



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*

Tuesday, February 26, 2019

6:00 PM

Assembly Chambers

5:00 PM WORK SESSION: ASSEMBLY ACTION PLANS

[19-044](#)

Work Session: Assembly Action Plans

Assembly members gathered to discuss action plans: lobbying, No Name Mountain/Granite Creek, Seaplane Base, CBS Business Friendly, Affordable Housing, and Cold Storage.

REGULAR MEETING

I. CALL TO ORDER

II. FLAG SALUTE

III. ROLL CALL

Present: 7 - Eisenbeisz, Knox, Bean, Wein, Paxton, Mosher, and Nelson

IV. CORRESPONDENCE/AGENDA CHANGES

[19-045](#)

Reminders, Calendars and General Correspondence

Assembly member Eisenbeisz noted correspondence from Chief Finance and Administrative Officer Jay Sweeney on the effects of Governor Dunleavy's FY2020 budget on Sitka.

Mayor Paxton referenced item G and stated the Assembly was being asked to approve 3 of 6 actions plans this evening: Lobbying, No Name Mountain/Granite Creek and Cold Storage.

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)

Tribal Chair Kathy HopeErickson reported on recent events, informed the Tribe had purchased 204 Siginaka Way, and reminded of the Government to Government Dinner on March 5.

[19-040](#)

Special Reports: 1) SCH / SEARHC Affiliation Project - Sarah Cave, and, 2) Update on the Southeast Conference Mid-Session Summit and Alaska Municipal League Winter Legislative Conference - Jay Sweeney, Chief Finance and Administrative Officer

Consultant Sarah Cave provided a report on the affiliation project and reminded of the special meeting February 28 to discuss the asset purchase agreement and facility lease agreement.

Chief Finance and Administrative Officer Jay Sweeney summarized notes from his attendance at the Southeast Conference and the Alaska Municipal League Legislative Meeting.

VII. PERSONS TO BE HEARD

Joe Montagna spoke to Governor Dunleavy's budget cuts and urged citizens to testify at the hearings for SB23 and SB24, supplemental PFD. Noah Shepard, a former Jail Officer and patrol recruit, stated he had filed a lawsuit against the City and Lt. Lance Ewers and welcomed an opportunity to speak with the Assembly. Valdez resident, Lee Hart, founder of Confluence spoke to the economic potential of outdoor recreation and invited citizens to attend a meeting on February 27 at Baranof Brewing Company.

VIII. REPORTS

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

Administrator - Brady told of his report to the Health Needs and Human Services Commission and offered ways in which the tax burden could be shifted, met with Sitka Trailworks to discuss phase 6 of the Crosstrail, attended the Winter Alaska Municipal League meeting, and shared CBS was one of 200 communities across the U.S. to be recognized as a Tsunami Ready Site by the National Weather Service.

Liaison Representatives - Knox reported on the Parks and Recreation Committee meeting, Nelson on the Historic Preservation Commission, and Wein on the Port and Harbors Commission, Local Emergency Planning Commission, Health Needs and Human Services Commission, and Tree and Landscape Committee.

Clerk - Peterson reminded of a special meeting February 28 and Government to Government Dinner March 5.

IX. CONSENT AGENDA

A [19-037](#)

Approve the minutes of the January 22, 24, 29, 31 and February 12 Assembly meetings

A motion was made by Nelson to approve the Consent Agenda consisting of item A. The motion was approved by a unanimous voice vote.

X. BOARD, COMMISSION, COMMITTEE APPOINTMENTS

- B** [19-041](#) Reappoint: 1) Richard Doland to a three-year term on the Building Department Appeals Board in the category of Alternate Seat, 2) Steve Clayton to a three-year term on the Building Department Appeals Board in the category of Alternate Seat, and, 3) Stephen Morse to a three-year term on the Library Commission

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

Yes: 7 - Eisenbeisz, Knox, Bean, Wein, Paxton, Mosher, and Nelson

XI. UNFINISHED BUSINESS:

- C** [ORD 19-04](#) Authorizing the vacation and sale of a 1,660 square foot portion of the right-of-way adjacent to 1318 Sawmill Creek Road

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

Yes: 7 - Eisenbeisz, Knox, Bean, Wein, Paxton, Mosher, and Nelson

- D** [19-026](#) Discussion / Direction of the Investment Committee recommendation to add infrastructure exchange-traded funds as an authorized investment asset class (postponed from the February 12 meeting)

Chief Finance and Administrative Officer Jay Sweeney and Investment Committee Chair Mike Reif spoke to the recommendation of the Investment Committee to allow for investment in infrastructure exchange-traded funds (ETFs). Reif noted a goal was to have the Sitka Permanent Fund have a greater return with less risk. In 2018, Alaska Permanent Capital Management (APCM) had recommended Sitka add an additional asset class, exchange traded funds investing in infrastructure. Blake Phillips of APCM reviewed details of infrastructure ETFs and answered questions from the Assembly. Nelson requested investment reports be distributed to the Assembly. Assembly members were supportive of allowing investment in infrastructure ETFs.

A motion was made by Bean to direct staff to bring forward an ordinance* to allow for investment in infrastructure ETFs. The motion PASSED by the following vote.

***After the meeting, it was clarified an ordinance wasn't needed rather concurrence from the Assembly.**

Yes: 7 - Eisenbeisz, Knox, Bean, Wein, Paxton, Mosher, and Nelson

XII. NEW BUSINESS:

- E** [RES 19-07](#) Supporting Secure Rural Schools Reauthorization
- School Board Member Elias Erickson urged the Assembly to support Resolution 2019-07.
- 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 - Eisenbeisz, Knox, Bean, Wein, Paxton, Mosher, and Nelson
- F** [ORD 19-05](#) Making supplemental appropriations for Fiscal Year 2019 (Economic Development Projects / GPIIP Lease Reviews) - *1st reading*
- Cosponsors Mosher and Paxton explained this was brought forward in an effort to move pending leases forward and encourage economic development at the Gary Paxton Industrial Park (GPIIP). GPIIP Director Garry White stated there were two pending leases, one of which Municipal Attorney Brian Hanson was working on. Hanson reminded that while there lease templates, it still meant considerable time was needed for each lease. In addition, he noted it had previously been the intent for he and White to review GPIIP projects, prioritize, and decide whether or not it would be prudent to go to outside counsel. Some members were opposed to appropriating money from the Southeast Economic Development Fund and suggested funds come from GPIIP working capital. Others wished to see a list of pending projects before appropriating money.
- A motion was made by Mosher that this Ordinance be APPROVED ON FIRST READING. The motion FAILED by the following vote.**
- Yes:** 3 - Eisenbeisz, Wein, and Mosher
- No:** 4 - Knox, Bean, Paxton, and Nelson
- G** [19-042](#) Approve Assembly Action Plans: Lobbying, No Name Mountain / Granite Creek, Seaplane Base, CBS Business Friendly, Affordable Housing, and Cold Storage
- Municipal Administrator Keith Brady answered questions of the Assembly and noted the lobbying pertained to federal projects, that the RFP for No Name Mountain/Granite Creek was being advertised and could be viewed online through Bid Express. The Assembly requested regular updates on the three action plans.
- A motion was made by Nelson to approve the following action plans: 1) Lobbying, 2) No Name Mountain / Granite Creek, and 3) Seaplane Base. The motion PASSED by the following vote.**
- Yes:** 7 - Eisenbeisz, Knox, Bean, Wein, Paxton, Mosher, and Nelson
- H** [19-046](#) Discussion / Direction / Decision regarding the Sitka Police Department practices and procedures and a possible investigation of the same by the Assembly (*possible executive session*)
- Cosponsors Nelson and Mosher stated they were concerned about the working environment at the Police Department. Two lawsuits had been filed by employees and now a third as of this afternoon. It was suggested the Assembly consider conducting a

third party investigation. Municipal Attorney Brian Hanson stated the Sitka Home Rule Charter provided authority for the Assembly to conduct an independent investigation. He reminded that the three lawsuits had been accepted by the insurance carrier and outside counsel would be appointed and the process carried out in the judicial setting. He encouraged the Assembly to work with staff to determine the best path moving forward.

A motion was made by Eisenbeisz to SUSPEND THE RULES to allow for public comment on the agenda item. The motion PASSED by the following vote.

Yes: 6- Bean, Wein, Eisenbeisz, Nelson, Mosher and Paxton

No: 1- Knox

Speaking in support of an independent investigation from the public were Alicia Witherspoon, Jeff Kinnan, Mary Ferguson, Noah Shepard, and Ken Buxton. Jayson Christner expressed disappointment at the suggestion of an investigation and believed a process was currently in place to handle personnel matters.

A motion was made by Bean to go into executive session to discuss legal matters related to a third party investigation of the Sitka Police Department. The motion PASSED by the following vote.

Yes: 7- Nelson, Mosher, Paxton, Eisenbeisz, Wein, Bean and Knox

The Assembly was in executive session from 8:15pm to 8:40pm.

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

Mary Ferguson thanked the Assembly and encouraged them to choose an impartial investigator. Retired Police Chief Sheldon Schmitt offered there were professional organizations in Alaska available to perform police department audits.

A motion was made by Bean to approve forming an Assembly subcommittee to explore options for a third party to investigate the Sitka Police Department and bring back to the Assembly for consideration at the March 12 meeting, along with a possible appropriation. Subcommittee members are: Bean, Wein, and Mosher. The motion PASSED by the following vote.

Yes: 7 - Eisenbeisz, Knox, Bean, Wein, Paxton, Mosher, and Nelson

XIII. PERSONS TO BE HEARD:

None.

XIV. EXECUTIVE SESSION

- I [19-039](#) Financial / Legal Matters regarding lawsuits involving the Sitka Police Department
- Assembly members wondered if there was a need for the executive session item. Municipal Attorney Brian Hanson said there was a status report to be given however could be postponed to another meeting if the Assembly desired.

A motion was made by Mosher to go into executive session to receive and

discuss an update from the Municipal Attorney and outside legal counsel, Michael Gatti and Megan Sandone, regarding financial and legal matters affecting the Municipality as a result of the lawsuits filed by Ryan Silva on August 23, 2018 and Mary Ferguson on October 11, 2018. The motion PASSED by the following vote.

Yes: 7 - Paxton, Bean, Knox, Mosher, Eisenbeisz, Wein, and Nelson

The Assembly was in executive session from 8:50pm to 9:10pm.

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

XV. ADJOURNMENT

A motion was made by Nelson to ADJOURN. Hearing no objections, the meeting ADJOURNED at 9:14pm.

ATTEST: _____
Sara Peterson, MMC
Municipal Clerk