



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, January 12, 2021

6:00 PM

Assembly Chambers

REGULAR MEETING

I. CALL TO ORDER

II. FLAG SALUTE

III. ROLL CALL

Duncan participated by videoconference.

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

IV. CORRESPONDENCE/AGENDA CHANGES

Mayor Eisenbeisz stated items A & G had been pulled from the agenda.

[21-010](#)

Reminders, Calendars, and General Correspondence

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)

School Board President Amy Morrison spoke to recent events in the School District, School Superintendent search, and reminded of the joint budget meeting with the Assembly on February 4.

VII. PERSONS TO BE HEARD

Carin Adickes wondered when the pool at Blatchley Middle School would reopen to the public. Marshall Albertson spoke to correspondence sent to the Assembly regarding his beliefs and actions. Richard Wein reported on the Sitka Community Health Council meeting, told of the upcoming herring fishery, and spoke of current events. Harvey Brandt told of his time as an educator and stated the foundation of our democracy was being challenged. Keoki Tafaioalii spoke to the good Marshall Albertson does for Sitka. Valorie Nelson stated the Nation had become divided, stressed the need for tolerance and patience, and stated Harbor Department employees should be at the forefront to receive a COVID-19 vaccine. Thor Christianson stated the United States of America was based on the democratic process and added the people who recently attacked the U.S. Capitol did not represent democracy. Mia Nevarez voiced concern over threatening language and behavior she had observed of some Sitkans.

VIII. CONSENT AGENDA

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

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

- A** [21-001](#) Approve the minutes of the December 17, December 22, and January 12 assembly meetings
Item PULLED from agenda. No action taken.
- B** [21-002](#) Approve a liquor license renewal application for House of Liquors Inc. dba Salty Sal's Liquor Cabinet at 321-B Lincoln Street
This item was APPROVED ON THE CONSENT AGENDA.
- C** [RES 21-01](#) Adopting an alternative allocation method for the FY21 Shared Fisheries Business Tax Program and certifying that this allocation method fairly represents the distribution of significant effects of fisheries business activity in FMA:18 Central Southeast Area
This item was APPROVED ON THE CONSENT AGENDA.

IX. BOARD, COMMISSION, COMMITTEE APPOINTMENTS

- D** [21-008](#) Reappoint Michael Nurco to a three-year term on the Port and Harbors Commission

Richard Wein spoke in support of Nurco.

Knox thanked Nurco for his service.
A motion was made by Knox that this item be APPROVED. The motion PASSED by the following vote.
Yes: 7 - Christianson, Knox, Mosher, Nelson, Eisenbeisz, Himschoot, and Duncan
- E** [21-004](#) Appoint at least seven members but no more than twelve to the Climate Action Task Force - applicants are: 1) Elizabeth Bagley, 2) Kent W. Barkhau, 3) Linda Behnken, 4) Elizabeth Borneman, 5) Norm Campbell, 6) Molly Gear, 7) ~~Joel Hansen~~, 8) Kathleen Kreiss, 9) Olivia Magni, 10) Leah Mason, 11)

Darby Osborne, 12) Willoughby Peterson, 13) Catherine Riley, 14) Caitlin Way, 15) Caitlin Woolsey

Assembly members discussed methods of appointment and offered opinions regarding the number of members. Municipal Clerk Sara Peterson reminded Joel Hanson had withdrawn his application. There were 14 applicants to be considered.

A motion was made by Nelson to cap the Task Force at nine members. The motion PASSED by the following vote:

Yes: 5 - Christianson, Nelson, Knox, Mosher, and Eisenbeisz

No: 2 - Himschoot and Duncan

From the public, Richard Wein reminded this was a task force, not a commission. He recommended all applicants be appointed.

Nelson nominated Elizabeth Bagley, Kent W. Barkhau, Linda Behnken, Elizabeth Borneman, Norm Campbell, Molly Gear, Kathleen Kreiss, Olivia Magni, Leah Mason, Darby Osborne, Willoughby Peterson, Catherine Riley, Caitlin Way, and Caitlin Woolsey to serve on the Climate Action Task Force.

Molly Gear spoke to her qualifications. Of those present, Knox asked how the applicants viewed climate change and climate resiliency around social justice. Borneman, Bagley, Riley, Osborne, Woolsey, and Magni provided responses.

A vote of the Assembly was taken for the nine available seats:

Bagley - 7 votes
Barkhau - 6 votes
Behnken - 3 votes
Borneman - 4 votes
Campbell - 3 votes
Gear - 5 votes
Kreiss - 5 votes
Magni - 2 votes
Mason - 1 vote
Osborne - 7 votes
Peterson - 4 votes
Riley - 5 votes
Way - 5 votes
Woolsey - 6 votes

There was a tie between Borneman and Peterson for the ninth seat. A vote of the Assembly was taken.

Borneman - 4 votes
Peterson - 3 votes

The nine applicants appointed to serve on the Climate Action Task Force were: Bagley, Barkhau, Borneman, Gear, Kreiss, Osborne, Riley, Way, and Woolsey.

X. UNFINISHED BUSINESS:

- F** [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)

This item was postponed at the December 22, 2020 assembly meeting.

A motion was made by Nelson to direct the Municipal Administrator to issue the Request for Proposal, as written, for private sector development of a haul out at the Gary Paxton Industrial Park and advertise for a 90 day period. (No vote was taken on the main motion as amended.)

Christianson mentioned possible amendments proposed by the Haul Out Task Force (HOTF).

From the public, Richard Wein stated the project needed to move forward, however, the RFP had enormous asks. Jeremy Serka planned to submit a proposal and urged the assembly to keep the lease to own option available. Jeff Farvour spoke to the importance of a haul out and of the City maintaining ownership. Linda Behnken spoke in support of the changes from the task force, the City maintaining ownership of the land, and a shortened advertising period.

An amendment was made by Knox to shorten the advertising period of the RFP from 90 days to 60 days. The amendment PASSED by the following vote.

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

No: 2 - Nelson and Eisenbeisz

From the public, Richard Wein and Garry White spoke in support.

Nelson didn't feel 60 days was long enough and voiced support of the City selling the land. Eisenbeisz wondered if the RFP was being altered to suit the needs of certain proposers. HOTF members, Christianson and Knox, explained the intent was to move the project forward and the decreased advertising time appeared to be doable by all potential applicants.

An amendment was made by Knox to modify the scope of the project in the RFP by moving the first two bullet points under required components to the aspirational project scope. These include "Provide haul-out and vessel washdown system for the next 20 years" and "Provide float for passengers to safely get off a vessel prior to being lifted out of the water." The amendment PASSED by the following vote.

Yes: 6 - Duncan, Eisenbeisz, Christianson, Himschoot, Knox, and Mosher

No: 1 - Nelson

From the public, Richard Wein testified in support of the amendment.

Christianson and Knox explained without a washdown system only dry work could be done. The intent of the amendment was to "widen the net" to allow for creative financing/solutions.

An amendment was made by Christianson to modify sentence in Section B Preferred Outcome from "Developers are expected to finance the full project development" to "Developers are expected to finance the full project

development, however, CBS may have limited loanable economic development funds for the initial startup." The amendment FAILED by the following vote.

Yes: 1 - Christianson

No: 6 - Eisenbeisz, Knox, Mosher, Duncan, Himschoot, and Nelson

From the public, Richard Wein and Jeremy Serka spoke in support of the amendment.

Municipal Administrator John Leach reminded any loan from the Southeast Economic Development Fund would be a participation loan and read Sitka General Code 4.44.020(A). Municipal Attorney Hanson advised the amendment would permit a conditional response.

An amendment was made by Knox to remove all references to sale of property in the document and only focus on the preference of long term lease options. The amendment FAILED by the following vote.

Yes: 1 - Himschoot

No: 6 - Knox, Eisenbeisz, Mosher, Nelson, Christianson, and Duncan

From the public, Richard Wein spoke in support. Jeremy Serka urged the Assembly to keep all options open.

The Assembly discussed modifying the scoring criteria to give preference of lease options over private purchase, however, determined more input was needed from the HOTF for presentation to the Assembly. It was suggested to postpone the item to January 26.

A motion was made by Himschoot to POSTPONE this item to the January 26 regular meeting. The motion PASSED by the following vote.

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

No: 1 - Himschoot

Garry White expressed confusion as to what would be gained from delaying a final vote. Richard Wein spoke in opposition to postponement.

XI. NEW BUSINESS:

G [20-242](#) ~~Approve the promotion of Melissa Henshaw from Deputy Clerk/Records Specialist to Community and Government Affairs Director~~ PULLED
Item PULLED from agenda. No action taken.

H [21-003](#) Approve a sublease agreement between Northline Seafoods LLC and Sitka Salmon Alaska Holdings LLC

From the public, Richard Wein spoke in support of the sublease.

Municipal Administrator John Leach stated as of January 26 all parties were in

compliance. Municipal Attorney Brian Hanson reminded this was a sublease, not an assignment of lease. It did not assign over any rights to ultimately purchase the property.

A motion was made by Christianson to APPROVE a sublease agreement between Northline Seafoods LLC and Sitka Salmon Alaska Holdings LLC with the condition that all parties become compliant with Sitka General Code and authorize the Municipal Administrator to execute the document. The motion PASSED by the following vote.

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

I [21-005](#)

Approve a Consent To Assignment Of Lease between the City and Borough of Sitka and Bradley L. Shaffer to Christopher H. Balovich regarding a tidelands lease seaward of property located at 479 Katlian Street

Richard Wein spoke to lease length, wondered of the assessment change, and the importance of the City to receive a good return.

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

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

J [21-006](#)

Discussion / Direction / Decision on the timeline and development of an RFP for the former Sitka Community Hospital site

Municipal Administrator John Leach reminded in October SEARHC representatives had expressed an interest in purchasing the former Sitka Community Hospital site which they currently lease. At the December 1 special assembly meeting the Administrator was given direction to initiate sale proceedings. On December 14, the City had received correspondence from SEARHC expressing a desire to pursue the purchase through a competitive bid process. Leach reviewed the draft timeline. He noted a supplemental appropriation would be necessary to obtain the appropriate support to develop a RFP, provide an independent assessment of the building, and obtain an in-depth building inspection. Assembly members spoke in support of the aggressive timeline and bringing back a supplemental appropriation at the January 26 meeting.

XII. PERSONS TO BE HEARD:

Marshall Albertson spoke to social justice and results from his recent genealogy test. Mia Nevarez told of incidents with Marshall Albertson. Richard Wein spoke against the sale of the former Sitka Community Hospital site and urged the assembly to retain a lease which would generate revenue.

XIII. REPORTS

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

Mayor - Eisenbeisz relayed he had been contacted by the Mayor of our Sister City extending well wishes for the new year. He told of a group he had been working with for beautification efforts and had chosen to use a portion of his Mayor's Contingency fund to pay for disposal of garbage.

Administrator - Leach reported on vaccine distribution and statistics to be added to the COVID-19 Dashboard.

Liaison Representatives - Knox reminded of the January 13 Port and Harbors Commission meeting.

Clerk - Peterson told of upcoming meetings.

Other - Nelson relayed she was updating a spreadsheet on electric rates and would provide to the Clerk for distribution to the Assembly.

XIV. EXECUTIVE SESSION

K [21-007](#) Financial Matter - Former Sitka Community Hospital Closeout

A motion was made by Himschoot to go into executive session with Finance Director Melissa Haley to discuss matters related to the former Sitka Community Hospital closeout, the immediate knowledge of which would adversely affect the finances of the City and Borough of Sitka. The motion PASSED by the following vote.

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

Richard Wein stated the motion was cryptic and requested an explanation for the public.

The Assembly was in recess from 9:35pm to 9:45pm. Members were in executive session from 9:45pm to 10:20pm. Duncan participated in-person.

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

Mayor Eisenbeisz announced the assembly had gone into executive session to meet on a financial matter in regards to the former Sitka Community Hospital closeout. He stated the Municipal Attorney had been directed to bring back a motion at the January 26 meeting which would accomplish the Assembly's goals of the closeout.

XV. ADJOURNMENT

A motion was made by Knox to ADJOURN. Hearing no objections, the meeting ADJOURNED at 10:25pm.

ATTEST: _____
Sara Peterson, MMC
Municipal Clerk