



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, September 25, 2018

6:00 PM

Assembly Chambers

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

[18-182](#) Reminders, Calendars and General Correspondence

None.

V. CEREMONIAL MATTERS

[18-177](#) Proclamation - Domestic Violence Awareness Month

Mayor Hunter read a proclamation recognizing the month of October as Domestic Violence Awareness Month.

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

None.

VII. PERSONS TO BE HEARD

Tim Fulton thanked the Assembly for their service. Executive Director of the Chamber of Commerce, Rachel Roy, briefed the Assembly on recent activities of the Chamber.

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

Mayor - Hunter relayed the final draft of the "letter of intent" between SEARHC and the City would be released to the public soon.

Administrator - Brady reminded electric rates decreased to \$0.12 per KWh starting in October, sales tax decreased to 5% October 1, reminded citizens who had experienced damage from the September 15 electrical outage of the process for filing claims, noted the Fall Household Hazardous Waste event on October 6 and 7, and clarified his statements from a previous meeting regarding legal fees for phase 3 of the SCH RFP.

Liaison Representatives - Potrzuski reported on the tree topping ordinance that had gone to the Tree and Landscape Committee for review. In addition, he spoke to the recent Gary Paxton Industrial Park Board meeting. Hunter noted the next Library Commission meeting was October 3 and reminded the new Library Director started employment October 1.

Clerk - Peterson reminded of absentee/advanced voting opportunities for the October 2 Municipal Election and spoke to the polling locations/hours on October 2.

IX. CONSENT AGENDA

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

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

Absent: 1 - Eisenbeisz

- A** [18-180](#) Approve the minutes of the August 28, September 11, and September 13 Assembly meetings

This item was APPROVED ON THE CONSENT AGENDA.

- B** [RES 18-19](#) Supporting the Alaska Salmon Hatchery Program

This item was APPROVED ON THE CONSENT AGENDA.

- C** [RES 18-20](#) Supporting the Sitka Trail Works, Inc. grant application to the State of Alaska Recreational Trails Program for repairs to the Sea Lion Cove Trail

This item was APPROVED ON THE CONSENT AGENDA.

X. BOARD, COMMISSION, COMMITTEE APPOINTMENTS

- D** [18-179](#) Appoint Charlie Woodcock to an unexpired term on the Health Needs and Human Services Commission and appoint Vaughn A. Morrison to a two-year term on the Gary Paxton Industrial Park Board of Directors

Knox thanked the applicants for their willingness to serve.

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

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

Absent: 1 - Eisenbeisz

XI. UNFINISHED BUSINESS:

- E** [18-171](#) Approve the proposed adjustments to the Gary Paxton Industrial Park Port Tariff Fee Schedule (Port Tariff #3)

Garry White, Director of the Gary Paxton Industrial Park, noted adjustments were being proposed based off of conversations with users of the facility.

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

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

Absent: 1 - Eisenbeisz

- F** [18-170](#) Approve moving forward with the sale of Lot 23 (Administration Building) at the Gary Paxton Industrial Park by the invitation to bid process

Wein noted a portion of the building had been damaged by the 2015 landslides, spoke to the disrepair of the building, liabilities to the City, and the possibility of negative value. Garry White, Gary Paxton Industrial Park Director, noted the intent was to advertise the bid and see what response was received. To accept or reject the highest bid offered would be for the Assembly to decide at a future date. White stated while it was a possibility to demolish the building, the funds didn't exist to do so.

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

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

Absent: 1 - Eisenbeisz

- G** [ORD 18-45](#) Authorizing the issuance of an airport terminal revenue bond in a principal amount not to exceed \$4,500,000 to finance the cost of certain capital improvements to the terminal building at the Sitka Rocky Gutierrez Airport; authorizing the sale of the bond to the Alaska Municipal Bond Bank on the terms and conditions provided in this ordinance and in a loan agreement authorized to be entered into with the Bond Bank; providing for the date, terms, and covenants of the bond; and providing the terms and conditions for issuing additional revenue bonds on a parity with the bond authorized by this

ordinance (*second and final reading*)

Mayor Hunter read through the TEFRA hearing script. Richard Doland suggested to delay the project. Robin Schmid spoke to the need for improvements at the airport.

Assembly members asked questions of David Thompson, CBS Bond Counsel. Wein suggested the City explore self funding. Bean spoke to rate covenants. Knox reminded of the need for improvements.

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

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

No: 2 - Bean, and Wein

Absent: 1 - Eisenbeisz

H [ORD 18-46](#)

Authorizing the issuance of a harbor facilities revenue bond in a principal amount not to exceed \$8,600,000 to finance a portion of the cost of certain capital improvements to Sitka's harbor facilities; authorizing the sale of the bond to the Alaska Municipal Bond Bank on the terms and conditions provided in this ordinance and in a loan agreement authorized to be entered into with the Bond Bank; providing for the date, terms and covenants of the bond; and amending a provision of Ordinance No. 2013-01 (*second and final reading*)

Mayor Hunter read through the TEFRA hearing script.

Wein reminded of the need for creative financing. Bean questioned the need for repair and was not in support of the funding mechanism. Hunter and Knox spoke in support of the project and reminded future harbor rate increases were necessary for Eliason Harbor repairs.

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

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

No: 2 - Bean, and Wein

Absent: 1 - Eisenbeisz

I [ORD 18-43](#)

Making Supplemental Appropriations for Fiscal Year 2018 (*Personnel PERS, Solid Waste Fund Operations, MIS Operations*)

Chief Finance and Administrative Officer, Jay Sweeney, provided an explanation of items in the ordinance and noted they had no effect on the current fiscal year.

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

J [ORD 18-44](#)

Making Supplemental Appropriations for Fiscal Year 2019 (*Legal Department - Legal Fees*)

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

K [ORD 18-47](#)

Amending Title 4 "Revenue and Finance" of the Sitka General Code by adding Chapter 4.15 "Single-Use Carryout Bag Fee", by charging a per-bag fee on single-use carryout bags provided by a vendor to a customer at a check-out stand or counter (*second and final reading*)

Public testimony on the motion to postpone the ordinance indefinitely:

Opposed to postponement were Beth Kindig, Alicia Witherspoon, Roxanne Newell, Perry Edwards, Robin Schmid, Renee Trafton, Judy Kearns- Steffen, Chola Moll, Naomi Bargmann, Leah Mason, Math Trafton, Serenity Standifer, Katie Riley, and Eric Jordan.

In support of postponement were Andy Coykendall, David Lam, Karen Parker, Donna Coykendall, Linda Anderson, Charles Bingham, Lydia McGraw, Rob Parker, Darrell Windsor, Shirley Robards, Ariel Coykendall, and Richard Doland.

Assembly members stated this was not the correct legislation for Sitka at this time. Members stated the need for further work and suggested an ordinance to ban bags entirely may have been a better discussion.

A motion was made by Knox that this Ordinance be POSTPONED INDEFINITELY. The motion PASSED by the following vote.

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

Absent: 1 - Eisenbeisz

L [ORD 18-41](#)

Amending Title 4 "Revenue and Finance" of the Sitka General Code by modifying Chapter 4.09 "Sales Tax" at Section 4.09.020 "Collection of Tax" (*products not authorized for sales tax exemptions on sales tax free days*) *second and final reading*

Bean, a business owner in the marijuana industry, recused himself.

Municipal Attorney, Brian Hanson, stated he had researched the question about this ordinance requiring a public vote. He noted this ordinance made a change to exemptions, not sales tax, and therefore a public vote was unnecessary and recommended proceeding. A change to sales tax would require a public vote.

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

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

Absent: 1 - Eisenbeisz

Recused: 1 - Bean

M [18-165](#)

Decision on whether to allow sales tax free day(s) following the Thanksgiving holiday and set date(s)

Charles Bingham suggested the Assembly look at alternative dates during the holiday season. Rachel Roy and Shirley Robards spoke in support of sales tax free days November 23 and 24.

Assembly members believed this to be an incentive to encourage citizens to shop local.

A motion was made by Knox to authorize November 23 and 24 as sales tax free days for 2018 noting the sales tax free days will not be applicable to any sales of fuel, alcoholic beverage, tobacco products, and marijuana, nor affect any sale which is part of a continuing obligation of the buyer to pay the seller over time. The motion PASSED by the following vote.

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

Absent: 1 - Eisenbeisz

N [18-176](#) Update from the Municipal Attorney on the Nugget Restaurant Lease

Municipal Attorney Brian Hanson relayed his deadline of replying to the State was November 1. He suggested an update with the Assembly be scheduled for the first meeting in November.

XII. NEW BUSINESS:

O [18-181](#) Discussion / Direction / Decision of the Administrator's annual recommended transfer to the Public Infrastructure Sinking fund

Administrator Brady recommended there be no transfer to the Public Infrastructure Sinking Fund (PISF). Instead he recommended leaving the amount (\$679,320) in the Unrestricted Fund balance and track the balance by setting up a line item in the General Fund Interim Financial Statements for internal tracking. Brady noted there was the potential for a FY19 deficit budget due to unforeseen expenses relating to the hospital sale and potential reinstatement of the senior sales tax exemption.

Some members stated the transfer would in effect recognize the existence of the fund. Others expressed concern over the need for a super majority vote when funds were transferred out of the PISF.

A motion was made by Wein to transfer \$679,320 to the Public Infrastructure Sinking Fund. The motion PASSED by the following vote.

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

Absent: 1 - Eisenbeisz

XIII. PERSONS TO BE HEARD:

None.

XIV. EXECUTIVE SESSION

P [18-178](#) Legal matter: contract with the Greater Sitka Chamber of Commerce to provide Convention and Visitor Bureau Services

A motion was made by Miyasato to go into executive session to discuss financial and legal matters affecting the municipality with respect to the municipality's contractual relationship with the Greater Sitka Chamber of Commerce, Inc., the immediate knowledge of which would adversely affect the finances of the municipality, and/or communications with the Municipal Attorney concerning legal matters affecting the municipality or legal consequences of past, present or future municipal actions. The motion PASSED by the following vote.

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

Absent: 1 - Eisenbeisz

The Assembly was in executive session from 9:35pm to 10:10pm.

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

XV. ADJOURNMENT

A motion was made by Potrzuski to ADJOURN. Hearing no objections the meeting ADJOURNED at 10:15pm.

ATTEST: _____
Sara Peterson, MMC
Municipal Clerk