



# CITY AND BOROUGH OF SITKA

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

## Minutes - Final

### City and Borough Assembly

*Mayor Matthew Hunter*  
*Deputy Mayor Steven Eisenbeisz,*  
*Vice Deputy Mayor Bob Potrzuski,*  
*Aaron Bean, Kevin Knox, Dr. Richard Wein,*  
*Benjamin Miyasato*

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

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Tuesday, December 12, 2017

6:00 PM

Assembly Chambers

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#### REGULAR MEETING

I. CALL TO ORDER

II. FLAG SALUTE

III. ROLL CALL

**Present:** 7 - Miyasato, Eisenbeisz, Potrzuski, Hunter, Knox, Bean, and Wein

IV. CORRESPONDENCE/AGENDA CHANGES

[17-199](#) 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)**

Sitka Tribe of Alaska (STA) Tribal Council Chair Kathy Hope Erickson noted, and expressed appreciation for, an improved relationship between the City and STA. In addition, she thanked the Assembly for bringing the non-discrimination ordinance forward and suggested the phrase Tribal members be amended to Tribal citizens.

[17-191](#) Special Report: Planning Department - Smart Growth America

Planning Director, Michael Scarcelli, reported the November 2016 Smart Growth America (SGA) workshop was focused on a sustainable land use code audit as a natural progression of the Comprehensive Plan process. SGA's topic recommendations were housing choices, downtown development, and economic development.

## VII. PERSONS TO BE HEARD

Speaking in support of Tobacco 21, an initiative to raise the minimum legal sales age to buy tobacco from age 19 to age 21, were Doug Osborne, Eric Brodell, Martha Pearson, and Amanda Roberts.

Alene Henning noted a decrease in cell phone use by motorists and urged citizens to wear reflective clothing during dark hours.

Lexi Fish Hackett, Carrie Fish, Leah Murphy, and Karen Lucas spoke in support of midwifery and a birth center in Sitka.

Christy Anderson reminded the public of the "Give me 5" recycling campaign planned for December 16.

## VIII. REPORTS

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

Mayor - Hunter reported on the Assembly's December 9 work session focused on the General Fund FY19 budget gap.

Administrator - Brady attended a preplanning meeting for the VanWinkle joint training exercise to be held in May, shared he was visiting local businesses on a regular basis, attended the Sitka Tribe of Alaska monthly government to government meeting, and spoke to the ongoing discussions in the community regarding opioid use.

Attorney - Hanson updated the Assembly on current workload.

Liaison Representatives - Potrzuski spoke to the recent School Board meeting and Tree and Landscape Committee meeting, Knox relayed information from the Planning Commission and Parks and Recreation Committee meetings, Hunter reported on the Library Commission meeting, and Eisenbeisz on the Sitka Community Hospital Board meeting.

Other - Bean reported on the December 12 oral arguments regarding the Dapcevich lawsuit.

## IX. CONSENT AGENDA

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

**Yes:** 7 - Miyasato, Eisenbeisz, Potrzuski, Hunter, Knox, Bean, and Wein

### **A**     [17-192](#)

Approve the minutes of the November 28 Assembly meeting

This item was **APPROVED ON THE CONSENT AGENDA.**

- B**     [17-193](#)     Approve a liquor license renewal application for House of Liquors Inc. dba House of Liquor at 705 Halibut Point Road

This item was **APPROVED ON THE CONSENT AGENDA.**

- C**     [17-194](#)     Approve the Acting Municipal Administrator list for 2018

Wein read the list of Acting Administrators: Bryan Bertacchi, Electric Utility Director; Maegan Bosak, Community Affairs Director; Ron Duvall, Information Technology Director; Michael Harmon, Public Works Director; Dave Miller, Fire Chief; Sara Peterson, Municipal Clerk; and Jay Sweeney, Chief Finance and Administrative Officer.

**A motion was made by Potrzuski that this Item be APPROVED. The motion PASSED by a unanimous voice vote.**

- D**     [RES 17-25](#)     Submitting City and Borough of Sitka FY2019 State Legislative Priorities to State of Alaska and 2018 Legislature

Wein read the titles of the FY19 City and Borough of Sitka Legislative Priorities: 1) Highway to Sitka - provide equitable Alaska Marine Highway Service, 2) State funding for State facilities - support for State services at Sitka jail facilities, 3) adoption of a sustainable budget - work together to provide a long term fiscal policy, 4) continued State support to municipalities - long term funding source to sustain community assistance revenue, 5) managing the local government workforce - no increase to public employees retirement system contributions, 6) lands needed for community development - State parcels selected for future growth, 7) funding for Sitka Schools - school bond debt reimbursement, 8) economic development in coastal communities - support for the Municipal Harbor Grant Program, and, 9) quality education is our future - fully fund base student allocation. In addition, Wein read the titles for the Capital Project Requests: 1) preparing critical service for times of maintenance or emergency - alternative water source, and, 2) maintenance of critical harbor infrastructure - Municipal Harbor Facility Grant Program. Administrator Brady reported the City was in the number one position for the harbor grant.

**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 - Miyasato, Eisenbeisz, Potrzuski, Hunter, Knox, Bean, and Wein

**X. BOARD, COMMISSION, COMMITTEE APPOINTMENTS**

- E**     [17-195](#)     Reappoint Michael Nurco to a three-year term on the Port and Harbors Commission and Appoint: 1) Jay Sweeney as a CBS Staff Liaison (non-voting, ex-officio member) to the Sitka Community Hospital Board and, 2) Keith Brady as a CBS Staff Liaison alternate (non-voting, ex-officio member)

Knox and Wein thanked Nurco for serving on the Port and Harbors Commission.

**A motion was made by Knox to reappoint Michael Nurco to a three-year term on the Port and Harbors Commission. The motion PASSED by the following vote.**

**Yes:** 7 - Miyasato, Eisenbeisz, Potrzuski, Hunter, Knox, Bean, and Wein

Chief Finance and Administrative Officer Jay Sweeney noted he had submitted his application per the request of Administrator Brady. Sweeney and Mayor Hunter reminded the role of the Staff Liaison was to act as a conduit of information between the Sitka Community Hospital Board and the Administrator.

**A motion was made by Potrzuski to appoint Jay Sweeney as a CBS Staff Liaison to the Sitka Community Hospital Board and Keith Brady as a CBS Staff Liaison alternate to the Sitka Community Hospital Board. The motion PASSED by the following vote.**

**Yes:** 7 - Miyasato, Eisenbeisz, Potrzuski, Hunter, Knox, Bean, and Wein

#### **XI. UNFINISHED BUSINESS:**

##### **F**      [ORD 17-39S](#)

Amending Sitka General Code Chapter 15.01 "Electric Utility Policies" at Section 15.01.020 "Electrical Rates" by adding Subsection P "Commercial Electric Rate Temporary Incentive Program"

Wein explained the intent of the ordinance. To simplify, Wein suggested the creation of an incentive rate in the current rate schedule and let the market decide about investment in new load. Eisenbeisz believed the ordinance incentivized the transition of load from diesel to electric, not new load. He expressed hesitation at not having a set rate and offered there may be too much room for interpretation. In addition, he noted a desire to cosponsor an ordinance to incentivize small business. Bean stated while there may not be a lot of new business come to town because of the ordinance, it may encourage some businesses that were on the threshold of being large, to take on a bigger load. He envisioned the Administrator negotiating a rate with the new business and that rate would set precedent. Knox spoke to the flexibility and felt it best to leave negotiation to the discretion of the Administrator and Utility Director. Hunter agreed.

With reference to the requirement of the customer needing to be commercial, Eisenbeisz asked Utility Director, Bryan Bertacchi, if the US Coast Guard would be excluded. Bertacchi stated the intent was not to exclude them and that any large customer coming into town would reduce electric costs for all users. He believed a new Coast Guard facility would be considered a public authority, not commercial. Eisenbeisz suggested a future code change could be in order.

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

**Yes:** 6 - Miyasato, Eisenbeisz, Potrzuski, Hunter, Knox, and Bean

**No:** 1 - Wein

##### **G**      [ORD 17-40](#)

Adjusting the FY18 Budget (Crescent Harbor Playground Project)

Wein wondered of the timeline for the Memorandum of Understanding (MOU). Administrator Brady noted staff had developed the MOU and it had been given to Southeast Alaska Independent Living (SAIL), the non-profit umbrella for the project, for review.

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

**Yes:** 7 - Miyasato, Eisenbeisz, Potrzuski, Hunter, Knox, Bean, and Wein

**H**     [ORD 17-42](#)

Adding a new Title 24 "Non-Discrimination" and a new Chapter 24.05 "Non-Discrimination"

Cheryl Barnes spoke in support of the ordinance.

Wein stated he had dedicated his life and career to equal opportunity. He suggested the ordinance language be tightened up as there could be unintended consequences. He added the ordinance created a private cause of action where there was a civil ability to litigate issues. Bean, while in support of the principle behind the ordinance, felt it was poorly written, far too encompassing, and didn't contain enough definition. Bean wondered of scenarios in which an employer might be brought to court and where someone may be sentenced to criminal punishment as a result of this ordinance. Municipal Attorney, Brian Hanson, responded there were no scenarios and reminded this was a civil ordinance, not a criminal ordinance. Hanson clarified this ordinance would not override any federal law that protected Tribal citizens. Knox, a cosponsor, noted the Tribal reference was added for local recognition; respect for that sovereignty and its federal recognition. Hanson offered that the focus was on Tribal citizens, not a particular Tribe. Referencing Section 24.05.060(F) "Nothing in this chapter shall be construed to diminish the protections afforded employees of the city and borough under City and Borough of Sitka Personnel Policies Handbook section 3.4", Eisenbeisz wondered why this section was included; if the City was offering an all inclusive policy, why wouldn't the City Personnel Handbook be included. He believed this meant the City would not need to follow the ordinance. Hanson reminded the City already had a non-discrimination clause in the Handbook. Hunter clarified, if the ordinance gave more rights, it would supersede the City Personnel Policies Handbook. If, however, there was something in the Handbook that gave more rights to the employees, the ordinance would not diminish that. In closing, he offered employees have the protections of the ordinance in addition to the Handbook policies. Potrzuski restated the language in section 24.05.060(F) and reminded this was protecting the rights of individuals who may already have more protections. No protections would be taken. Bean felt the City wouldn't be included. He suggested additional work was needed for clarification. Knox clarified the City was not exempt from the non-discrimination clause. He commented that the language was similar to that of the City and Borough of Juneau's. He encouraged the Assembly to leave the language as written. Miyasato agreed.

**A motion was made by Eisenbeisz to AMEND the ordinance to strike lines 300 and 301: (F) "Nothing in this chapter shall be construed to diminish the protections afforded employees of the city and borough under City and Borough of Sitka Personnel Policies Handbook section 3.4". The amendment FAILED by the following vote.**

**Yes:** 2 - Eisenbeisz, and Bean

**No:** 5 - Miyasato, Potrzuski, Hunter, Knox, and Wein

**A motion was made by Hunter to AMEND line 275 (24.05.060 A) to change the wording Tribal members to Tribal citizens. The amendment PASSED by the following vote.**

**Yes:** 7 - Miyasato, Eisenbeisz, Potrzuski, Hunter, Knox, Bean, and Wein

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

**Yes:** 7 - Miyasato, Eisenbeisz, Potrzuski, Hunter, Knox, Bean, and Wein

## **XII. NEW BUSINESS:**

### **I      [ORD 17-37S](#)      Adjusting the FY18 Budget (*Donation to St. Michael's Cathedral renovation project*) - possible executive session**

Wein explained the ordinance had been further clarified to avoid a controversy of church and state. The ordinance stated the funds would go to the renovation fund, on the conditions that the donation would be deposited in a renovation fund account separate from the church's general fund account and the donation would be used only for exterior renovation of the building. The ordinance explained the purpose of the donation was public by renovating and preserving a historic and iconic building in the center of downtown Sitka which promoted community and business for the benefit of all the citizens of Sitka.

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

**Yes:** 5 - Miyasato, Potrzuski, Hunter, Knox, and Wein

**No:** 2 - Eisenbeisz, and Bean

### **J      [ORD 17-41](#)      Adjusting the FY18 Sitka Community Hospital Budget (Electronic Health Records Project)**

Sitka Community Hospital (SCH) Chief Executive Officer (CEO) Rob Allen and SCH Director of Operations Steven Hartford explained the need for implementation of a new Electronic Health Records (EHR) system. Hartford stated changing the EHR, and moving to Cerner, was fundamental to the long-term sustainability of SCH. He added SCH had researched the available EHR options and Cerner had rose to the top as the best choice for SCH. Dr. Golub and Dr. Roesel, physicians at SCH, agreed and noted the inefficiencies of the current EHR. Hartford added they had also negotiated two termination clauses in the event SCH was purchased by another facility or if SCH ceased to exist. Hartford estimated the cost at approximately \$45,000 per month for seven years. During that time SCH would have access to the most current version of Cerner.

Citizens speaking in support of the ordinance were Grant Turner (IT Manager at SCH) and Robert Hattle (SCH Board member and RN). Andy Fisher, Regional Manager for Cerner CommunityWorks, commended SCH for their in depth due diligence in researching the EHR. In response to questions from Assembly members, Turner explained the top two vendors in the EHR industry were Epic and Cerner. Turner believed Cerner was a safe choice moving forward and involved a methodical and strict one-year implementation process.

Hunter offered support for the ordinance and noted it was imperative SCH was maintained as best possible; moving full steam ahead. Wein stated the monetary risk was substantial, commenting the software cost was \$3.8 million over the course of seven years and then in addition, capital costs.

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

**Yes:** 7 - Miyasato, Eisenbeisz, Potrzuski, Hunter, Knox, Bean, and Wein

With approximately 50 minutes left before adjournment, and no objection from members, Mayor Hunter prioritized the remainder of the business items.

**N**     [17-187](#)

Approve a month-to-month tideland permit between the City and Borough of Sitka and the Longliner Lodge & Suites, LLC for tidelands adjacent 485 Katlian Street

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

**Yes:** 7 - Miyasato, Eisenbeisz, Potrzuski, Hunter, Knox, Bean, and Wein

**O**     [17-196](#)

Discussion/Direction/Decision on the closure of the library expansion capital project and disposition of remaining project funds

Jan Love, Kari Sagel, Sarah Bell, Darryl Rehkopf, and Paul Norwood spoke in support of keeping the library expansion capital project open with the remaining funds being spent on library related items.

Administrator Brady stated the scope of the project was complete, however, there was remaining funds. He referenced the packet memo outlining the available options to the Assembly and reminded if the project were to stay open, it was important to note the projects would need to be prioritized within the already existing lengthy list of Public Works projects. Public Works Director, Michael Harmon, commented it was possible the projects may need to wait for completion until FY20. Assembly members discussed the possible options regarding closure of the capital project.

**A motion was made by Wein that the Sitka Public Library Capital Project 90739 remain open until all remaining funds are spent on library related support. The motion PASSED by the following vote.**

**Yes:** 7 - Miyasato, Eisenbeisz, Potrzuski, Hunter, Knox, Bean, and Wein

**P**     [17-198](#)

Discussion/Direction on the E911 system replacement

Administrator Brady requested the Assembly provide direction on whether to appropriate now or issue a request for proposal (rfp) and then appropriate funds from the E911 fund. Brady and Ron Duvall, Information Technology Director, recommended the City issue a rfp and then bring forward an appropriation.

In response to a question of cost and current state of equipment, Duvall stated costs were wide ranging. The current system had reached its end of life at five years and no longer had a maintenance agreement.

Assembly consensus was to proceed with the rfp process, present a contract to the Assembly for approval, and then appropriate the needed funds from the designated E911 fund.

**A motion was made by Bean to EXTEND the Assembly meeting to 11pm. The motion PASSED by the following vote.**

**Yes:** 7 - Miyasato, Eisenbeisz, Potrzuski, Hunter, Knox, Bean, and Wein

- M**     [17-197](#)     Approve an expanded scope of work for the Gary Paxton Industrial Park Dock Project to include: 1) the purchase and installation of dock security cameras with a not-to-exceed budget of \$25,000 and, 2) the establishment of a tariff schedule with a not-to-exceed budget of \$15,000

Garry White, Gary Paxton Industrial Park Director, explained Port and Harbors did not have a tariff schedule. White had made an attempt to develop a schedule but ran into some difficulties. He noted the contractor would develop the tariff schedule and train White and the Harbormaster. White reminded the schedule was a legal binding document filed with the Federal Maritime Commission. Any vessel tying up to the Gary Paxton Industrial Park dock would be required to pay the City.

Bean wondered if the previously approved \$250,000 in contingency funds covered these requests. White explained there was a set scope with the previous approval. While contingency funds remained to cover the requests, the requests were outside of the original scope.

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

**Yes:** 7 - Miyasato, Eisenbeisz, Potrzuski, Hunter, Knox, Bean, and Wein

- K**     [ORD 17-44](#)     Adjusting the FY18 Budget (Pass thru grants, Justice Assistance Grant - Personnel)

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

**Yes:** 7 - Miyasato, Eisenbeisz, Potrzuski, Hunter, Knox, Bean, and Wein

- L**     [ORD 17-43](#)     Adjusting the FY18 Budget (*GPIP Site Clean Up Project*)

Knox inquired of the Sawmill Farm site clean up. Gary Paxton Industrial Park Director, Garry White, explained he had corresponded with the lease holder, Bobbie (Daniels) Pendell. She planned to return to Sitka in January and begin clean up. White stated per the lease agreement she would be charged if the site was not cleaned up. He estimated it would take at least a few months for completion.

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

**Yes:** 7 - Miyasato, Eisenbeisz, Potrzuski, Hunter, Knox, Bean, and Wein

### **XIII. PERSONS TO BE HEARD:**

Garry White encouraged the Assembly to take the 26th off and not hold a meeting. Library Director, Andrew Murphy, thanked the Assembly for their support and expressed appreciation for the dedication of the Library staff.

### **XIV. EXECUTIVE SESSION**

None.



**XV. ADJOURNMENT**

A motion was made by Miyasato to ADJOURN. Hearing no objections, the meeting ADJOURNED at 10:36pm.

ATTEST: \_\_\_\_\_  
Sara Peterson, CMC  
Municipal Clerk