



CITY AND BOROUGH OF SITKA

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

Minutes

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*

Tuesday, June 22, 2021

6:00 PM

Assembly Chambers

REGULAR MEETING

I. CALL TO ORDER

II. FLAG SALUTE

III. ROLL CALL

Himschoot and Nelson attended by videoconference.

IV. CORRESPONDENCE/AGENDA CHANGES

[21-110](#)

Reminders, Calendars, and General Correspondence

Administrator Leach spoke to the June 10 letter to Republic Services regarding the CBS proposal for reducing fire risk in municipal solid waste.

V. CEREMONIAL MATTERS

[21-105](#)

Arbor Day Proclamation

Deputy Mayor Christianson read a proclamation honoring Arbor Day.

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

Tribal Council Chairman Woody Widmark summarized the business of the June 2 and June 16 meetings.

[21-106](#)

Greater Sitka Chamber of Commerce/ Visit Sitka Quarterly Report

Director of Visit Sitka Laurie Boyse provided a summary of third quarter activities. Convention & Event Development Fellow Maddy Tebbe provided an overview of the Meetings & Conventions Planners' Guide digital publication.

VII. PERSONS TO BE HEARD

Richard Wein spoke to overtourism and noted its negative effects: rise in prices, increased global emissions, overcrowding, pollution, waste, and bad behavior.

Rachel Roy Executive Director of the Greater Sitka Chamber of Commerce told of the "Sleeves up for Summer" vaccination campaign and 4th of July events.

VIII. CONSENT AGENDA

Richard Wein spoke in support of item B.

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

A [21-100](#)

Approve the minutes of the June 8 Assembly meeting

This item was APPROVED ON THE CONSENT AGENDA.

B [RES 21-17](#)

Accepting CoronaVirus State and Local Fiscal Recovery Funds Award to Non-Entitlement Units of Local Government (NEUS) from the Alaska Department of Commerce, Community, and Economic Development

This item was APPROVED ON THE CONSENT AGENDA.

IX. BOARD, COMMISSION, COMMITTEE APPOINTMENTS**C** [21-102](#)

Reappoint 1) Roberta Littlefield to a three-year term on the Historic Preservation Commission in the category of "At-Large", and 2) Amy Zanzoski to a three-year term on the Local Emergency Planning Committee under Category 4 "Community Groups"

Richard Wein thanked the applicants for reapplying.

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

X. UNFINISHED BUSINESS:

- D** [ORD 21-15A](#) Amending Title 13 "Port and Harbors" of the Sitka General Code by updating Chapter 13.10 "Float Regulations" (boat launch ramp parking at Sealing Cove/Crescent Harbor) 1st reading as amended

Richard Wein spoke in support of the postponement.

A motion was made Mosher to POSTPONE Ordinance 2021-15A on first reading as amended to the July 27 Assembly meeting. The motion PASSED by the following vote.

- E** [ORD 21-12](#) Making supplemental appropriations for fiscal year 2021 (potable water to Gary Paxton Industrial Park dock)

Administrator Leach explained the request was for a waterline to run fresh water at the Gary Paxton Industrial Park dock.

Richard Wein wondered of the diameter of the pipe and water spigot.

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

- F** [ORD 21-13](#) Making supplemental appropriations for fiscal year 2021 (Brady lift station emergency repair)

Environmental Superintendent Shilo Williams gave an explanation of the Brady Lift Station repairs and temporary bypass pumps and piping. Williams said the appropriation was needed to repair the leak recently discovered before proceeding with the main project in September.

From the public, Richard Wein spoke in support.

Assembly Knox wondered of the construction window. Administrator Leach told of construction scheduled to begin in September and reminded the City did not have an access easement to the lift station. The only way to access was through the True Value parking lot. Temporary construction easements had been obtained for construction of the new lift station for the contractor to perform work between September and December.

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

XI. NEW BUSINESS:

New Business First Reading

G [ORD 21-14](#)

Proposing to amend Title 4 “Revenue and Finance” of the Sitka General Code by adding a new Chapter 4.27 “Excise Tax On Motor Fuel” to establish an excise tax on motor fuel sold, transferred, or used in the City and Borough of Sitka, providing for administration of collecting the tax, and providing for penalties for failure to pay taxes due; and submitting the question of such an amendment to the qualified voters at the regular election on October 5, 2021

From the public, Wayne Dye spoke in support. Richard Wein wondered of the potential revenue and suggested electric cars be included. Chris Ystad spoke in support although expressed concern it may make fuel vendors less competitive.

A discussion of the Assembly ensued. Mosher wondered of the city accounting required and how businesses would be affected. Nelson stated the tax was inflationary and would put pressure on consumer products. Knox told of the ordinance work to date and said it had been a topic of conversation for quite some time. Municipal Attorney Hanson reminded issues of sales and use tax were required by Charter to be brought before the voters. Subsequently if the rate in this proposition was to be amended in the future, that amendment would need to be brought to the voters, however, the administrative provisions of ordinance implementation could be changed by future Assembly action.

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

H [ORD 21-17](#)

Proposing to amend Title 4 “Revenue and Finance” of the Sitka General Code by adding a new subsection to Chapter 4.09 “Sales Tax” to establish a consumer’s sales tax on marijuana and marijuana products, in addition to the existing consumer’s sales tax; and amending Chapter 4.25 “Student Activities Dedicated Travel Fund” such that the tax proceeds will be deposited into and disbursed from that fund for extracurricular student activities; and submitting the question of such amendment to the qualified voters at the regular election on October 5, 2021

Knox referred to the memo and spoke of other Alaska cities collecting targeted taxes on marijuana cultivation and sales, in addition to standard city sales tax.

From the public, Michelle Cleaver spoke in opposition stating the industry was already highly taxed. Richard Wein said this could increase the illicit market.

Knox told of the estimated revenue projections of \$200,000 which would go to the Sitka School District's Student Activity Travel Fund. Nelson suggested a lower tax rate of 2 1/2% to 3%. Mosher wondered if stakeholders had been contacted and spoke to the high industry tax.

A motion was made by Knox that this Ordinance be APPROVED on FIRST READING. The vote was 3-2. The Ordinance was scheduled for second reading on July 13, 2021. (Note: Section 3.02 of the Home Rule Charter states unless an ordinance is rejected by the affirmative votes of not less than a majority, the ordinance shall move to second reading.)

- I [ORD 21-18](#) Amending Title 15 “Public Utilities” of the Sitka General Code by updating Chapter 15.06 “Solid Waste Treatment and Refuse Collection” to reduce the refuse collection rate for customers living within the harbor system

Richard Wein spoke in support however noted the reduced rate should be available to all citizens.

Knox relayed that the Port and Harbors Commission had asked for Assembly consideration on the matter to address a small inequity in the harbor system.

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

- J [ORD 21-16](#) Making supplemental appropriations for fiscal year 2022 (Lincoln Street Paving Project)

Richard Wein spoke in support of the appropriation however not the previous design.

Municipal Administrator John Leach stated the funds would be placed into the Lincoln Street capital project allowing more time for a comprehensive design plan.

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

Additional New Business Items

- K [RES 21-14](#) Authorizing the Municipal Administrator to apply for a Rebuilding American Infrastructure With Sustainability And Equity (RAISE) 2021 Grant with the U.S. Department of Transportation (USDOT) for \$6,464,800 with a 20% match commitment to support haulout infrastructure at the Gary Paxton Industrial Park (GPIP)

Municipal Administrator John Leach explained the item requesting authorization to apply for a \$6.4M RAISE grant for the Gary Paxton Industrial Park haul out with a 20% match needed of approximately \$1.6M.

Richard Wein and Garry White spoke in support of the resolution.

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

- L** [RES 21-15](#) Authorizing the Municipal Administrator to apply for a Rebuilding American Infrastructure With Sustainability and Equity (RAISE) 2021 Grant with the U.S. Department of Transportation (USDOT) for \$7,344,720 with a 20% match commitment to support the reconstruction of the port wall and crane at the Marine Services Center (MSC)
- Richard Wein spoke to the 20% match requirement.
- Knox stated the property was a liability and noted the City could not afford the needed repairs without financial assistance.
- A motion was made by Knox that this Resolution be APPROVED on FIRST AND FINAL READING. The motion PASSED by the following vote.**
- M** [RES 21-16](#) Authorizing the Municipal Administrator to apply for a Port Infrastructure Development Program (PDIP) 2021 grant with the U.S. Department of Transportation (USDOT) for \$7,344,720 with a 20% match commitment to support the reconstruction of the port wall and crane at the Marine Services Center (MSC)
- Municipal Administrator John leach stated the item was a Port Infrastructure Development grant that would assist with the reconstruction of the port wall and crane at the Marine Service Center.
- Richard Wein spoke in support.
- A motion was made by Mosher that this Resolution be APPROVED on FIRST AND FINAL READING. The motion PASSED by the following vote.**
- N** [21-103](#) Approve a two-year lease between the City and Borough of Sitka and North Pacific Seafoods for the Sitka Marine Service Center at 611 Katlian Street
- Municipal Administrator John Leach gave an overview of the lease and terms.
- Richard Wein spoke in support.
- A motion was made by Knox that this Item be APPROVED. The motion PASSED by the following vote.**

O [21-104](#) Discussion / Direction / Decision on proposed terms for a lease of 4951 Halibut Point Road

Planning Director Amy Ainslie provided an overview and analysis of terms for lease of the 17 acre waterfront parcel at 4951 Halibut Point Road.

A discussion ensued. Christianson expressed concerns over the lack of escalation on the passenger fee. At minimum he hoped to see 10% or CPI, whichever was larger, and then a schedule after that. Himschoot spoke to operational details. Knox said major improvements to the property, without approval by elected officials, may be of concern to some community members. Administrator Leach reminded material improvements to the site would require Assembly permission. Mosher wondered of a per passenger fee.

Karl Potts, Shee Atika CEO, and Chris McGraw addressed the Assembly. Potts reminded the corporation was investing a significant amount of capital into the project and reminded of the economic benefits to the community and City. Knox wondered of sales tax remittance by the cruise ships for shore excursions. Chris McGraw of Adventure Sitka explained his company was responsible for remitting the sales tax, not the cruise ship.

From the public, Richard Wein spoke in opposition to the lease rate.

A motion was made by Mosher to direct the Municipal Administrator to prepare a lease based on the negotiated terms as presented in the Planning Director's memo dated June 15, 2021. The motion PASSED by the following vote.

XII. **PERSONS TO BE HEARD:**

Richard Wein spoke to the need to preserve the allures of Sitka.

XIII. **REPORTS**

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

Mayor - Deputy Mayor Christianson thanked the Planning Commission for their continued work on the tourism plan.

Administrator - Leach announced a Municipal Engineer and Controller had been hired. He reported on the recent "Coffee with the Administrator" talk and told of the next scheduled for July 20.

Attorney - Hanson paid tribute to City employee Will Hanbury who passed away June 21.

XIV. **EXECUTIVE SESSION**

None.

XV. ADJOURNMENT

A motion was made by Knox to ADJOURN. Hearing no objections, the meeting
ADJOURNED at 9:18pm.

ATTEST: _____
Sara Peterson, MMC
Municipal Clerk