



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, May 8, 2018

6:00 PM

Assembly Chambers

REGULAR MEETING

This meeting recessed at 10:59pm on May 8 and reconvened on May 9 at 6pm.

I. CALL TO ORDER

II. FLAG SALUTE

III. ROLL CALL

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

IV. CORRESPONDENCE/AGENDA CHANGES

Mayor Hunter noted Item D had been pulled; the applicant had withdrawn her application.

[18-102](#)

Reminders, Calendars and General Correspondence

V. CEREMONIAL MATTERS

[18-096](#)

Service Award - Charles Horan (Gary Paxton Industrial Park Board of Directors)

Mayor Hunter read and presented a service award to Charles Horan for his years of service on the Gary Paxton Industrial Park Board of Directors.

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) Chair Kathy Hope-Erickson informed the Assembly they

had distributed copies of CBS Legislative Priorities during their congressional visit, thanked the Assembly for their discussions on the herring moratorium, and noted management funding was in place for the partnership with Sitka National Historical Park.

Sitka Community Hospital CEO Rob Allen gave an update on the implementation process of the electronic health record system project, noted the Hospital was continuing to make progress on the Stroudwater recommendations, and stated cash levels were on an upward trend.

[18-097](#)

Special Reports - 1) Sitka Public Library Director, Andrew Murphy; 2) Greater Sitka Chamber of Commerce Convention and Visitor Services Contract, Rachel Roy; and 3) Sitka Sound Science Center/Final Report of the Sitka Landslide Warning Workshop

Library Director Andrew Murphy shared statistics on Library use, reported staff was preparing for summer reading programs, announced projects on the campus and exterior of the building had been complete, and thanked and congratulated Ann Vallion on her recent retirement.

Rachel Roy, Executive Director of the Greater Sitka Chamber of Commerce, provided an update on the travel industry in Sitka and promotional efforts.

Victoria Curran, Lisa Busch, Jacqui Foss, and Brinnen Carter presented the final report of the Sitka Landslide Warning Workshop. At the request of the City and Borough of Sitka, the Sitka Sound Science Center organized a group of landslide experts to discuss the technical and scientific details associated with the possible development of a Landslide Warning System.

VII. PERSONS TO BE HEARD

Karen Lucas reminded Assembly members to listen to those citizens they represent, noted the seniors of Sitka were in financial distress, and voiced concern of the land disposal ordinance. Kevin Mosher, Alene Henning, and Shirley Robards urged the Assembly to reinstate the senior tax exemption. Valorie Nelson encouraged Assembly members to be attentive and listen to citizens.

VIII. REPORTS

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

Administrator - Brady attended the Chamber of Commerce annual Chamber's Choice Awards Gala, the SEARHC emergency room grand opening, the Mt. Edgecumbe High School Aquatic Center grand opening, met with Randy Rauro and Melissa Kookesh of Senator Stedman's office, and attended the Tsunami and Earthquake training workshop on April 24 and April 25.

Liaison Representatives - Eisenbeisz spoke to the recent Hospital Board meeting.

IX. CONSENT AGENDA

A motion was made by Miyasato that the Consent Agenda consisting of items

A, B, & C be APPROVED. The motion PASSED by the following vote.

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

- A** [18-098](#) Approve the minutes of the April 10 and April 24 Assembly meetings

This item was APPROVED ON THE CONSENT AGENDA.

- B** [RES 18-07](#) Authorizing a 50/50 matching grant application to the Office of Justice Programs - Bulletproof Vest Partnership

This item was APPROVED ON THE CONSENT AGENDA.

- C** [ORD 18-20](#) Adjusting the FY18 Budget (Secure Rural Schools, Pass Thru Grants)

This item was APPROVED ON THE CONSENT AGENDA.

X. BOARD, COMMISSION, COMMITTEE APPOINTMENTS

None.

XI. UNFINISHED BUSINESS:

- D** [18-090](#) ~~Approve Health Needs and Human Services Commission member, Jennifer Herrera, to serve as an official City and Borough of Sitka liaison to the H.O.P.E. Coalition~~ PULLED

This item was PULLED from the agenda. No action was taken.

- E** [ORD 18-18](#) Amending Title 18 "Property Acquisition and Disposal" and Title 19 "Building and Construction" of the Sitka General Code by modifying Chapter 18.12 "Real Property Disposal", Chapter 18.16 "Tidelands Lease Procedure", and Chapter 19.07 "Demolition or Removal of Municipally Owned Buildings"

Speaking in opposition to the ordinance were Valorie Nelson, Kevin Mosher, Dr. Marilyn Corruzi, Cynthia Dennis, Larry Edwards, Mae Dunsing, Karen Lucas.

Tim Ryan and Mike Reif, stating the issue needed to be addressed, suggested postponing the item until a second opinion could be obtained. Reif suggested an option might be to set higher thresholds and hold an advisory vote.

Travis Vaughn spoke in support of the ordinance and read a letter from the Sitka Chamber of Commerce also in support of the ordinance.

Assembly deliberation

Municipal Attorney Brian Hanson stated the subject code provisions were unconstitutional. He felt it was his responsibility to advise Administration and the Assembly. Outside legal counsel Attorney Michael Gatti spoke to the unconstitutionality of the existing code language and stated the current voter ratification requirements for land disposal should be repealed because it limited the Assembly's legislative authority to control public assets.

Bean assured the public there were no back door dealings, no collusion, only the best of intentions. While he had no arguments against the ordinance, he suggested the Assembly consider a second opinion because of the public perception. In addition, he suggested an alternative would be a new ordinance containing new thresholds and allowing for an advisory vote. Miyasato spoke in support of the ordinance and reminded the Comprehensive Plan spoke to the need for making land available for affordable housing. Wein countered by adding the Comprehensive Plan was not intended to commit the City and spoke to the need for checks and balances. He suggested the Assembly take a moment to pause and reflect because of the high emotions related to this issue. Eisenbeisz believed that if given the opportunity another attorney could render a legal opinion in support of the existing code language. He agreed with the idea of exploring alternative threshold amounts. Knox spoke to the difficulty of the decision noting it was a no win situation and could possibly result in a lawsuit either way. He added this topic had come before the local governing body before. The original code language was passed in 1983 with threshold amounts revised in 1992 and ultimately the Assembly considering an advisory vote in 2012. Potrzuski stated he took his oath of office seriously and reminded we live in a represented democracy citing examples at the federal, state, and local level. Hunter stated he been made aware of this issue when he was elected to the Assembly. He reminded the Municipal Attorney's job was to alert the Assembly to potential liabilities and this was an issue that had the potential to jeopardize the City's financial well being. He suggested revisiting at a future meeting. With regards to an advisory vote, Gatti and Hanson stated while it may withstand constitutionality, they cautioned there could be political ramifications. Politics aside, Gatti stated he and the Municipal Attorney had given their best objective legal advice and believed the voter ratification requirements to be unconstitutional.

A motion was made by Eisenbeisz to MOVE THE PREVIOUS QUESTION. The motion FAILED by the following vote.

Yes: 2- Bean, Eisenbeisz

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

Assembly members expressed a desire to further consider the ordinance, legal opinions and possibly come back with amendments for the June 12 meeting.

Those speaking in support of postponement were Karen Lucas, Travis Vaughn, Kevin Mosher and Cynthia Dennis.

A motion was made by Potrzuski to POSTPONE SECOND READING of the ordinance to June 12, 2018. The motion PASSED by the following vote.

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

I [18-100](#)

Discussion/Direction/Decision on the Sitka Community Hospital Affiliation Proposal Evaluation Matrix

Steve Huebner reviewed the proposed scoring matrix: 1) degree to which RFP respondent's vision for Sitka Community Hospital (SCH) optimizes SCH's positive attributes outlined in the "Introduction" section of the RFP, 2) RFP respondent's demonstrated willingness to embrace the Assembly's Guiding Principles and Goals of Affiliation, 3) assessment of best organizational fit, along with benefit to SCH and the community, based on the RFP respondent's response to "Characteristics of Proposer" and proposal requirements outlined in "Phase 1" section of the RFP, 4) degree to which the nature and structure of the proposed affiliation aligns with the Assembly's Prioritized Goals of Affiliation and supports long-term sustainability of care in the community, and 5) any other criteria that consultants and CBS staff deems important

in assessing RFP respondents.

Huebner and Sarah Cave spoke to the evaluators chosen. Cave explained the evaluation tool would be completed by the evaluators. Evaluators #1, #2, and #3 were named as Municipal Administrator Keith Brady, Consultants Sarah Cave and Steve Huebner. Cave proposed #4 and #5 evaluators be Connie Sipe (Sitka Community Hospital Board President) and Steven Eisenbeisz (Assembly Liaison). Eisenbeisz, while willing to participate, wondered if it would be better not to have Assembly members on the panel. Members discussed and decided Sipe would be evaluator #4 and suggested evaluator #5 be Chief Medical Staff Liaison Kimberly Bakkes. Consultants reminded the RFP's were due May 18.

F [ORD 18-09](#)

Adjusting the FY18 Budget (Landslide Study Project)

A motion was made by Miyasato to EXTEND to 11pm. The motion PASSED by the following vote.

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

No: 1- Eisenbeisz

Public Works Director Michael Harmon reminded there were other studies being conducted but none specific to the Keet Gooshi Heen (KGH) and Sitka High School areas. This study would provide detailed information as to the safety of the area. Bean suggested the Assembly postpone or vote down the ordinance. He cautioned from studying certain areas and reminded adults and children also live in the subdivision above KGH. Municipal Attorney Brian Hanson stated he had encouraged the Municipal Administrator to place this item on the agenda. Hanson remarked the City was aware of a heightened risk for KGH and the surrounding area. He reminded the schools were public assets (increasing the risk), stated the State's study was not timely and may not address the City's needs. Harmon emphasized that unnecessary work would not be done and reminded there were varying degrees of mitigation.

A motion was made by Potrzuski to MOVE THE PREVIOUS QUESTION. The motion PASSED by the following vote:

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

No: 1- Wein

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

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

No: 2 - Bean, and Wein

G [ORD 18-16](#)

Adjusting the FY18 Budget (Safety Equipment/Dump Trailer)

Wein voiced his objection to the purchase of the AR15 optic with mount and believed there was an alternative.

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

H [ORD 18-17](#)

Adjusting the FY18 Budget (Cell Service Enhancement Project)

Utility Director Bryan Bertacchi explained there was a restriction for subleasing the poles to other parties. In addition, Bertacchi spoke to the 60 day walk away period. While a low risk, if significant engineering problems were found both parties could walk away. Bertacchi reminded the City wouldn't purchase the poles until the engineering was complete.

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

XII. NEW BUSINESS:

- O** [ORD 18-24](#) Amending Title 9 "Health and Sanitation" of the Sitka General Code by adding a new Chapter "Tobacco Distribution to Persons Under the Age of Twenty-One"

Speaking in support of the ordinance were Doug Osborne, Amanda Roberts, and Loyd Platson.

Bean asked the Assembly to consider a few things: legislation won't stop underage youths from obtaining cigarettes, it was important to educate youth of the health risks associated with nicotine use, a downward trend won't legislate this out of existence. He was not in support of kids smoking, however this ordinance would be directed to adults who can vote, get married, be in the military etc., and they should be able to make this personal choice. Municipal Attorney Brian Hanson reminded the ordinance was a distribution prohibition not a use prohibition. Miyasato thanked Doug Osborne and the Health Needs and Human Services Commission for their work on this ordinance.

A motion was made by Miyasato to EXTEND to 11:15pm. The motion FAILED by the following vote.

Yes: 5- Potrzuski, Hunter, Wein, Bean, Knox

No: 2- Miyasato, Eisenbeisz

With only a few minutes remaining until 11pm, Mayor Hunter called for a recess until 6pm May 9 to reconvene and finish the remaining agenda items. The meeting ADJOURNED at 10:59pm.

The meeting RECONVENED on Wednesday, May 9 at 6pm.

Present: 6- Miyasato, Eisenbeisz, Potrzuski, Hunter, Knox, Wein

Absent: 1- Bean

Wein spoke in support of the ordinance and noted as a physician he had seen the ravages of this disease. Knox, Potrzuski, and Hunter also voiced support.

Doug Osborne, Chair of the Health Needs and Human Services Commission, stated before the ordinance went into effect there would be an educational campaign. He reminded that cessation support was available to those wishing to quit smoking.

A motion was made by Knox to AMEND the effective date to October 1, 2018. The motion PASSED by the following vote.

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

Absent: 1 - Bean

A motion was made by Knox 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 Wein

Absent: 1 - Bean

P [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

Rachel Roy read a letter from the Sitka Chamber of Commerce requesting the Assembly postpone any tax or fee changes that would affect the 2018 summer season to a date after the season. In addition, the Chamber encouraged the Assembly and staff to seek input on items that would affect the business community by engaging stakeholders earlier in the process and implementing the changes allowing for an opportunity to budget and plan for such changes. Anna Lopez and Theresa Weiser of Wild Strawberry Lodge suggested if the Assembly wished to make a change, to do so after the summer season. Lopez and Weiser also reminded the City had not fully recognized the revenue from the sales tax cap increase to \$12,000.

Hunter apologized and stated the intent of the sponsors was for the effective date to be October 1, 2018.

A motion was made by Miyasato to AMEND the effective date to October 1, 2018. The motion PASSED by the following vote.

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

Absent: 1 - Bean

Cosponsor Knox summarized the ordinance and offered language had been further defined, new industries and package plans had been captured, and the percentage/take for package plans had been changed from 1.5% or a \$10 fee to .5% and a \$5 bed fee. Wein clarified the proposed bed tax rate change had been removed as it had been determined a rate change required voter approval.

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

Yes: 4 - Eisenbeisz, Potrzuski, Hunter, and Knox

No: 2 - Miyasato, and Wein

Absent: 1 - Bean

J [18-099](#)

Approve renewal of a three-year Microsoft Enterprise Agreement

Municipal Administrator Keith Brady explained the renewal agreement covered all Microsoft applications at a cost savings. Wein wondered if alternatives had been explored. Brady offered the City had been in the current agreement a limited amount of time and migrating to another system now may not be beneficial or efficient. Members

encouraged staff to explore other services for the next renewal period to ensure all options had been explored.

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

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

Absent: 1 - Bean

K [18-101](#)

Approve a contract with GCI/Alaska Wireless Network, LLC for Cell Service Enhancement

Wein believed additional safeguards were needed for the City to protect the appropriation. Miyasato reminded this project would allow for enhanced services and safety.

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

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

Absent: 1 - Bean

L [ORD 18-25](#)

Adopting Budgets for the Fiscal Year July 1, 2018 through June 30, 2019

Acting Finance Director Melissa Haley provided a summary of the process. Hunter reminded the ordinance took into consideration the rate increases that had been spoke of at budget meetings; by approving the ordinance the Assembly was authorizing the expenditure of funds. He added the ordinances proposing the actual rate changes would come forward after budget approval. Eisenbeisz spoke in opposition stating he could not support rate increases. Knox and Potrzuski commented on the time involved with the budget process and reminded if rate increases were not approved then a budget adjustment ordinance would follow; because the Assembly couldn't deficit spend. Hunter, while in support of the budget, reminded it wasn't sustainable. He spoke to the aging infrastructure, the inability of the City to fund those repairs at rising costs. He emphasized the need to raise revenue. Wein, while supportive of the budget, reiterated his need for additional detailed information on the proposed secondary water supply project.

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 - Eisenbeisz

Absent: 1 - Bean

M [ORD 18-22](#)

Authorizing the lease of Alaska Tideland Survey 1571 to Samson Tug and Barge Company, Inc.

Wein spoke to the lengthy lease term and low rates. He suggested a thorough review of the City leasing policy. Planning Director Michael Scarcelli reminded that a standard lease term may not work for all parties across the board.

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

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

Absent: 1 - Bean

N [ORD 18-21](#) Adjusting the FY18 Budget (SEACAD Justice Assistance Grant) *1st reading*

This item was PULLED from the agenda. No action was taken.

Q [ORD 18-23](#) Amending Title 6 "Business Licenses and Regulations" of the Sitka General Code by revising Chapter 6.19 "Regulation of Commercial Operators Selling Organized Excursions or Renting Equipment for Organized Excursions" Section 6.19.030 "Permit required for commercial operations involving organized excursions when such operations occur in certain areas" Subsection C "Limitations"

John Dunlap and Sherry Aitken spoke in support of the ordinance.

Harrigan Centennial Hall Manager Don Kluting explained the proposed ordinance would allow for a more formal organized approach to managing the commercial operator permits. Operators would be required to pay \$400 for the permit and \$500 for a parking space. He reminded this was step 1 in the process, parking space at Harrigan Centennial Hall was a premium, and it was challenging to meet demands.

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

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

Absent: 1 - Bean

XIII. PERSONS TO BE HEARD:

None.

XIV. EXECUTIVE SESSION

None.

XV. ADJOURNMENT

May 9 (meeting continuation)

A motion was made by Miyasato to ADJOURN. Hearing no objections, the meeting ADJOURNED at 8:30pm.

ATTEST: _____

**Sara Peterson, MMC
Municipal Clerk**