stated the contract passed \$1 per passenger (of the money they had paid in tax) to HPM.

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

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

No: 1 - Wein

H RES 20-03

Declaring a climate emergency and mobilization effort to adapt to a changing climate

Speaking in support of the resolution: Eric Jordan, Jon Martin, Esther Burdick, Fiona Ferguson, Joel Hanson, Lauren Bell, Tava Guillory, Kate Zaczkowski, Linda Behnken, Sam Skaggs, Cora Dow, Darby Osborne, Francis Brown, Chandler O'Connell, Abby Fish, Blake LaPerriere, Erik Jong, Harvey Brandt, Katie Riley, Andrew Thoms, and Amy Voles.

Speaking in opposition: Mike Svenson, Shirley Robards, Gary Oines, and Connor Nelson.

The Assembly discussed the resolution. Christianson spoke to the importance of the city doing their part and noted potential cost savings. Knox stated it was time to stop kicking the issue down the road and the actions written in the resolution were something the city could do to encourage a positive change. Nelson spoke in

opposition to the last page of the resolution noting the money and significant staff time involved. Paxton while concerned about climate change was opposed to the tasks associated with the resolution. Wein stated the problem driving the carbon footprint was human behavior. Nelson, Mosher, and Wein spoke in support of taking the issue to the next election.

A motion was made by Christianson that this Resolution be APPROVED on FIRST AND FINAL READING. The motion FAILED by the following vote.

Yes: 3 - Christianson, Eisenbeisz, and Knox

No: 4 - Wein, Paxton, Mosher, and Nelson

I RES 20-02

Increasing cruise ship tender fees, implementing cruise ship security fees, and increasing float plane tenant rate

Christianson spoke to the float plane facility rate, the poor condition of the facility, and wondered if rates should be raised. Knox relayed comments at a recent Port and Harbors Commission meeting were supportive and understanding of the increase. Wein reminded the current condition was one reason the city was moving forward with a new facility. Eisenbeisz spoke to the need for a comparable rate to that of a skiff user.

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

Yes: 7 - Christianson, Eisenbeisz, Knox, Wein, Paxton, Mosher, and Nelson

J 20-052

Approve reallocating existing Electric Department capital project appropriations to supplement the "Green Lake Power Plant 40 Year Overhaul Phase 1 of 3" project by \$1,519,605.30

Interim Administrator Hugh Bevan noted staff had tightened up the management of projects in an effort to reduce the amount of debt for Green Lake Phase 1.

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

Yes: 7 - Christianson, Eisenbeisz, Knox, Wein, Paxton, Mosher, and Nelson

K RES 20-04

Authorizing the Municipal Administrator to apply for and execute a loan with the U.S. Department Of Agriculture Rural Development for \$3,000,000 to fund the Sitka Green Lake Hydroelectric Rehabilitation Phase 1 Project ("The Project") for the completion of the design and construction of the project in accordance with the FY2021 budget

Interim Administrator Hugh Bevan clarified the intent was to apply for the loan, not apply and execute. Once the details were known, the loan would be brought back to the Assembly for approval to execute the loan.

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

Yes: 7 - Christianson, Eisenbeisz, Knox, Wein, Paxton, Mosher, and Nelson

XIII. PERSONS TO BE HEARD:

Justin Mullenix spoke to the Assembly about affordable housing and climate change.

Michael Harmon and Brian Hanson thanked Interim Administrator Hugh Bevan for his service to the city.

XIV. EXECUTIVE SESSION**L 20-054**

Subjects that tend to prejudice reputation and character / Grievance over misrepresentation of Resolution 2019-26 (Roadless Rule) document submitted

Mayor Paxton stated the executive session was about him and it was his desire to hold the conversation in public. Paxton said he made mistakes related to the correspondence included with Resolution 2019-26 and had not intended to diminish the resolution. Members believed Paxton's explanation adequately addressed concerns. Deputy Mayor Eisenbeisz reminded the grievance had been addressed to him, spoke to his research and communications with the Municipal Attorney, and believed there was a default that needed to be cured. Eisenbeisz stated the resolution should have been sent on its own merit without additional comments from an outside organization. Eisenbeisz stated he met with Senator Murkowski on her recent trip to Sitka and presented a new copy of the resolution and reminded it was the Assembly's official position on the Roadless Rule. This action he believed to cure the default. Eisenbeisz stated he had reported back to Larry Edwards, the submitter of the grievance, and Edwards had additionally requested a copy of the resolution be resent to the city lobbyist noting it was the Assembly's official position. The Clerk was asked to contact the lobbyist.

XV. ADJOURNMENT

A motion was made by Mosher to ADJOURN. Hearing no objections, the meeting ADJOURNED at 9:12 p.m.

ATTEST: _____
Sara Peterson, MMC
Municipal Clerk