



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 Kevin Mosher,
Kevin Knox, Dr. Richard Wein, Valorie Nelson, Thor
Christianson

Municipal Administrator: John Leach
Municipal Attorney: Brian Hanson
Municipal Clerk: Sara Peterson

Thursday, June 18, 2020

6:00 PM

Assembly Chambers

SPECIAL MEETING

I. CALL TO ORDER

II. FLAG SALUTE

III. ROLL CALL

Nelson, Knox, and Mosher participated by videoconference.

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

IV. CORRESPONDENCE/AGENDA CHANGES

None.

V. PERSONS TO BE HEARD

Karen Lucas told of the Sitka Community Working Group and concept to acquire the former Presbyterian Church as a community center. The group would like to rehabilitate the church to help the most vulnerable population in Sitka and have it be owned by the City or Sitka Tribe of Alaska (STA). The facility would be managed by a non-profit, be self-sustaining, and provide food and shelter to those it serves. Nancy Furlow spoke in support of establishing the project Ms. Lucas spoke of and urged the Assembly to do the same. Harriet Bealeal spoke in support of a Sitka Community Center as spoke of by Ms. Lucas. Sergeant Gary Cranford introduced Robert Moelder a new Police Officer. Jennifer Alley encouraged the Assembly to extend funding to STA. Galen Paine spoke in support of acquiring the former Presbyterian Church for a community center.

VI. NEW BUSINESS:

A [20-120](#) Discussion / Direction / Decision on CARES Act funding program design and

associated applications

Municipal Administrator John Leach provided an overview of the CARES Act Working Group and their work thus far. Leach stated Sitka was scheduled to receive \$14,036,874 in CARES Act funding and reviewed the specific funding categories. Further, Leach reviewed the areas in which the CARES Act Working Group was looking for guidance on.

Christianson spoke favorably of the groundwork and offered comments. Eisenbeisz also spoke in support of the framework and wondered of the amount set aside for Category 4: City Impact/Mitigation Spending (\$1.75M). Leach noted some of the funding was set aside for COVID-19 testing of community members. Christianson shared some of the challenges with testing. In addition, he reminded a requirement was the money needed to be spent by the end of the year. Knox, a working group member, shared thoughts for moving forward and reminded it was complicated. He said there were two different tracts to move forward with for businesses qualifications - 1) more robust with exact impacts shared or 2) a simple application process to disseminate funding quickly. Wein noted the importance of determining need and commented it was difficult to determine based on information provided. Wein wished to see the funding used efficiently and said what was missing were projects that would exist after the pandemic was over. He reminded the funding could address help with the community center. Wein also wished to see ventilation systems replaced and improved in public buildings. He wondered how to make efficient use of the money with lasting effects. Paxton spoke favorably of the framework and applications. He suspected the full amount of money set aside for utilities may not be needed. Mosher reminded the funding was intended for the entire community, spoke in support of keeping the process simple, and not to be used on specific projects - e.g. community center. Nelson thanked the working group for their thorough work and shared opinions on the categories.

Eisenbeisz wondered of the definition of "spent." Chief Finance and Administrative Officer Jay Sweeney stated it needed to be distributed, a check written, by December 31, 2020. Sweeney also clarified the money had to be used for COVID-19 relief. He explained all expenditures of CARES Act funding had to mitigate adverse impacts of COVID-19 pandemic on the municipality. Paxton believed the community center to be an interesting opportunity.

Christianson suggested the Assembly discuss the categories and agree on funding for each. Wein said it was difficult to determine if need was unknown.

A motion was made by Christianson to AMEND moving \$750,000 from category 4 to category 3. The amendment PASSED by the following vote.

Yes: 6 - Christianson, Eisenbeisz, Knox, Mosher, Nelson, and Paxton

No: 1 - Wein

Public Comment

Lloyd Platson spoke in support of a community center. Jennifer Alley spoke in opposition to the categories. Eric Van Cise School Board Clerk spoke to category 4 and of the benefits of AmeriCorps volunteers. He told of the technology used and the need to be prepared to enhance learning and lasting benefits for students. Karen Lucas stated counselors were lacking in the School District and advocated for the positions. Nalami James spoke to categories, advocated for a homeless shelter, and suggested flat coverage for utilities. Connie Sipe a Sitka Legacy Fund member provided

recommendations to the categories, noted the work required to vet the applications, and offered to help streamline the process.

A motion was made by Wein to AMEND adding category 7: The motion FAILED by the following vote.

Yes: 2 - Paxton, and Wein

No: 5 - Christianson, Eisenbeisz, Nelson, Knox, and Mosher

A motion was made by Christianson to accept the overall structure as put forth by the CARES Act Working Group and associated amounts for Category 1: Utility/Moorage Assistance of \$4.5M; Category 2: Business and Non-Profit Grants for \$5M; Category 3: New City Funded Programs for \$2.5M; Category 4: City Impact/Mitigation Spending for \$1M; Category 5: Sitka School District Request for \$430K; Category 6: Contingency \$627,653 as AMENDED. The motion PASSED by the following vote.

Yes: 6 - Christianson, Eisenbeisz, Knox, Mosher, Nelson, and Paxton

No: 1 - Wein

Leach was looking for guidance in category 2 and offered to bring back a proposal with more developed criteria. Wein thought to include a disclaimer. Nelson thought there was no need to split category two as there was enough wiggle room. She stated to look at applications and noted that the funding was to assist with impacts from COVID-19, not make everyone whole.

Garry White, SEDA Executive Director and a member of the CARES Act Working Group spoke to data of businesses in Sitka estimating potential applicants for category 2. He mentioned that there was no way to track revenue at this time or FTE's. He agreed with Eisenbeisz to use estimated numbers and if need be reallocate funding.

Christianson was not in support of distributing funding for those businesses that had unpaid financial obligations and felt they should be paid prior to receiving a grant. Knox told of the working group discussion if the funding was leverageable.

Chief Finance and Administrative Officer Jay Sweeney gave his perspectives of giving grants to entities in Sitka with the proviso that the grant you receive may be offset by debt owed city. He stated it wasn't disallowed and felt it was reasonable use of the funding. He stated there was no specific guidance on if allowed to give CARES Act funding for debt incurred prior to March 15. Municipal Attorney Brian Hanson offered his logic that funding was given to offset what they would have typically received if the pandemic did not occur in which they could have paid their bills. He felt under that circumstances, it was fair and the risk should be taken to allow an offset. His opinion was that the city shouldn't terminate eligibility for having a past due debt.

Mosher did not feel that an applicant should be prohibited from receiving funds if they had a past due balance. Knox would like to see the Assembly entertain the idea brought forward by Connie Sipe of the Sitka Legacy Fund.

VII. PERSONS TO BE HEARD:

Karen Lucas spoke to community center support and clarified it was not a homeless

shelter but rather a multi-use social service center. Duce Audette a resident of Presbyterian church neighborhood wondered of the impacts of a community center in the neighborhood. He advocated to slow the process down. Dr. Wein reported the Kelmscott Chaucer as one of the most beautifully printed books listed in our history. He stated only 425 were printed and made from linen and noted there was still beauty in the world.

VIII. EXECUTIVE SESSION

None.

IV. ADJOURNMENT

A motion was made by Christianson to ADJOURN. Hearing no objections, the meeting ADJOURNED at 8:20 p.m.

ATTEST: _____
Sara Peterson, MMC
Municipal Clerk