



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*

Tuesday, April 10, 2018

6:00 PM

Assembly Chambers

WORK SESSION 5:00-5:50PM Sitka Comprehensive Plan 2030

[18-079](#)

Sitka Comprehensive Plan 2030

Staff provided a presentation on the 2030 Sitka Comprehensive Plan.

REGULAR MEETING

I. CALL TO ORDER

II. FLAG SALUTE

III. ROLL CALL

Present: 6 - Miyasato, Potrzuski, Hunter, Knox, Bean, and Wein

Absent: 1 - Eisenbeisz

IV. CORRESPONDENCE/AGENDA CHANGES

[18-078](#)

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)

[18-077](#)

Special Report - Jeff Ankerfelt, Police Chief

Chief of Police Jeff Ankerfelt provided an update on happenings at the Police Department, spoke to the police reserve program and commended staff for their dedication and hard work.

VII. PERSONS TO BE HEARD

Libby Stortz stated she was disturbed by the recent removal of art from the William Stortz Gallery.

Michelle Mahoney, Executive Director of Sitkans Against Family Violence, and Martina Kurzer, Community Coordinator at Sitkans Against Family Violence, announced April was Sexual Assault Awareness Month. The two read facts about the crime in Sitka, the state, and the nation.

Theresa Weiser spoke to the Chinook by-catch limits.

Kevin Knox speaking as an Assembly Member and citizen, expressed sadness by the events that had transpired leading up to, and after, the removal of an art exhibition at City Hall. He encouraged citizens to seek out information before coming to a conclusion.

VIII. REPORTS

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

Mayor - Hunter mentioned he had received a letter from a human rights commission requesting staff to complete a survey grading the community on its welcoming of minority populations. Unless the Assembly felt otherwise staff would not be participating.

Administrator - Brady shared his reasons for removing the art exhibition from the William Stortz Gallery, spoke to the delivery of bulk water, thanked those who had participated in the mass casualty drill, announced the Philippine Consulate General of San Francisco would be in Juneau at the end of April, spoke to his participation in the Economic Summit April 5, announced Spring Clean-up was scheduled for April 14-22, and reported a presentation on earthquake and tsunami awareness would be presented at Harrigan Centennial Hall April 23.

Liaison Representatives - Miyasato reported on the Police and Fire Commission, Wein on the Sitka Community Hospital Board meetings and Gary Paxton Industrial Park Board of Directors, Bean on the Planning commission.

Clerk - Peterson reminded of upcoming meetings and work sessions.

Other - Wein spoke to the William Stortz art gallery show and noted he and Assembly member Bean had directed the Administrator to rehang the artwork.

IX. CONSENT AGENDA

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

Yes: 6 - Miyasato, Potrzuski, Hunter, Knox, Bean, and Wein

Absent: 1 - Eisenbeisz

- A** [18-075](#) Approve the minutes of the March 22 Assembly meeting

This item was APPROVED ON THE CONSENT AGENDA.

- B** [18-074](#) Approve liquor license renewal applications for Teal West dba Homeport Eatery and Sitka Moose Lodge #1350 dba Loyal Order of Moose #1350

This item was APPROVED ON THE CONSENT AGENDA.

X. BOARD, COMMISSION, COMMITTEE APPOINTMENTS

None.

XI. UNFINISHED BUSINESS:

- C** [ORD 18-08](#) Adjusting the FY18 Budget (*Thomsen Harbor Lift Station Rehabilitation Project*)

Assembly members noted the importance of the repairs. Potrzuski shared the pump station had been in service since 1984, operating 24 hours per day 7 days per week, and pumped an average of 1 million gallons per day.

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

Yes: 6 - Miyasato, Potrzuski, Hunter, Knox, Bean, and Wein

Absent: 1 - Eisenbeisz

XII. NEW BUSINESS:**New Business First Reading**

- D** [ORD 18-15](#) Amending Sitka General Code Title 19 "Building and Construction"

Chris Duguay, Building Official, explained the intent of the proposed adoption was to mirror the State of Alaska Administrative Code Statutes, provide continuity within the industry, and allow architects, engineers, builders and the general public to be provide with the same "rules of the road" as the rest of the state. Duguay by adopting the

codes, the City would remain in compliance with the State Fire Marshal's Office as a deferred community, maintain a good insurance rating, and be acceptable to the Fire Department. The City would also maintain its approved-city status by Alaska Housing Finance Corporation. Duguay reviewed the amendments.

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

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

No: 1 - Bean

Absent: 1 - Eisenbeisz

E [ORD 18-09](#)

Adjusting the FY18 Budget (Landslide Study Project)

Public Works Director Michael Harmon and Municipal Engineer Dan Tadic explained there was information suggesting Keet Gooshi Heen Elementary School was built over slide material. Harmon stated the City had a responsibility to ensure the safety of the children and staff at schools; and a responsibility to protect City facilities. Harmon noted the State was conducting a study but staff didn't feel it would be accurate and could possibly create additional fear. He reiterated that Shannon & Wilson, Inc., was an experienced firm and the findings would help determine risk factors. Municipal Attorney Brian Hanson had followed the issue closely and recommended moving forward with the study. Some members spoke in support of the study and determining the risk factors, others reminded action taken would not eliminate a natural disaster from happening and wondered what remediation efforts would look like if these areas were determined to be in a significant risk areas.

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: 1 - Bean

Absent: 1 - Eisenbeisz

F [ORD 18-10](#)

Adjusting the FY18 Budget (Raw Water Infrastructure Enhancement Project)
possible executive session

Members expressed a desire to receive regular updates on the project.

A motion was made by Wein to direct staff to lift the veil of executive session from the bulk water issue. The motion FAILED by the following vote.

Yes: 1- Wein

No: 5- Miyasato, Potrzuski, Hunter, Bean, and Knox

Municipal Attorney Brian Hanson suggested "lifting the veil" had a negative connotation and offered the intent of executive session was to protect the liabilities of the city.

Brady stated the intent was to explore the possibilities to enhance water deliverability.

A motion was made by Miyasato that this Ordinance be APPROVED on FIRST

READING. The motion PASSED by the following vote.

Yes: 6 - Miyasato, Potrzuski, Hunter, Knox, Bean, and Wein

Absent: 1 - Eisenbeisz

G [ORD 18-11](#) Adjusting the FY18 Budget (SEACAD-JAG Grant)

Acting Finance Director Melissa Haley confirmed, for clarification, that the date of April 30, 2018 was correct.

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

Yes: 6 - Miyasato, Potrzuski, Hunter, Knox, Bean, and Wein

Absent: 1 - Eisenbeisz

H [ORD 18-12](#) Adjusting the FY18 Budget (TWIC Reader/Software)

Harbormaster Stan Eliason explained the TWIC program was an important component of the US Coast Guard's multi-layered system of access control requirements designed to enhance maritime security. While the City had received a waiver to delay implementation until March 2019, staff felt it prudent to begin implementation this summer. Eliason clarified anyone could apply for a TWIC card.

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

Yes: 6 - Miyasato, Potrzuski, Hunter, Knox, Bean, and Wein

Absent: 1 - Eisenbeisz

I [ORD 18-14](#) Amending Chapter 4.09 "Sales Tax" of the Sitka General Code by deleting Section 4.09.100.Y "Exemption for Persons who have Reached the Age of Sixty-Five", adding new Section 4.09.130 "Annual Sales Tax Rebate for Persons who have Reached the Age of Sixty-Five" and amending Section 4.09.420 "Definitions"

Public testimony

John Stein presented a petition asking the Assembly to eliminate the senior sales tax exemption and apply the revenue towards the School District's request for an additional \$594,000.

Those speaking in opposition to the ordinance were Shirley Robards, Harriet Bealeal, John Duncan, Rachel Moreno, Patricia Alexander, Blossom Twitchell, and Eric Jordan.

In support of the ordinance were Susan Padilla, Stephen Lawrie, Jennifer McNichol, Harvey Brandt, Cindy Litman, and Charles Bingham.

Assembly deliberation

Cosponsors Knox and Potrzuski told of their reasons for bringing the needs based ordinance forward. Knox stated Sitka had a rapidly growing population of those over 65. Of that demographic, there was a sizeable number of individuals who could pay for services enjoyed. He expressed concern of shifting the burden of services enjoyed to

the younger population. In addition, Knox relayed comments from business owners citing there was abuse of the current model. Potrzuski, agreed and noted 100% of the City's property tax was put towards school funding, all other funding was from sales tax. Bean commented a divisive atmosphere was being created among seniors with the introduction of this ordinance. He encouraged the Assembly to look elsewhere to raise money. Wein suggested an alternative was for seniors with the current exemption to opt out of the exemption and reevaluate revenue after a period of time. Hunter stated during his time on the Assembly he had evaluated ways to address the tax code; unfair in his eyes. He offered that Sitkans who were most in need of assistance often were not treated fairly by the tax code. Hunter reminded of the fiscal challenges facing the City and noted the current system was unsustainable.

A motion was made by Potrzuski that this Ordinance be APPROVED on FIRST READING. The motion PASSED by the following vote. Note: Per the Sitka Home Rule Charter, the only way for an ordinance to die on first reading is if there are four votes in opposition.

Yes: 3 - Potrzuski, Hunter, and Knox

No: 3 - Miyasato, Bean, and Wein

Absent: 1 - Eisenbeisz

J ORD 18-13S

Amending Chapter 4.24 "Hotel, Motel and Bed and Breakfast Transient Room Tax" of the Sitka General Code by amending the heading to "Transient Lodging Tax" and modifying the provisions by changing structure references to "lodging", and incorporating package plans

Mayor Hunter reminded in the summer a visitor currently paid 6% sales tax and 6% bed tax. This ordinance would remove the sales tax and create a new tax, a bed tax at 16% - a net increase of 4% from the 12% in the summers.

Public testimony

Business owners in the audience testified and were disappointed the industry hadn't been consulted in the development of the ordinance.

Individuals testifying in opposition to the ordinance were Joseph List, Jon Martin, Robert Petrie, Theresa Weiser, and Sherry Aitken.

Those in support were Eric Jordan, Kent Barkhau, Roger Schmidt, and Charles Bingham.

Assembly deliberation

Cosponsors Hunter and Knox spoke to their intent. They told of the need to generate revenue and explore ways that didn't rest entirely on the backs of Sitkans. Hunter and Knox noted the proposed ordinance stated all transient lodging taxes collected would be deposited into the visitor activities enhancement fund and distributed as follows: 1/8 to the harbor fund; 1/8 to the school district performing arts center special revenue fund; 3/8 to the general fund; and, 3/8 to the visitor activities enhancement fund. Bean spoke in opposition to increasing taxes and cautioned the Assembly in discouraging visitors. Wein spoke in opposition to the ordinance as written and the parsing out of money to various things. Potrzuski stated revenue generation was needed, bottom line. Miyasato was opposed to Sitka becoming the city with the highest bed tax in the state and suggested amending the ordinance to a lower rate.

A motion was made by Potrzuski to AMEND the bed tax to 14% and remove the allocations so the entire amount went to the General Fund. The amendment FAILED by the following vote.

Yes: 3 - Potrzuski, Hunter, and Wein

No: 3 - Miyasato, Knox, and Bean

Absent: 1 - Eisenbeisz

Public testimony on the amendment

Speaking in opposition to the amendment were Jon Martin, Rachel Roy, Sherry Aitken, and Joseph List. In support of the amendment was Eric Jordan.

Assembly deliberation on the amendment

Miyasato believed the amended amount was still too high. Bean cautioned again in making Sitka an even more expensive place to visit. Knox reminded the choices were to raise revenue or cut services. Potrzuski commented things had changed since the creation of the bed tax in 1985. At that time the state was paying for virtually all of our current infrastructure.

A motion was made by Potrzuski that this Ordinance be APPROVED on FIRST READING. The motion PASSED by the following vote. Note: Per the Sitka Home Rule Charter, the only way for an ordinance to die on first reading is if there are four votes in opposition.

Yes: 3 - Potrzuski, Hunter, and Knox

No: 3 - Miyasato, Bean, and Wein

Absent: 1 - Eisenbeisz

XIII. PERSONS TO BE HEARD:

Theresa Weiser suggested using a portion of the fish box funds to supply more carts at the airport.

Stephen Lawrie offered support for the senior sales tax exemption proposal and spoke to his disappointment of the artwork being removed from the William Stortz Gallery.

Richard Wein spoke in support of the artwork being rehung in the William Stortz Gallery.

John Duncan spoke to his disappointment of the Assembly not unanimously supporting the recent subsistence herring resolution. In addition, he noted by raising taxes, the Assembly would be driving people out of Sitka.

XIV. EXECUTIVE SESSION

None.

XV. ADJOURNMENT

A motion was made by Miyasato to ADJOURN. Hearing no objections, the meeting ADJOURNED at 10:28pm.

ATTEST: _____
Sara Peterson, MMC
Municipal Clerk