

CONSENT AGENDA

POSSIBLE MOTION

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

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 17, December 22, and January 12 assembly meetings.



CITY AND BOROUGH OF SITKA

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

Minutes - Draft

City and Borough Assembly

*Mayor Steven Eisenbeisz
Deputy Mayor Thor Christianson,
Vice Deputy Mayor Valorie Nelson,
Kevin Knox, Kevin Mosher, Crystal Duncan, Rebecca Himschoot*

*Municipal Administrator: John Leach
Municipal Attorney: Brian Hanson
Municipal Clerk: Sara Peterson*

Thursday, December 17, 2020

6:00 PM

Assembly Chambers

SPECIAL MEETING

I. CALL TO ORDER

II. FLAG SALUTE

III. ROLL CALL

Eisenbeisz and Mosher attended in-person. All other members present attended by videoconference. Knox arrived at 6:08 p.m.

Present: 6 - Christianson, Knox, Mosher, Nelson, Eisenbeisz, and Himschoot

Absent: 1 - Duncan

IV. CORRESPONDENCE/AGENDA CHANGES

None.

V. PERSONS TO BE HEARD

Richard Wein spoke to flu mortality rates and of issues related to COVID. He spoke to interest rates, taxes and the increase of those under the poverty line.

VI. NEW BUSINESS:

A 20-239

Discussion / Direction / Decision on parameters for the FY22 Municipal Budget

Municipal Administrator John Leach noted this was the first FY2022 budget meeting and staff was looking for big picture guidance. Finance Director Melissa Haley stated the presentation was a guide and she wanted to first analyze what took place of impacts from past budgets that would affect FY2022. She told of future planned budget meetings. She noted the early decision of the Sitka School District funding that made

the budget process smooth last year. She said that sales tax revenue was higher than anticipated at the beginning of FY2020 but that COVID caused significant reductions and that property tax remained relatively flat. She said that expenses were down in FY2020 compared to FY2019 mainly due to vacancies. She explained the impact of the General Fund balance with regards to the sale of Sitka Community Hospital and its liabilities. She went over non-spendable, committed, and unassigned fund balances. She told of the challenge going into FY2022 with the unknown economic impact of the pandemic beyond tourism giving the example of holiday spending and the online sales tax remittals.

Leach pointed out the core services from the Charter and Sitka General Code. He had asked for departments to start with a zero based budget and build it from there with the intent to maintain the same level of services. He touched on centralized procurement and leasing. He told of currently supported items that were not a requirement such as charitable donations, economic development, and social services.

Haley explained that a deficit budget may cause decreases in services. Christianson wondered what the process was to use emergency reserves. Leach reminded the current declaration was tied to the state and had a \$500K spending limit and that emergency reserves would require a modified economic emergency declaration. Leach told of recent discussions with cruise ship industries, felt they would be back next summer, possibility limited but with the availability of the vaccine, it may increase visitors. He looked at the budget and spending over the past 10 years, and stated the budget had been nearly flat with expenses less than aggregate with an overall decrease in spending. Himschoot told of concerns with maintenance of city infrastructure but belt tightening was good as long as implications were understood.

Haley reminded in FY2021 no appropriations were made for funding general infrastructure and noted the higher costs of projects the longer they waited. Leach said that direction was needed for level of services, capital projects, whether to continue existing initiatives, staffing, and special projects.

Mosher stated his concerns of using emergency funds and of the many unknowns that could arise in the next couple of months. He would like to have a discussion on services that may be cut. Leach could come back with a budget that maintained the same level of services and could present that, which may cause using reserves. Nelson commented better decisions could be made after sales tax revenue was known for the last quarter of FY2021.

Christianson thought to budget capital projects but stipulate that they wouldn't start until next fall by an assembly vote and decisions could be made at the end of the summer depending on revenues. Haley would prefer a supplemental appropriation if revenue was higher than anticipated. She stated public works had put together a list of priorities. Leach was in agreement of a supplemental appropriation later for additional funding if available.

Eisenbeisz thought that a lean budget was necessary and to determine later if there were higher than expected revenues. He was not in support of using reserves and would like to see a balanced budget. Mosher agreed. Knox felt it was putting staff in a difficult position asking them to make the call on what services would have to be cut. He thought the assembly should come forward with suggestions.

Leach suggested that staff present a budget with the same level of services that offered recommended cuts as necessary with capital projects that were recommended or

prioritized; further decision points could be made after that. Haley stated it was also important to factor in the long-term impacts of potential changes or cuts and told of a future project multiplier which would take into consideration costs of projects into the future.

Haley asked for general guidance for Enterprise Funds. She stated the Electric Fund had a 2% rate increase for FY2021, the budget was met, but revenue was down. With the bond refunding done earlier in the year, the fund should be able to maintain the inflationary rate increase. Haley noted that consumption drove rate increases and it needed to be revisited every year. Nelson spoke in opposition of rate increases. Mosher spoke in support of the proposed 2% rate increase. Eisenbeisz agreed with the inflationary adjustment in the past, but was not in support this year. Leach would do his best to keep rates as low as possible and noted that costs increase each year as well but the city would absorb as much as possible.

Haley went over the Water, Wastewater, Solid Waste, and Harbor Funds with regards to rate history, future rate changes, working capital and bonds. Leach noted that the Solid Waste Fund may require infrastructure improvements.

Knox would like to have running models with infrastructure adjustments and usable life with impacts to revenue. He would also like to look at the Harbor Master Plan. Eisenbeisz reiterated the need to have solid reasoning for rate increases with the exception of solid waste.

Haley noted the need for balanced rate increases and gave decision points that needed to be made. Leach stated the need to update master plans and to create a strategic plan which would help dial in future expenses and prepare for upcoming needs.

Eisenbeisz supported looking at a long range infrastructure plan and that a strategic plan would be helpful. He agreed that planning was important.

VII. PERSONS TO BE HEARD:

Richard Wein stated any additional funds could be a supplemental appropriation and a realistic budget was needed. A strategic plan with demographics needed to be included. He told of the need to be independent as far as solid waste and that a comprehensive solid waste plan was needed. He felt that the Secure Rural Schools funding should have been exchanged for CARES Act funding. He said that the city continued to give away money and urged the assembly to look for cuts. He voiced that state revenues would be difficult to obtain and mentioned the proposed Governor's \$5,000 Permanent Fund would give a \$44M infusion into the city.

VIII. EXECUTIVE SESSION

None.

IX. ADJOURNMENT

A motion made by Mosher to ADJOURN. Hearing no objections, the meeting ADJOURNED at 7:47 p.m.

ATTEST: _____
Melissa Henshaw, CMC
Acting Municipal Clerk



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City and Borough Assembly

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Vice Deputy Mayor Valorie Nelson,
Kevin Knox, Kevin Mosher, Crystal Duncan, Rebecca Himschoot*

*Municipal Administrator: John Leach
Municipal Attorney: Brian Hanson
Municipal Clerk: Sara Peterson*

Tuesday, December 22, 2020

6:00 PM

Assembly Chambers

REGULAR MEETING

I. CALL TO ORDER

II. FLAG SALUTE

III. ROLL CALL

Eisenbeisz attended in-person. All other members participated by videoconference.

Present: 7 - Christianson, Knox, Mosher, Nelson, Eisenbeisz, Himschoot, and Duncan

IV. CORRESPONDENCE/AGENDA CHANGES

20-246 Reminders, Calendars, and General Correspondence

Eisenbeisz shared correspondence from the Sitka Pregnancy Center that expressed thanks to the assembly for a grant. No agenda changes.

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)

None.

VII. PERSONS TO BE HEARD

Ben Hughey representing the Sitka Conservation Society thanked the city for the

Transitional Employment program agreement and gave an overview of the program. Richard Wein told of items in the news that included statistics with regards to COVID and a new stimulus package. Michael Winters introduced a special guest, Santa Claus who wished Sitka a Merry Christmas.

VIII. CONSENT AGENDA

A motion was made by Himschoot that the Consent Agenda consisting of item A be APPROVED. The motion PASSED by the following vote.

Yes: 7 - Christianson, Knox, Mosher, Nelson, Eisenbeisz, Himschoot, and Duncan

- A 20-240** Approve the minutes of the November 24, December 1, and December 8 meetings

This item was APPROVED ON THE CONSENT AGENDA.

IX. BOARD, COMMISSION, COMMITTEE APPOINTMENTS

None.

X. UNFINISHED BUSINESS

None.

XI. NEW BUSINESS:

- B 20-241** Approve Amendment No. 1 to Biokare Inc. dba Eckert Fine Beverages Purchase Agreement for Raw Water for Export

Richard Wein reviewed the contract and stated that Eckert was nonproductive and failed to export. He felt the terms were low and the costs should be increased.

Gary Paxton Industrial Park (GPIP) Director Garry White stated that Eckert Fine Beverages' business plan had changed. He said the city had 9.5 billion gallons of water to use and the volume Eckert was asking for was 100 million gallons. He stated the city had shipped 900 gallons of water in the past 9 years. He noted that even with this agreement, there would still be enough water if someone wanted to come in and do a bottling plant. He said that fees had been raised to bring positive cash flow to the city. He told of his tickler system for agreements, that a 45-day cure letter was drafted which was reviewed by the legal department, administrator, and GPIP Board after the time frame of 36 months. He reminded of the city's option to terminate the agreement.

Knox stated his support, thought it interesting that they were trying to do this new business plan, and noted that distilling of spirits took a lot of water. He felt that bulk water was speculative but that it would be nice to see if someone could do something with it.

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

Yes: 5 - Christianson, Knox, Mosher, Himschoot, and Duncan

No: 2 - Nelson, and Eisenbeisz

C 20-244

Approve the issuance of a Request for Proposal for private sector development of a haul out at the Gary Paxton Industrial Park (*postponed at December 22, 2020 assembly meeting*)

Richard Wein felt that detailed environmental coverage was needed and wondered of the city obligations i.e., utilities. He thought it problematic to sell the property. Gary Paxton Industrial Park (GPIP) Director Garry White stated there was an error in the packet materials and the RFP was not the most current version. He said that to date, the process had not been successful in attracting private sector funding. He understood that the preferred method was to go into a long-term lease and noted that the GPIP Board of Directors had approved policies for a city owned yard which was similar to the City of Homer. Linda Behnken told of a small group coming together to create an interim option so Sitka would not be without a boat yard and haul out. They were looking at raising funds as a non-profit. Jeff Farvour stated the intent of the small group was to maintain the ramp in order to use the critical infrastructure. The group wished to work with other proposers and felt the most success would be a private/public partnership. Eric Jordan supported the interim idea. He also said the city should look at a haul out on Japanski Island in addition to pursuing the interim non-profit idea.

Municipal Administrator John Leach reviewed the timeline and history of the haul out. He told of the three months of public input with the task force that included board meetings and assembly members. He was looking for clear guidance and direction to continue with the RFP or for changes that needed to be made.

Eisenbeisz stated that due to the wrong RFP in the packet, that some deliberation should take place, but thought to postpone. Nelson believed that the bigger the butterfly net, the more that would be caught. She was in support of a private ownership and felt that it was a drain on city staff and resources. Christianson had no problem leaving the private ownership option out there, but didn't think it would happen. He agreed that it was wise to cast a wide net and was in support of a long-term lease but also in support of the fee schedule that the administrator was working on. Knox agreed with Christianson and didn't think the interim plan would preclude anyone from coming in. He felt it was a good opportunity and a haul out was needed. Although a lot of work needed to go into it, it was a benefit to the community so he urged to do it right and put the work in. Himschoot told of her concerns with setting rates that were affordable and noted the need to be clear going into it so that proposals were what was wanted. Mosher echoed to cast a wide net and expressed frustration in the process so far. He reminded that the assembly could accept a RFP or not, but felt that even if it passed, he didn't feel that an investor would come in. Duncan questioned the timeline and wondered if a postponement would affect it.

Leach noted concerns that at least another 30 days of work was needed on the RFP, along with another assembly meeting, and an advertising period of three months for proposals. He asked if the interim solution and rate/fee schedule would suffice stating that the RFP would need to be structured to include those.

White told of the differences between the current RFP and the one in the packet: under scope of work there were defined parameters and strongly to consider bullet points. He noted that folks wanted a marine travel lift and that they refused to put a boat on a trailer which was a design criteria.

Eisenbeisz wondered if the item needed a work session. Christianson thought to let the interim idea move forward.

Richard Wein was in support of a postponement as it would allow time to understand and have additional answers. White noted that the October 29th GPIP Board of Directors meeting had the correct RFP and indicated where to find that information.

A motion was made by Nelson to POSTPONE this item to the next regular meeting (January 12, 2021). The motion PASSED by the following vote.

Yes: 7 - Christianson, Knox, Mosher, Nelson, Eisenbeisz, Himschoot, and Duncan

D 20-243

Approve a temporary lease between the City and Borough of Sitka and K&E Alaska, Inc. for municipal property at Granite Creek Lease Area Site 4 using prior agreement

Richard Wein wondered what the value of the lease was and provided historical details. He said it should be refined and updated before being approved. He questioned how much rock was taken out and what records were kept.

Municipal Administrator John Leach said that a survey was being completed for royalties and a RFP was being developed but that this would allow to have a month-to-month lease status until then.

Nelson said that all leases in Granite Creek should be looked at and noted that subleasing wasn't allowed previously. She felt this was a good short-term fix. She disclosed her husband owned rentals that K&E pays but didn't feel it was a conflict. Eisenbeisz ruled no conflict.

Municipal Attorney Brian Hanson reiterated that an extensive review was taking place with Jay Sweeney now doing lease management.

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

Yes: 7 - Christianson, Knox, Mosher, Nelson, Eisenbeisz, Himschoot, and Duncan

E RES 20-32

Declaring a local emergency in response to the 2020 Complex Weather System and a request for State and Federal assistance

Richard Wein felt this was necessary as there were \$1M of items to be reimbursed.

Municipal Administrator John Leach told the resolution aligned with the governor's declaration and gave details of the damages.

Eisenbeisz thought it was a necessity. Christianson stated it was necessary and straight forward.

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, Knox, Mosher, Nelson, Eisenbeisz, Himschoot, and Duncan

F 20-245

Update/Discussion on the CARES Act Working Group progress (*public comment to be taken*)

Municipal Administrator John Leach was anticipating closing out the CARES Act Funding of just over \$14 million since the original close out date was December 30,

2020, but shared the close out date had been extended to September 30, 2021. He felt that the working group put together a strong plan of grants for utilities subsidies, social programs, and city mitigation efforts in which the funding was working as planned and final invoices were coming in that staff was verifying. He had hoped to continue the original plan and close out the first round of funding on December 30 as anticipated. He stated the amount of funding remaining would be fairly minimal. Leach answered unused funds would be used toward public safety. He thanked staff that worked on distributing CARES Act funding.

Richard Wein thanked the administrator and staff as well as the work group for putting this together.

Christianson agreed that it should be closed out and liked the plan to capture extra expenses in public safety.

XII. PERSONS TO BE HEARD:

Richard Wein stated that city commodities should not be given away. He reminded that the haul out should be "our" haul out and encouraged to get the haul out going.

XIII. REPORTS

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

Mayor - Eisenbeisz thanked the assembly for their work throughout the year and stated he was looking forward to working with them in the coming year.

Administrator - Leach gave a brief report of the Emergency Operations Center (EOC) noting the downward trend in active COVID cases in Sitka along with the downward trend in the wastewater report. He reported that the first round of vaccines took place last week and was proceeding with a plan from state allocations.

Attorney - Hanson expressed thanks to the administrator and the legal assistant.

Liaison Representatives - Christianson reported that the Planning Commission meetings had been cancelled. Himschoot reported on the School Board meeting.

Other - Mosher thanked assembly members, city staff, and members of the public. Nelson wished everyone a happy holiday.

XIV. EXECUTIVE SESSION

None.

XV. ADJOURNMENT

A motion was made by Knox to ADJOURN. Hearing no objections, the meeting ADJOURNED at 7:40 p.m.

ATTEST: _____

**Melissa Henshaw, CMC
Acting Municipal Clerk**



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*Municipal Administrator: John Leach
Municipal Attorney: Brian Hanson
Municipal Clerk: Sara Peterson*

Tuesday, January 12, 2021

6:00 PM

Assembly Chambers

REGULAR MEETING

I. CALL TO ORDER

II. FLAG SALUTE

III. ROLL CALL

Duncan participated by videoconference.

Present: 7 - Christianson, Knox, Mosher, Nelson, Eisenbeisz, Himschoot, and Duncan

IV. CORRESPONDENCE/AGENDA CHANGES

Mayor Eisenbeisz stated items A & G had been pulled from the agenda.

21-010 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)

School Board President Amy Morrison spoke to recent events in the School District, School Superintendent search, and reminded of the joint budget meeting with the Assembly on February 4.

VII. PERSONS TO BE HEARD

Carin Adickes wondered when the pool at Blatchley Middle School would reopen to the public. Marshall Albertson spoke to correspondence sent to the Assembly regarding his beliefs and actions. Richard Wein reported on the Sitka Community Health Council meeting, told of the upcoming herring fishery, and spoke of current events. Harvey Brandt told of his time as an educator and stated the foundation of our democracy was being challenged. Keoki Tafaioalii spoke to the good Marshall Albertson does for Sitka. Valorie Nelson stated the Nation had become divided, stressed the need for tolerance and patience, and stated Harbor Department employees should be at the forefront to receive a COVID-19 vaccine. Thor Christianson stated the United States of America was based on the democratic process and added the people who recently attacked the U.S. Capitol did not represent democracy. Mia Nevarez voiced concern over threatening language and behavior she had observed of some Sitkans.

VIII. CONSENT AGENDA

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

Yes: 7 - Christianson, Knox, Mosher, Nelson, Eisenbeisz, Himschoot, and Duncan

- A 21-001** Approve the minutes of the December 17, December 22, and January 12 assembly meetings
Item PULLED from agenda. No action taken.
- B 21-002** Approve a liquor license renewal application for House of Liquors Inc. dba Salty Sal's Liquor Cabinet at 321-B Lincoln Street
This item was APPROVED ON THE CONSENT AGENDA.
- C RES 21-01** Adopting an alternative allocation method for the FY21 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.

IX. BOARD, COMMISSION, COMMITTEE APPOINTMENTS

- D 21-008** Reappoint Michael Nurco to a three-year term on the Port and Harbors Commission
Richard Wein spoke in support of Nurco.
Knox thanked Nurco for his service.
A motion was made by Knox that this item be APPROVED. The motion PASSED by the following vote.
Yes: 7 - Christianson, Knox, Mosher, Nelson, Eisenbeisz, Himschoot, and Duncan
- E 21-004** Appoint at least seven members but no more than twelve to the Climate Action Task Force - applicants are: 1) Elizabeth Bagley, 2) Kent W. Barkhau, 3) Linda Behnken, 4) Elizabeth Borneman, 5) Norm Campbell, 6) Molly Gear, 7) ~~Joel Hanson~~, 8) Kathleen Kreiss, 9) Olivia Magni, 10) Leah Mason,

Darby Osborne, 12) Willoughby Peterson, 13) Catherine Riley, 14) Caitlin Way, 15) Caitlin Woolsey

Assembly members discussed methods of appointment and offered opinions regarding the number of members. Municipal Clerk Sara Peterson reminded Joel Hanson had withdrawn his application. There were 14 applicants to be considered.

A motion was made by Nelson to cap the Task Force at nine members. The motion PASSED by the following vote:

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

No: 2 - Himschoot and Duncan

From the public, Richard Wein reminded this was a task force, not a commission. He recommended all applicants be appointed.

Nelson nominated Elizabeth Bagley, Kent W. Barkhau, Linda Behnken, Elizabeth Borneman, Norm Campbell, Molly Gear, Kathleen Kreiss, Olivia Magni, Leah Mason, Darby Osborne, Willoughby Peterson, Catherine Riley, Caitlin Way, and Caitlin Woolsey to serve on the Climate Action Task Force.

Molly Gear spoke to her qualifications. Of those present, Knox asked how the applicants viewed climate change and climate resiliency around social justice. Borneman, Bagley, Riley, Osborne, Woolsey, and Magni provided responses.

A vote of the Assembly was taken for the nine available seats:

Bagley - 7 votes

Barkhau - 6 votes

Behnken - 3 votes

Borneman - 4 votes

Campbell - 3 votes

Gear - 5 votes

Kreiss - 5 votes

Magni - 2 votes

Mason - 1 vote

Osborne - 7 votes

Peterson - 4 votes

Riley - 5 votes

Way - 5 votes

Woolsey - 6 votes

There was a tie between Borneman and Peterson for the ninth seat. A vote of the Assembly was taken.

Borneman - 4 votes

Peterson - 3 votes

The nine applicants appointed to serve on the Climate Action Task Force were: Bagley, Barkhau, Borneman, Gear, Kreiss, Osborne, Riley, Way, and Woolsey.

X. UNFINISHED BUSINESS:

F 20-244

Approve the issuance of a Request for Proposal for private sector development of a haul out at the Gary Paxton Industrial Park (*postponed at*

December 22, 2020 assembly meeting and then again on January 12, 2021)

This item was postponed at the December 22, 2020 assembly meeting.

A motion was made by Nelson to direct the Municipal Administrator to issue the Request for Proposal, as written, for private sector development of a haul out at the Gary Paxton Industrial Park and advertise for a 90 day period. (No vote was taken on the main motion as amended.)

Christianson mentioned possible amendments proposed by the Haul Out Task Force (HOTF).

From the public, Richard Wein stated the project needed to move forward, however, the RFP had enormous asks. Jeremy Serka planned to submit a proposal and urged the assembly to keep the lease to own option available. Jeff Farvour spoke to the importance of a haul out and of the City maintaining ownership. Linda Behnken spoke in support of the changes from the task force, the City maintaining ownership of the land, and a shortened advertising period.

An amendment was made by Knox to shorten the advertising period of the RFP from 90 days to 60 days. The amendment PASSED by the following vote.

Yes: 5 - Mosher, Knox, Christianson, Duncan, and Himschoot

No: 2 - Nelson and Eisenbeisz

From the public, Richard Wein and Garry White spoke in support.

Nelson didn't feel 60 days was long enough and voiced support of the City selling the land. Eisenbeisz wondered if the RFP was being altered to suit the needs of certain proposers. HOTF members, Christianson and Knox, explained the intent was to move the project forward and the decreased advertising time appeared to be doable by all potential applicants.

An amendment was made by Knox to modify the scope of the project in the RFP by moving the first two bullet points under required components to the aspirational project scope. These include "Provide haul-out and vessel washdown system for the next 20 years" and "Provide float for passengers to safely get off a vessel prior to being lifted out of the water." The amendment PASSED by the following vote.

Yes: 6 - Duncan, Eisenbeisz, Christianson, Himschoot, Knox, and Mosher

No: 1 - Nelson

From the public, Richard Wein testified in support of the amendment.

Christianson and Knox explained without a washdown system only dry work could be done. The intent of the amendment was to "widen the net" to allow for creative financing/solutions.

An amendment was made by Christianson to modify sentence in Section B Preferred Outcome from "Developers are expected to finance the full project development" to "Developers are expected to finance the full project development, however, CBS may have limited loanable economic

development funds for the initial startup." The amendment FAILED by the following vote.

Yes: 1 - Christianson

No: 6 - Eisenbeisz, Knox, Mosher, Duncan, Himschoot, and Nelson

From the public, Richard Wein and Jeremy Serka spoke in support of the amendment.

Municipal Administrator John Leach reminded any loan from the Southeast Economic Development Fund would be a participation loan and read Sitka General Code 4.44.020(A). Municipal Attorney Hanson advised the amendment would permit a conditional response.

An amendment was made by Knox to remove all references to sale of property in the document and only focus on the preference of long term lease options. The amendment FAILED by the following vote.

Yes: 1 - Himschoot

No: 6 - Knox, Eisenbeisz, Mosher, Nelson, Christianson, and Duncan

From the public, Richard Wein spoke in support. Jeremy Serka urged the Assembly to keep all options open.

The Assembly discussed modifying the scoring criteria to give preference of lease options over private purchase, however, determined more input was needed from the HOTF for presentation to the Assembly. It was suggested to postpone the item to January 26.

A motion was made by Himschoot to POSTPONE this item to the January 26 regular meeting. The motion PASSED by the following vote.

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

No: 1 - Himschoot

Garry White expressed confusion as to what would be gained from delaying a final vote. Richard Wein spoke in opposition to postponement.

XI. NEW BUSINESS:

G 20-242 ~~Approve the promotion of Melissa Henshaw from Deputy Clerk/Records Specialist to Community and Government Affairs Director~~ **PULLED**

Item PULLED from agenda. No action taken.

H 21-003 Approve a sublease agreement between Northline Seafoods LLC and Sitka Salmon Alaska Holdings LLC

From the public, Richard Wein spoke in support of the sublease.

Municipal Administrator John Leach stated as of January 26 all parties were in compliance. Municipal Attorney Brian Hanson reminded this was a sublease, not an

assignment of lease. It did not assign over any rights to ultimately purchase the property.

A motion was made by Christianson to APPROVE a sublease agreement between Northline Seafoods LLC and Sitka Salmon Alaska Holdings LLC with the condition that all parties become compliant with Sitka General Code and authorize the Municipal Administrator to execute the document. The motion PASSED by the following vote.

Yes: 7 - Christianson, Knox, Mosher, Nelson, Eisenbeisz, Himschoot, and Duncan

I 21-005

Approve a Consent To Assignment Of Lease between the City and Borough of Sitka and Bradley L. Shaffer to Christopher H. Balovich regarding a tidelands lease seaward of property located at 479 Katlian Street

Richard Wein spoke to lease length, wondered of the assessment change, and the importance of the City to receive a good return.

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

Yes: 7 - Christianson, Knox, Mosher, Nelson, Eisenbeisz, Himschoot, and Duncan

J 21-006

Discussion / Direction / Decision on the timeline and development of an RFP for the former Sitka Community Hospital site

Municipal Administrator John Leach reminded in October SEARHC representatives had expressed an interest in purchasing the former Sitka Community Hospital site which they currently lease. At the December 1 special assembly meeting the Administrator was given direction to initiate sale proceedings. On December 14, the City had received correspondence from SEARHC expressing a desire to pursue the purchase through a competitive bid process. Leach reviewed the draft timeline. He noted a supplemental appropriation would be necessary to obtain the appropriate support to develop a RFP, provide an independent assessment of the building, and obtain an in-depth building inspection. Assembly members spoke in support of the aggressive timeline and bringing back a supplemental appropriation at the January 26 meeting.

XII. PERSONS TO BE HEARD:

Marshall Albertson spoke to social justice and results from his recent genealogy test. Mia Nevarez told of incidents with Marshall Albertson. Richard Wein spoke against the sale of the former Sitka Community Hospital site and urged the assembly to retain a lease which would generate revenue.

XIII. REPORTS

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

Mayor - Eisenbeisz relayed he had been contacted by the Mayor of our Sister City extending well wishes for the new year. He told of a group he had been working with for beautification efforts and had chosen to use a portion of his Mayor's Contingency fund to pay for disposal of garbage.

Administrator - Leach reported on vaccine distribution and statistics to be added to the COVID-19 Dashboard.

Liaison Representatives - Knox reminded of the January 13 Port and Harbors Commission meeting.

Clerk - Peterson told of upcoming meetings.

Other - Nelson relayed she was updating a spreadsheet on electric rates and would provide to the Clerk for distribution to the Assembly.

XIV. EXECUTIVE SESSION

K 21-007 Financial Matter - Former Sitka Community Hospital Closeout

A motion was made by Himschoot to go into executive session with Finance Director Melissa Haley to discuss matters related to the former Sitka Community Hospital closeout, the immediate knowledge of which would adversely affect the finances of the City and Borough of Sitka. The motion PASSED by the following vote.

Yes: 7 - Eisenbeisz, Christianson, Knox, Mosher, Duncan, Himschoot, and Nelson

Richard Wein stated the motion was cryptic and requested an explanation for the public.

The Assembly was in recess from 9:35pm to 9:45pm. Members were in executive session from 9:45pm to 10:20pm. Duncan participated in-person.

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

Mayor Eisenbeisz announced the assembly had gone into executive session to meet on a financial matter in regards to the former Sitka Community Hospital closeout. He stated the Municipal Attorney had been directed to bring back a motion at the January 26 meeting which would accomplish the Assembly's goals of the closeout.

XV. ADJOURNMENT

A motion was made by Knox to ADJOURN. Hearing no objections, the meeting ADJOURNED at 10:25pm.

ATTEST: _____
Sara Peterson, MMC
Municipal Clerk