



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*

Thursday, February 18, 2021

6:00 PM

Assembly Chambers

SPECIAL MEETING

I. CALL TO ORDER

II. FLAG SALUTE

III. ROLL CALL

Present: 6 - Christianson, Knox, Nelson, Eisenbeisz, Himschoot, and Duncan

Absent: 1 - Mosher

IV. CORRESPONDENCE/AGENDA CHANGES

None.

V. PERSONS TO BE HEARD

None.

VI. NEW BUSINESS:

A [21-023](#)

Discussion / Direction / Decision of the FY2022 Municipal Budget: 1) Follow up on General Fund 2) Enterprise Funds

Municipal Administrator John Leach reminded staff was looking for overall guidance on building the draft budget.

Finance Director Melissa Haley reviewed the budget process, meeting dates and topics, and reminded the Charter required the budget be finalized within 10 days prior to the end of the fiscal year otherwise the draft budget would pass.

Haley provided updates and follow up information on the General Fund from the January

21 meeting. At the recommendation of the Assembly, staff had identified two capital projects to add to the budget funded by the Building Maintenance Fund (HCH cedar refinish and City Hall carpet replacement). The Assembly had also requested further information regarding two of the new positions - Assistant Fire Chief and additional 911 Dispatcher. Haley stated the Assistant Fire Chief would provide for continuity of command, cost savings of \$15k-\$20k in overtime/standby, support Fire Marshal duties, manage training, reduce the span of control from 13 to 6, conduct fire investigations, and take care of radio training/maintenance. Haley relayed the need for an additional 911 Dispatcher had been identified in 5 different reports since 1988, spoke of the high turnover and high call volume. The goal of centralized fire and police dispatch would promote faster response times, ensure safety of fire personnel, and improve overall efficiency. Staff noted there would be no infrastructure changes.

Next, Haley reviewed each of the Enterprise Funds. She and Leach explained the staff process used to reach the proposed rates. Haley provided an overview of the Electric Fund, residential rates, and spoke to the need for a master plan. She noted a proposed 2.5% increase for FY22, reviewed the fiscal models, and spoke to current challenges. Haley told of capital projects and proposed changes to the department - e.g. addition of contract/lease manager position and increased wages for the line crew.

Haley provided a summary of the Water Fund. She noted a 4% rate increase for FY22.

For the Wastewater Fund, Haley told of the 2.5% rate increase for FY22 and reviewed capital projects.

Haley reviewed the Harbor Fund. She noted it, like many of the other funds, had no/minimal rate increases for a long time, told of lower raw fish tax receipts, potential of decreased State funding, and needed work to infrastructure plans. Haley relayed the Port and Harbors Commission had reaffirmed their commitment to a 5% increase for FY22 and FY23 to stay on track. They also supported a revision to the master plan with emphasis on reviewing the possibility of extending life of infrastructure. In closing, she reviewed the Harbor Fund capital projects.

Regarding the Solid Waste Fund, Haley noted contract costs drove the rates, told of the goal to get the fund out of a negative cash position and keep up with inflation increases, and told of a proposed rate increase of 4.5% for FY22.

At the end of the presentation the Assembly offered their thoughts. Christianson said no one wanted to see rates go up, however, reminded that for years rates were artificially low and stressed the need for keeping up with inflation. Nelson said she was opposed to any rate increases and reminded the financial ramifications of the pandemic remained unclear. Knox agreed with Christianson's comments and spoke to the need for master plans. Himschoot thanked staff and spoke favorably to no increases above the cpi. Duncan wondered of a solution that would enable rates to remain at current levels.

B [21-024](#)

Discussion / Direction of the FY2022 Municipal Budget as it relates to the General Fund and other Funds (*Assembly action may be taken*)

Nelson wished to see an update on the ramifications of COVID-19 and the differences in bed tax between FY19 and FY20/FY21. Himschoot wondered if in the future there would be gain in implementing water conservation. Members discussed the idea and wondered of associated costs of adding household meters. Public Works Director Michael Harmon noted communities often installed meters because they didn't have an abundance of water. Knox reminded increased regulations were driving costs.

VII. PERSONS TO BE HEARD:

Richard Wein provided thoughts on the addition of 3 FTE's, the increase of enterprise fund rates, told of the need for Sitka to have a comprehensive management plan for waste, and told of the failure of the Congressional Delegation and State Legislature to advocate for Sitka regarding FERC issues. Thor Christianson encouraged Sitkans to register for the COVID-19 vaccine. Valorie Nelson reminded the COVID-19 vaccine was not FDA approved and urged individuals to be cautious.

VIII. EXECUTIVE SESSION

None.

IX. ADJOURNMENT

A motion was made by Knox to ADJOURN. Hearing no objections, the meeting ADJOURNED at 7:48 p.m.

ATTEST: _____
Sara Peterson, MMC
Municipal Clerk