



CITY AND BOROUGH OF SITKA

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

Minutes

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, May 25, 2021

6:00 PM

Assembly Chambers

REGULAR MEETING

I. CALL TO ORDER

II. FLAG SALUTE

III. ROLL CALL

Christianson left meeting at 9:00pm.

IV. CORRESPONDENCE/AGENDA CHANGES

No agenda changes.

[21-094](#)

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)

Sitka Tribe of Alaska, Tribal Chair Woody Widmark, provided a report on Council
business.

[21-087](#)

Climate Action Task Force Update

Climate Action Task Force Chair Elizabeth Bagley stated the Task Force had been gathering information which included review of the 2010 Climate Action Plan, models of municipal climate action in Alaska, grant opportunities available, and ideas for action at the local, state, and federal levels. Bagley noted the Task Force wished to provide quarterly updates, requested a future work session, and requested an Assembly Liaison be appointed.

VII. PERSONS TO BE HEARD

Adam Chinalski spoke to the landslide management ordinance and the unintended consequences of the restrictions. He urged the Assembly to rescind the ordinance. Darrell Windsor asked the Assembly to direct the Municipal Administrator to request SEARHC remove their parking signs on Brady Street. Joel Hanson spoke to climate changes and thanked the Climate Action Task Force for their work. Richard Wein spoke of Memorial Day and its significance. Doug Osborne encouraged citizens to compost.

VIII. CONSENT AGENDA

Richard Wein spoke to item C, noted the taxable property amount, and voiced support for item D.

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

A [21-088](#)

Approve the minutes of the May 11 Assembly meeting

This item was APPROVED ON THE CONSENT AGENDA.

B [21-089](#)

Approve a liquor license renewal application for JL Totem, Inc. dba Totem Square Inn at 201 Katlian Street

This item was APPROVED ON THE CONSENT AGENDA.

C [RES 21-10](#)

Setting the millage rates for the fiscal year July 1, 2021 through June 30, 2022

This item was APPROVED ON THE CONSENT AGENDA.

D [RES 21-11](#)

Authorizing a 50/50 matching grant application to the Office of Justice Programs - Bulletproof Vest Partnership

This item was APPROVED ON THE CONSENT AGENDA.

IX. BOARD, COMMISSION, COMMITTEE APPOINTMENTS

None.

X. UNFINISHED BUSINESS:

- E** [ORD 21-09](#) Adopting budgets and capital improvement plan for the General Fund, Internal Service Funds, and Special Revenue Funds for the fiscal year July 1, 2021 through June 30, 2022
- Richard Wein stated it was critical to prioritize infrastructure spending and believed the fiscal future would be difficult.
- Nelson spoke in opposition stating citizens were struggling financially.
- A motion was made by Knox that this Ordinance be APPROVED on FIRST READING. The motion PASSED by the following vote.**
- F** [ORD 21-10](#) Adopting the budget and capital improvement plan for all Enterprise Funds for the fiscal year July 1, 2021 through June 30, 2022, amending rates in Title 15 “Public Utilities” of the Sitka General Code and adopting moorage rates and other harbor fees
- Richard Wein stated the increases were under the guise of inflation and urged the City to live within its means. Jeff Kinnan spoke to the reduction in the value of money.
- Nelson spoke in opposition to the wage increase in the Electric Department. Mosher thanked staff for cutting costs and making efficiencies. Administrator Leach noted staff was sensitive to rates and spoke to processes in place to ensure revenue was collected appropriately.
- A motion was made by Himschoot that this Ordinance be APPROVED on SECOND AND FINAL READING. The motion PASSED by the following vote.**

XI. NEW BUSINESS:**New Business First Reading**

- G** [ORD 21-11](#) Amending Title 4 “Revenue and Finance” of the Sitka General Code by updating Chapter 4.10 “Alaska Remote Seller Sales Tax”
- Richard Wein noted the additional net revenue of \$399,500 and spoke to Alaska Remote Seller Sales Tax Commission (ARSSTC) fees.
- Christianson thanked the ARSSTC for their work. Mosher and Nelson noted the high percentage fees.
- A motion was made by Christianson that this Ordinance be APPROVED on FIRST READING. The motion PASSED by the following vote.**

Additional New Business Items

H [RES 21-12](#)

Authorizing the Municipal Administrator to enter into port agreements with cruise line corporations for the purpose of satisfying requirements of the Centers for Disease Control and Prevention to allow cruise ships to visit the Port of Sitka in calendar year 2021

Richard Wein wondered of the oversight and general conditions mentioned. Chris McGraw spoke in support of the Resolution. Joel Hanson noted cruise lines weren't always transparent.

Administrator Leach provided an overview, stated he was working with the cruise lines and other ports and reiterated communication would be important to ensure agreements were followed. Assembly Members expressed support and wondered of mitigation measures should an outbreak occur on a ship. Leach noted these types of issues would be discussed with the cruise lines and ports.

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

I [21-090](#)**Discussion / Direction / Decision on response received for 4951 Halibut Point Road Development RFP (possible executive session)**

Mosher disclosed he was an employee of Shee Atika Inc., Duncan disclosed she was a Shee Atika shareholder, and Nelson disclosed she had rental property near the cruise ship dock/subject property. Mayor Eisenbeisz ruled all could participate.

Planning Director Amy Ainslie provided history of the item, stated one response had been received, and reviewed the potential paths forward. Options included proceeding with the preparation of a lease based on terms in the RFP, directing staff to negotiate different terms for the lease, or not proceeding with leasing the site.

A motion was made by Christianson to go into executive session with Planning Director Amy Ainslie to discuss the alternative paths forward for 4951 Halibut Point Road as referenced in Ms. Ainslie's memorandum or as otherwise determined appropriate, under the statutory category of matters, the immediate knowledge of which would adversely affect the finances of the municipality. The motion PASSED by the following vote.

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

No: 1 - Nelson

Richard Wein spoke in opposition to executive session.

The Assembly was in executive session from 7:40pm to 8:35pm. Christianson left the meeting at 9pm.

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

From the public, Richard Wein reminded the Assembly as the governing body had the responsibility to determine lease terms. Fred Reeder, Joel Hanson, Chris McGraw, Caroline Storm, and Karl Potts spoke in support of the motion. Adam Chinalski spoke in opposition.

Knox expressed concern of long-term rentals being pulled off market to house seasonal employees and questioned if sales tax was remitted for shore excursions sold on board.

A motion was made by Knox to direct the Municipal Administrator to negotiate a lease for 4951 Halibut Point Road based on terms as discussed in executive session. The motion PASSED by the following vote.

- J** [21-091](#) Discussion on potential uses for the Norwegian Cruise Line Holdings Ltd. donation (public comment to be taken)
- Administrator Leach told of the \$1M donation received from Norwegian Cruise Line Holdings, Ltd. Citizens and staff had submitted ideas for potential uses. He hoped to receive comments from the public this evening and at the June 8 meeting.
- Comments from the public
- Joel Hanson suggested using the money to monitor air and water quality near the cruise ship dock; Richard Wein suggested the donation be used for hard assets; Lynne Brandon suggested trail use; Adam Chinalski suggested tourism - such as repairing Lincoln Street.
- Assembly Discussion
- Himschoot wished to learn more from a multitude of resources before making a decision and reminded of the need for a homeless shelter. Mosher was in favor of infrastructure development. Nelson suggested using the donation on something that would benefit visitors such as improvements to Lincoln Street or increasing bandwidth. Eisenbeisz suggested placing the money in the Permanent Fund, using on infrastructure, and seeking input from the Planning Commission.
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- K** [21-093](#) Discussion on potential uses for American Rescue Plan Act funding (public comment to be taken)
- Administrator Leach stated the City was projected to receive \$3.4 in American Rescue Plan Act funding split over two payments. The first was estimated to be approximately \$1.6M with the remainder to be received a full year later. As with the previous item, he relayed many comments from citizens and staff had been received on potential uses.
- From the public, Richard Wein noted the money should be used on infrastructure and hard assets.
- Some Assembly Members suggested it may be beneficial for the Administrator to determine top three to five priorities and form a working group to determine distribution. Eisenbeisz was agreeable to a working group and also noted infrastructure as a possible use.
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- L** [21-092](#) Discussion / Direction on the possibility of partnering with the Sitka Tribe of Alaska on a community-wide needs assessment
- Cosponsor Himschoot relayed at the last government to government meeting she had a conversation with Tribal Council Members in which she learned of a needs assessment. She wondered of partnering with Sitka Tribe of Alaska (STA). Cosponsor Eisenbeisz told of the valuable data in the 2017 STA needs assessment and believed such a document could be valuable for the City. Knox believed there was a possibility to dial down further into community need. Nelson wondered of the financial requirement. Duncan encouraged a conversation between both governments on the topic. Eisenbeisz said he would reach out to STA to determine if a partnership was a possibility and the associated costs.

XII. PERSONS TO BE HEARD:

Richard Wein spoke to the order of the agenda items and the 4951 Halibut Point Road item.

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

Mayor - Eisenbeisz spoke to Sitka General Code 2.04.185 and reminded telephonic participation was limited to four times a year. He said since there was no longer an emergency declaration there wasn't an ability to circumvent that limitation. He believed it to be the Assembly's duty and obligation to follow the Code.

Administrator - Leach relayed he would be out of the office May 27 and June 2. Michael Harmon would be Acting Administrator.

Liaison Representatives - Nelson reminded the Climate Action Task Force had asked for a liaison.

Clerk - Peterson reviewed vacancies on boards and commissions.

XIV. EXECUTIVE SESSION

See item I.

XV. ADJOURNMENT

A motion was made by Knox to ADJOURN at 10:05pm.

ATTEST: _____
Sara Peterson, MMC
Municipal Clerk