



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

Thursday, April 11, 2019

6:00 PM

Assembly Chambers

REGULAR MEETING

I. CALL TO ORDER

II. FLAG SALUTE

III. ROLL CALL

Present: 5 - Knox, Bean, Paxton, Mosher, and Nelson

Absent: 1 - Eisenbeisz

Telephonic: 1 - Wein

IV. CORRESPONDENCE/AGENDA CHANGES

Mayor Paxton offered condolences to the family and friends of retired City employee Dave Swearingen.

[19-072](#)

Reminders, Calendars, and General Correspondence

V. CEREMONIAL MATTERS

[19-069](#)

Service Award - Allison Massey (Parks and Recreation Committee) and Dan Jones (Gary Paxton Industrial Park Board of Directors)

Mayor Paxton read and presented a service award to Allison Massey for over two years of service on the Parks and Recreation Committee. Paxton read a service award for Dan Jones in recognition of over seven 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)

United States Forest Service District Ranger Perry Edwards thanked the Assembly for waiving fees for federal employees during the government shutdown. Edwards read and presented a certificate of appreciation from Forest Supervisor M. Earl Stewart.

[19-070](#)

SCH / SEARHC Affiliation Project - Sarah Cave

Outside legal counsel, Sandy Johnson, provided an update to the Assembly and community on what had transpired since the March 20 Question and Answer public meeting. Johnson explained the affiliation agreement had been updated to simplify the way ownership of Sitka Community Hospital (SCH) is transferred in the Asset Purchase Agreement (APA) because the compliance review was taking longer than expected and the review was not required to be part of the sale. She noted the change would have two effects: 1) acute care hospital and emergency services would move to Mt. Edgecumbe Hospital immediately when the sale closes. Long-term care, Mountainside and Oceanside Clinic services would not be affected and remain in their current locations, 2) the amount of money the City would be required to place in escrow as part of the transaction would be significantly reduced because the City would now pay any outstanding SCH liabilities directly when they came due. Johnson clarified these changes would not affect the remaining key terms in the APA and lease agreements. She reminded of the benefits of simplifying the transfer of services arrangement - the community could continue counting on accessible healthcare services; the City would have access to funds that could otherwise have been tied up in escrow; and SEARHC could streamline the transition to services. Johnson stated the Assembly would review and vote on the final documents April 15, after which they would go before the SEARHC Board for consideration and approval. Finally, Johnson summarized items needing confirmation: escrow language and provisions, exhibits and schedules, and an official report from outside counsel on potential compliance-related liabilities.

VII. PERSONS TO BE HEARD

Speaking in support of funding to the cap for the School District were Mike Carroll, Emily Demmert, Pat Heuer, and Beth Short-Rhoads.

VIII. REPORTS

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

Mayor - Paxton told of a conversation he had with Senator Stedman regarding the state budget and spoke to his attendance at the April 11 SEDA meeting.

Administrator - Brady told of the Municipal Engineer's attendance and presentation at the Alaska Board of Education meeting on March 29 to acquire property at the end of Seward Avenue on Japonski Island for future development of Sitka's new seaplane base. Brady noted the presentation was well-received and there was no opposition voiced to the project or the proposal. In addition, Brady shared five responses had been received for the No Name/Granite Creek Master Plan and were being reviewed.

Liaison Representatives - Wein reported on recent meetings of the Hospital Board and Library Commission. Knox shared information from the Port and Harbors Commission

meeting and Health Needs and Human Services Commission meeting.

Clerk - Peterson reviewed upcoming meeting dates.

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** [19-071](#) Approve the minutes of the March 14, 19, and 26 Assembly meetings

This item was APPROVED ON THE CONSENT AGENDA.

- B** [19-068](#) Approve a liquor license renewal application for Halibut Point Crab & Brew at 4513 Halibut Point Road

This item was APPROVED ON THE CONSENT AGENDA.

X. BOARD, COMMISSION, COMMITTEE APPOINTMENTS

None.

XI. UNFINISHED BUSINESS:

- C** [19-066](#) Report from interim Police Chief Baty and Discussion / Direction / Decision on the selection of a Police Department third party investigator (executive session anticipated)

Nelson wished to move forward with the investigation. Others preferred to wait until the April 23 meeting to allow for interim Police Chief Baty to assess the situation and report to the Assembly. Wein stated this was not a kick the can down the road issue and asked that Baty submit a written list of how he planned to proceed. There was consensus to bring the item back April 23.

- D** [ORD 19-10](#) Making supplemental appropriations for Fiscal Year 2019 (*Police Department Third Party Investigation*)

Many members believed it important to move forward with the appropriation. Knox asked Interim Police Chief Baty how he felt about the matter. Baty stated he was neutral however believed the investigation would be a tool to use. In the meantime, he said he was identifying areas needing attention.

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

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

No: 1 - Knox

Absent: 1 - Eisenbeisz

E [ORD 19-06](#) Making supplemental appropriations for Fiscal Year 2019 (*Fair Market Value Appraisal Airport Subleases*)

Municipal Attorney Brian Hanson stated the quote received was a little under \$10,000 however reminded there were always unanticipated costs.

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 - Knox, Bean, Wein, Paxton, Mosher, and Nelson

Absent: 1 - Eisenbeisz

F [ORD 19-07](#) Making supplemental appropriations for Fiscal Year 2019 (*GPIP Utility Dock*)

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

G [ORD 19-08](#) Making supplemental appropriations for Fiscal Year 2019 (*GPIP Access Ramp*)

A motion was made by Mosher 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

XII. NEW BUSINESS:

New Business First Reading

H [ORD 19-13](#) Making supplemental appropriations for Fiscal Year 2019 (*Shepard vs CBS*)

Wein wondered if it was the same attorney for all three lawsuits against the police department and requested funds be consolidated rather than separate appropriations. Municipal Attorney Brian Hanson stated the City was being represented by Jermain Dunnagan & Owens for all three. Hanson did not recommend consolidation. He stated these were separate lawsuits, separate plaintiffs and were separate in the court system. Wein wished to receive an update of the remaining balance for each appropriation.

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

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

Absent: 1 - Eisenbeisz

- I [ORD 19-14](#) Making supplemental appropriations for Fiscal Year 2019 (*City's Datacenter Storage upgrade*)
- IT Director Grant Turner explained the data needs of the City were growing and that currently the City was at 90% capacity. Wein wondered if any equipment from Sitka Community Hospital could be used. Turner stated the equipment could be used to maintain the hospital system however there was not sufficient capacity to meet the needs of the City.
- A motion was made by Mosher that this Ordinance be APPROVED on FIRST READING. The motion PASSED by the following vote.**
- Yes:** 6 - Knox, Bean, Wein, Paxton, Mosher, and Nelson
- Absent:** 1 - Eisenbeisz
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- J [ORD 19-15](#) Amending Title 22 "Zoning" of the Sitka General Code by modifying Chapters 22.08 "Definitions", Chapter 22.12 "Zoning Maps and Boundaries", Chapter 22.16 "District Regulations", Chapter 22.20 "Supplemental District Regulations and Development Standards" and adding new Section 22.16.180 "C Cemetery District" to create a Cemetery District
- Nelson wondered of the need for a cemetery district as there were allowable uses under the "P" Public District. Knox mentioned that some cemeteries were zoned R-1 Residential while others weren't in a zone.
- Scott Brylinsky Interim Planning Director stated there were approximately 20 cemeteries in Sitka spread throughout various districts. The intent of the cemetery district was to contain land used for cemeteries and limit accessory uses. All uses were intended to be cemetery-related and conducted with reverence and respect for those interred. Brylinsky added the State was enacting stricter regulations with regards to where bodies could be interred. Brylinsky noted Sitka Tribe of Alaska was supportive of moving forward with the Ordinance.
- Wein reminded this was a long standing issue; some of the impetus for this Ordinance was the Sheldon Jackson campus seeking an overlay district which included a cemetery on the campus. The campus, zoned R-2, had greater ability for development and therefore he was supportive of creating a cemetery district.
- A motion was made by Nelson that this Ordinance be APPROVED on FIRST READING. The motion PASSED by the following vote.**
- Yes:** 6 - Knox, Bean, Wein, Paxton, Mosher, and Nelson
- Absent:** 1 - Eisenbeisz

Additional New Business Items

- K [19-067](#) Discussion / Direction / Decision on the liquor license renewal application for Baranof Island Brewing Company, LLC (possible executive session)
- Municipal Attorney Brian Hanson noted staff had concerns with approving the license and recommended a protest due to the failure of the party to pay sales tax and other interests. He recommended the Assembly go into executive session to discuss further.
- A motion was made by Nelson to go into executive session with Chief Finance**

and Administrative Officer Jay Sweeney to discuss subjects that tend to prejudice the reputation and character of any person and to discuss matters, the immediate knowledge of which, would adversely affect the finances of the City and Borough of Sitka and invite in if desired, and when ready, Rick Armstrong of Baranof Island Brewing Company. The motion **PASSED** by the following vote.

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

Absent: 1 - Eisenbeisz

The Assembly was in executive session from 7:20pm to 7:50pm.

A motion was made by Bean to reconvene as the Assembly in regular session. The motion PASSED by the following vote:

Yes: 5 - Knox, Mosher, Paxton, Nelson, and Bean

Absent: 2 - Eisenbeisz and Wein (vote to reconvene was taken prior to Wein rejoining)

The Mayor reported the Assembly had given direction to staff during executive session and requested the item be brought back before the Assembly April 23.

L [19-073](#)

Approve hire offer for Bruce Wall as Planning Director

Nelson, Bean, Mosher, and Wein spoke in opposition to the salary and other terms - moving expenses and leave bank/accrual amounts. Nelson cited the budget, stated there were inconsistent wage increases. While some positions had received 1.5% up to as high as 75%. This particular position was a 16% increase over what was budgeted. Nelson noted in the FY2020 budget there was a 5% increase for the Planning Director position. Bean, while thankful to have a qualified candidate, believed the wage was starting at the ceiling and also had issues with the amount of leave and moving allowance. Wein wondered of the candidate's current salary and whether or not the offer included PERS and other benefits. Municipal Administrator Keith Brady stated the wage did not include PERS and other benefits. He was unaware of the candidate's current salary. Knox expressed concern over not having a permanent Planning Director especially coming into the summer season and reminded the City had been recruiting for the position since August. Paxton also expressed the need for a Planning Director and believed the moving allowance to be a non-issue. Brady believed the salary to be commensurate and noted the salary was not at the ceiling. Instead he had offered step E and the range went to Step O. He noted Wall had experience and the required certification.

A motion was made by Knox to APPROVE the hire offer for Bruce Wall as Planning Director with a starting salary of \$93,724.80 with the following conditions: 1) opening balance of 40 hours annual leave and accrual thereafter of 12.67 hours per month, and, 2) up to \$15,000 moving allowanve. The motion FAILED by the following vote.

Yes: 2 - Knox, and Paxton

No: 4 - Bean, Wein, Mosher, and Nelson

Absent: 1 - Eisenbeisz

XIII. PERSONS TO BE HEARD:

None.

XIV. EXECUTIVE SESSION

M [19-075](#) Legal/Financial Matters - CBS/SEARHC Affiliation Process (due diligence compliance analysis)

A motion was made by Knox to go into executive session to discuss communications with the Municipal Attorney and Municipal Administrator regarding phase 3 of the CBS/SCH-SEARHC affiliation process - specifically the due diligence compliance analysis, matters the immediate knowledge of which would adversely affect the the finances of the municipality, invite in Chief Finance and Administrative Officer, Jay Sweeney, and invite to participate telephonically, outside legal counsel Sandy Johnson, and consultants Sarah Cave and Steve Huebner. The motion PASSED by the following vote:

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

Absent: 1 - Eisenbeisz

Note - Cave and Huebner were unavailable to join.

The Assembly was in executive session from 8:15pm to 8:30pm.

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

XV. ADJOURNMENT

A motion was made by Knox to ADJOURN. Hearing no objections, the meeting ADJOURNED at 8:32pm.

ATTEST: _____

**Sara Peterson, MMC
Municipal Clerk**