



# CITY AND BOROUGH OF SITKA

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

## Minutes - Final

### City and Borough Assembly

*Mayor Gary Paxton  
Deputy Mayor Steven Eisenbeisz,  
Vice Deputy Mayor Valorie Nelson,  
Aaron Bean, Kevin Knox, Dr. Richard Wein, Kevin Mosher*

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

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Thursday, November 8, 2018

6:00 PM

Assembly Chambers

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#### REGULAR MEETING

#### I. CALL TO ORDER

#### II. FLAG SALUTE

#### III. ROLL CALL

**Present:** 6 - Knox, Bean, Wein, Paxton, Mosher, and Nelson

**Absent:** 1 - Eisenbeisz

#### IV. CORRESPONDENCE/AGENDA CHANGES

None.

[18-214](#)

Reminders, Calendars and General Correspondence

#### V. CEREMONIAL MATTERS

[18-198](#)

Proclamations - Veteran's Day and Native American Heritage Month

Service Award - Lorraine Lil

Mayor Paxton read and presented proclamations honoring Veteran's Day and recognizing November as Native American Heritage Month. Paxton also thanked Lorraine Lil for her service on the Police and Fire Commission.

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

[18-209](#)

Special Reports: 1) CBS Department Head Bryan Bertacchi and 2) Update on

the SCH / SEARHC Strategic Affiliation Process - Sarah Cave and Steve Huebner

Utility Director Bryan Bertacchi reported the GCI cell phone project was complete. The lease with GCI was expected to provide over \$100,000 per year in revenue. GCI expected the five antenna installations to be complete by the end of January at which time customers were expected to see a significant improvement in cell service. Bertacchi noted two interruptible boilers had been installed at Keet Gooshi Heen and Baranof Elementary Schools at a fraction of the original cost estimate. In closing, he reported on the drought and stated Sitka had been blessed by the Blue Lake Dam expansion. If not for the expansion project, Sitka customers would have been looking at a \$7 million cost of diesel generation for the year - a surcharge of over 33% above current rates.

Steve Huebner and Sarah Cave provided an update on the Sitka Community Hospital / SEARHC affiliation project.

## **VII. PERSONS TO BE HEARD**

Bev Brill encouraged the Assembly to respect one another, have restraint, review and read information, and recognize others for their contributions to Sitka.

Charles Bingham spoke to the difficulty of finding cabs late at night.

Rachel Roy, Executive Director of the Chamber of Commerce, told of events scheduled for Alaska Startup week.

## **VIII. REPORTS**

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

Mayor - Paxton told of his meeting with Gayle Young regarding the need for a homeless shelter in Sitka.

Administrator - Brady reported on the following: a meeting with Representative Jonathan Kreiss-Tomkins in which several Sitka issues and Legislative Priorities for FY2020 were discussed, a conference call with Governor Bill Walker and Lt. Governor Valerie Nurr'araaluk Davidson regarding a transition plan for the next administration, a meeting with Connie McKenzie of Senator Sullivan and Senator Murkowski's offices speaking about grant funding opportunities for various Sitka projects and FEMA mapping processes, an update on CBS personnel vacancies, and noted sales tax free days were scheduled for November 23 and November 24.

Attorney - Hanson stated the Legal Department would be attending the annual Alaska Municipal Attorney's Association conference November 12-13.

Liaison Representatives - Knox reported on the Port and Harbors Commission, Wein spoke to the recent meetings of the Library Commission and Health Needs and Human Services Commission, Bean reported the Sitka Comprehensive Plan had been nominated for an award, and Mosher reported on the recent Sitka School Board meeting.

Clerk - Peterson stated the staff of the Clerk's Office would be traveling to the annual Alaska Association of Municipal Clerk's conference November 11-13, reviewed board vacancies, and reminded of the Assembly Visioning Session on November 17.

## IX. CONSENT AGENDA

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

**Yes:** 6 - Knox, Bean, Wein, Paxton, Mosher, and Nelson

**Absent:** 1 - Eisenbeisz

- A**     [18-207](#)     Approve the minutes of the October 23 Assembly meeting

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

- B**     [18-208](#)     Approve a liquor license renewal application for Ernie's Bar at 130 Lincoln Street

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

## X. BOARD, COMMISSION, COMMITTEE APPOINTMENTS

- C**     [18-210](#)     Reappoint Gayle Hammons to a three-year term on the Local Emergency Planning Commission and Appoint: 1) Neil Akana to a three-year term on the Police and Fire Commission, 2) David Birky to a three-year term on the Local Emergency Planning Commission, and, 3) Joseph Younack to a three-year term on the Local Emergency Planning Commission

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

**Yes:** 6 - Knox, Bean, Wein, Paxton, Mosher, and Nelson

**Absent:** 1 - Eisenbeisz

## XI. UNFINISHED BUSINESS:

- D**     [ORD 18-51](#)     Making supplemental appropriations for Fiscal Year 2019 (*State of Alaska Grants*)

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

**Yes:** 6 - Knox, Bean, Wein, Paxton, Mosher, and Nelson

**Absent:** 1 - Eisenbeisz

**E**     [ORD 18-52S](#)

Amending Title 13 "Port and Harbors" of the Sitka General Code by adding Chapter 13.16 "Commercial Marine Trade Permit" and amending Chapter 13.04 "Definitions"

Members of the public Matt Donohoe and Gerald Gangle testified. Donohoe noted the harbor system and work completed at the drive down dock was essential. Gangle spoke in opposition to the proposed cost of a permit.

Assembly members Mosher, Nelson, Wein, Bean and Paxton disapproved of a fee. Knox reminded the Port and Harbors Commission had worked on the concept of this ordinance for over a year. The Commission and staff believed the permit would create efficiencies.

Speaking to an amendment to eliminate permit fees, Matt Donohoe and Bonnie Richards spoke in opposition. Chris Ystad voiced support for creating greater efficiencies at the drive down dock. Keith Nyitray spoke in opposition to removing fees.

**A motion was made by Mosher to AMEND the ordinance to eliminate fees entirely. The AMENDMENT PASSED by the following vote.**

**Yes:** 5 - Bean, Wein, Paxton, Mosher, and Nelson

**No:** 1 - Knox

**Absent:** 1 - Eisenbeisz

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

**Yes:** 5 - Knox, Bean, Wein, Paxton, and Mosher

**No:** 1 - Nelson

**Absent:** 1 - Eisenbeisz

**XII. NEW BUSINESS:**

**New Business First Reading**

**F**     [ORD 18-53](#)

Making supplemental appropriations for Fiscal Year 2019 (Sitka Community Hospital Sale)

Administrator Brady reviewed the purpose of the ordinance. Brady reported from the initial engagement, through the selection process on August 28, the consultants had billed the City \$72,349.60. Work through the Letter of Intent was an additional

\$8,615.78. Phase 3 had an estimated cost of \$90,000. Municipal Attorney Hanson reminded the original appropriation was for \$100,000 and the consultants had come in below that estimate. Hanson stated the consultants had served the City well and strongly recommended continuing with their contract.

Paxton reminded the Sitka Community Hospital / SEARHC affiliation process was a historical time for Sitka and it was important the current consultants remain on the project.

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

**Yes:** 4 - Knox, Bean, Paxton, and Mosher

**No:** 2 - Wein, and Nelson

**Absent:** 1 - Eisenbeisz

### **Additional New Business Items**

**G**      [18-212](#)      Discussion / Direction on the reimplementation of the Senior Sales Tax Exemption Program

**A motion was made by Nelson to SUSPEND THE RULES and allow for public comment. The motion FAILED by the following vote (super majority required).**

**Yes:** 4 - Knox, Mosher, Wein, Nelson

**No:** 2 - Paxton, Bean

**Absent:** 1 - Eisenbeisz

Public comment was taken after a motion was made by Assembly member Bean. Matt Donohoe believed a rebate should be offered for the three months the senior sales tax exemption was not in effect. Bev Brill, Mary Todd Anderson, and Shirley Robards spoke in support of reinstating the program that was in effect prior to April 24, 2018. Kim Elliott noted the City needed the revenue and was not in favor of a senior sales tax exemption.

A discussion of the Assembly ensued. Brady noted while there were some issues with the previous program it could be reimplemented.

**A motion was made by Bean to direct the Administrator to reimplement the senior sales tax program that was in place prior to the rebate program adopted by the Assembly in April 2018. The motion PASSED by the following vote.**

**Yes:** 6 - Knox, Bean, Wein, Paxton, Mosher, and Nelson

**Absent:** 1 - Eisenbeisz

**H**      [18-213](#)      Discussion / Direction on the Senior Citizen Property Tax Exemption Program

Assembly member Nelson relayed she was power of attorney for her mother and asked the Assembly to rule on any potential conflict of interest. Municipal Attorney Hanson noted any potential conflict of interest would depend on whether or not she would sign an audit application on behalf of her mother. Nelson said her mother would sign an

applicaton, if applicable. Mayor Paxton ruled there was no conflict.

State Assessor Marty McGee participated telephonically.

Nelson stated she and Mosher wished to bring this discussion before the Assembly. Nelson noted her mother had received a letter from the City Assessor notifying of the need to reapply for the senior citizen property tax exemption by December 1. Nelson stated the letter was dated October 5, three days after the senior sales tax exemption was voted on by the citizens to be reinstated and looked to be retaliation against seniors for reinstatement of the senior sales tax exemption program. Nelson said her mother did not receive the letter until October 19 and didn't feel there was enough response time to comply. Mosher felt similarly and wondered what accommodations were available for those seniors who may be traveling or ill.

Administrator Brady spoke to the auditing requirements. He noted the audit was a requirement of the State and was to be completed every 4 years. He noted in 2014 all seniors had to reapply. Brady clarified that while the timing may be unfortunate it was not a retaliation against senior citizens. He assured the Assembly the Assessor had made accommodations when needed.

**A motion was made by Nelson to SUSPEND THE RULES and allow for public testimony. The motion FAILED by the following vote.**

**Yes:** 4 - Wein, Nelson, Knox and Mosher

**No:** 2 - Bean, Paxton

**Absent:** 1 - Eisenbeisz

Assessor Wendy Lawrence came forward to explain the audit program and answer questions of the Assembly. Lawrence assured the Assembly she had made exceptions for those seniors who were homebound or had not received materials. She noted her office contacted individuals who had not responded to help ensure those individuals who qualify, did not lose the exemption. Lawrence explained the four year audit schedule had been arranged with the State Assessor and due to a software conversion last year, she was unable to complete the audit. She reiterated the audit was implemented previously regardless of political agenda. Lawrence stated an audit was a natural part of property tax administration. She noted 75% of the household audits (over 600 applicants yielding \$500,000 in exemptions) were complete.

In response to a motion made by Assembly member Nelson to delay the process, public testimony was taken. Mary Todd Anderson noted the timeline was tight and the audit was intrusive.

Lawrence explained she would not be able to complete the audit if delayed and a determination was required as of January 1. State Assessor Marty McGee spoke in support of Lawrence's actions. Failure to comply with the audit would result in a letter of "major error" from the State.

**A motion was made by Nelson to direct the Administrator to delay the audit process to the end of the current calendar year. The motion FAILED by the following vote.**

**Yes:** 1 - Nelson

**No:** 5 - Knox, Bean, Wein, Paxton, and Mosher

**Absent:** 1 - Eisenbeisz

I      [18-211](#)                      Reschedule December 25 regular meeting to December 20

The Assembly agreed to reschedule the December 25 meeting to December 20.

**XIII.    PERSONS TO BE HEARD:**

Mary Ferguson and Ryan Silva, police officers who had filed separate lawsuits against the City, requested the Assembly, as their elected officials, to read and discuss their complaints. Wein made a motion to have the Gearity report released to Assembly members. Municipal Attorney Hanson reminded only motions could be made on items that were publicly noticed. The topic of the lawsuits had not been publicly noticed and therefore no motions should be made. If the Assembly chose to do so, a decision made under those circumstances may be overturned. In addition, Hanson reminded the Assembly did not have the authority to act upon personnel matters. He concluded by saying, if Assembly members wished to look at the report they were welcome to do so in his office.

**XIV.    EXECUTIVE SESSION**

None.

**XV.    ADJOURNMENT**

**A motion was made by Knox to ADJOURN. Hearing no objections the meeting ADJOURNED at 8:55pm.**

**ATTEST: \_\_\_\_\_**  
**Sara Peterson, MMC**  
**Municipal Clerk**