



CITY AND BOROUGH OF SITKA

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

Minutes - Final

City and Borough Assembly

Mayor Steven Eisenbeisz
Deputy Mayor Thor Christianson,
Vice Deputy Mayor Valorie Nelson,
Kevin Knox, Kevin Mosher, Crystal Duncan, Rebecca
Himschoot

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

Tuesday, December 22, 2020

6:00 PM

Assembly Chambers

REGULAR MEETING

I. CALL TO ORDER

II. FLAG SALUTE

III. ROLL CALL

Eisenbeisz attended in-person. All other members participated by videoconference.

Present: 7 - Christianson, Knox, Mosher, Nelson, Eisenbeisz, Himschoot, and Duncan

IV. CORRESPONDENCE/AGENDA CHANGES

[20-246](#)

Reminders, Calendars, and General Correspondence

Eisenbeisz shared correspondence from the Sitka Pregnancy Center that expressed thanks to the assembly for a grant. No agenda changes.

V. CEREMONIAL MATTERS

None.

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

None.

VII. PERSONS TO BE HEARD

Ben Hughey representing the Sitka Conservation Society thanked the city for the

Transitional Employment program agreement and gave an overview of the program. Richard Wein told of items in the news that included statistics with regards to COVID and a new stimulus package. Michael Winters introduced a special guest, Santa Claus who wished Sitka a Merry Christmas.

VIII. CONSENT AGENDA

A motion was made by Himschoot that the Consent Agenda consisting of item A be APPROVED. The motion PASSED by the following vote.

Yes: 7 - Christianson, Knox, Mosher, Nelson, Eisenbeisz, Himschoot, and Duncan

- A** [20-240](#) Approve the minutes of the November 24, December 1, and December 8 meetings

This item was APPROVED ON THE CONSENT AGENDA.

IX. BOARD, COMMISSION, COMMITTEE APPOINTMENTS

None.

X. UNFINISHED BUSINESS

None.

XI. NEW BUSINESS:

- B** [20-241](#) Approve Amendment No. 1 to Biokare Inc. dba Eckert Fine Beverages Purchase Agreement for Raw Water for Export

Richard Wein reviewed the contract and stated that Eckert was nonproductive and failed to export. He felt the terms were low and the costs should be increased.

Gary Paxton Industrial Park (GPIP) Director Garry White stated that Eckert Fine Beverages' business plan had changed. He said the city had 9.5 billion gallons of water to use and the volume Eckert was asking for was 100 million gallons. He stated the city had shipped 900 gallons of water in the past 9 years. He noted that even with this agreement, there would still be enough water if someone wanted to come in and do a bottling plant. He said that fees had been raised to bring positive cash flow to the city. He told of his tickler system for agreements, that a 45-day cure letter was drafted which was reviewed by the legal department, administrator, and GPIP Board after the time frame of 36 months. He reminded of the city's option to terminate the agreement.

Knox stated his support, thought it interesting that they were trying to do this new business plan, and noted that distilling of spirits took a lot of water. He felt that bulk water was speculative but that it would be nice to see if someone could do something with it.

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

Yes: 5 - Christianson, Knox, Mosher, Himschoot, and Duncan

No: 2 - Nelson, and Eisenbeisz

C [20-244](#)

Approve the issuance of a Request for Proposal for private sector development of a haul out at the Gary Paxton Industrial Park *(final decision postponed at December 22, 2020 assembly meeting and then again on January 12, 2021)*

Richard Wein felt that detailed environmental coverage was needed and wondered of the city obligations i.e., utilities. He thought it problematic to sell the property. Gary Paxton Industrial Park (GPIP) Director Garry White stated there was an error in the packet materials and the RFP was not the most current version. He said that to date, the process had not been successful in attracting private sector funding. He understood that the preferred method was to go into a long-term lease and noted that the GPIP Board of Directors had approved policies for a city owned yard which was similar to the City of Homer. Linda Behnken told of a small group coming together to create an interim option so Sitka would not be without a boat yard and haul out. They were looking at raising funds as a non-profit. Jeff Farvour stated the intent of the small group was to maintain the ramp in order to use the critical infrastructure. The group wished to work with other proposers and felt the most success would be a private/public partnership. Eric Jordan supported the interim idea. He also said the city should look at a haul out on Japonski Island in addition to pursuing the interim non-profit idea.

Municipal Administrator John Leach reviewed the timeline and history of the haul out. He told of the three months of public input with the task force that included board meetings and assembly members. He was looking for clear guidance and direction to continue with the RFP or for changes that needed to be made.

Eisenbeisz stated that due to the wrong RFP in the packet, that some deliberation should take place, but thought to postpone. Nelson believed that the bigger the butterfly net, the more that would be caught. She was in support of a private ownership and felt that it was a drain on city staff and resources. Christianson had no problem leaving the private ownership option out there, but didn't think it would happen. He agreed that it was wise to cast a wide net and was in support of a long-term lease but also in support of the fee schedule that the administrator was working on. Knox agreed with Christianson and didn't think the interim plan would preclude anyone from coming in. He felt it was a good opportunity and a haul out was needed. Although a lot of work needed to go into it, it was a benefit to the community so he urged to do it right and put the work in. Himschoot told of her concerns with setting rates that were affordable and noted the need to be clear going into it so that proposals were what was wanted. Mosher echoed to cast a wide net and expressed frustration in the process so far. He reminded that the assembly could accept a RFP or not, but felt that even if it passed, he didn't feel that an investor would come in. Duncan questioned the timeline and wondered if a postponement would affect it.

Leach noted concerns that at least another 30 days of work was needed on the RFP, along with another assembly meeting, and an advertising period of three months for proposals. He asked if the interim solution and rate/fee schedule would suffice stating that the RFP would need to be structured to include those.

White told of the differences between the current RFP and the one in the packet: under scope of work there were defined parameters and strongly to consider bullet points. He noted that folks wanted a marine travel lift and that they refused to put a boat on a trailer which was a design criteria.

Eisenbeisz wondered if the item needed a work session. Christianson thought to let the interim idea move forward.

Richard Wein was in support of a postponement as it would allow time to understand and have additional answers. White noted that the October 29th GPIB Board of Directors meeting had the correct RFP and indicated where to find that information.

A motion was made by Nelson to POSTPONE this item to the next regular meeting (January 12, 2021). The motion PASSED by the following vote.

Yes: 7 - Christianson, Knox, Mosher, Nelson, Eisenbeisz, Himschoot, and Duncan

D [20-243](#)

Approve a temporary lease between the City and Borough of Sitka and K&E Alaska, Inc. for municipal property at Granite Creek Lease Area Site 4 using prior agreement

Richard Wein wondered what the value of the lease was and provided historical details. He said it should be refined and updated before being approved. He questioned how much rock was taken out and what records were kept.

Municipal Administrator John Leach said that a survey was being completed for royalties and a RFP was being developed but that this would allow to have a month-to-month lease status until then.

Nelson said that all leases in Granite Creek should be looked at and noted that subleasing wasn't allowed previously. She felt this was a good short-term fix. She disclosed her husband owned rentals that K&E pays but didn't feel it was a conflict. Eisenbeisz ruled no conflict.

Municipal Attorney Brian Hanson reiterated that an extensive review was taking place with Jay Sweeney now doing lease management.

A motion was made by Christianson that this item be APPROVED. The motion PASSED by the following vote.

Yes: 7 - Christianson, Knox, Mosher, Nelson, Eisenbeisz, Himschoot, and Duncan

E [RES 20-32](#)

Declaring a local emergency in response to the 2020 Complex Weather System and a request for State and Federal assistance

Richard Wein felt this was necessary as there were \$1M of items to be reimbursed.

Municipal Administrator John Leach told the resolution aligned with the governor's declaration and gave details of the damages.

Eisenbeisz thought it was a necessity. Christianson stated it was necessary and straight forward.

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 - Christianson, Knox, Mosher, Nelson, Eisenbeisz, Himschoot, and Duncan

F [20-245](#)

Update/Discussion on the CARES Act Working Group progress (*public comment to be taken*)

Municipal Administrator John Leach was anticipating closing out the CARES Act

Funding of just over \$14 million since the original close out date was December 30, 2020, but shared the close out date had been extended to September 30, 2021. He felt that the working group put together a strong plan of grants for utilities subsidies, social programs, and city mitigation efforts in which the funding was working as planned and final invoices were coming in that staff was verifying. He had hoped to continue the original plan and close out the first round of funding on December 30 as anticipated. He stated the amount of funding remaining would be fairly minimal. Leach answered unused funds would be used toward public safety. He thanked staff that worked on distributing CARES Act funding.

Richard Wein thanked the administrator and staff as well as the work group for putting this together.

Christianson agreed that it should be closed out and liked the plan to capture extra expenses in public safety.

XII. PERSONS TO BE HEARD:

Richard Wein stated that city commodities should not be given away. He reminded that the haul out should be "our" haul out and encouraged to get the haul out going.

XIII. REPORTS

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

Mayor - Eisenbeisz thanked the assembly for their work throughout the year and stated he was looking forward to working with them in the coming year.

Administrator - Leach gave a brief report of the Emergency Operations Center (EOC) noting the downward trend in active COVID cases in Sitka along with the downward trend in the wastewater report. He reported that the first round of vaccines took place last week and was proceeding with a plan from state allocations.

Attorney - Hanson expressed thanks to the administrator and the legal assistant.

Liaison Representatives - Christianson reported that the Planning Commission meetings had been cancelled. Himschoot reported on the School Board meeting.

Other - Mosher thanked assembly members, city staff, and members of the public. Nelson wished everyone a happy holiday.

XIV. EXECUTIVE SESSION

None.

XV. ADJOURNMENT

A motion was made by Knox to ADJOURN. Hearing no objections, the meeting ADJOURNED at 7:40 p.m.

ATTEST: _____
Melissa Henshaw, CMC
Acting Municipal Clerk