



CITY AND BOROUGH OF SITKA

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

Meeting Agenda

City and Borough Assembly

Mayor Matthew Hunter
Deputy Mayor Bob Potrzuski
Vice-Deputy Mayor Steven Eisenbeisz
Tristan Guevin, Kevin Knox
Aaron Bean, and Aaron Swanson

Municipal Administrator: Mark Gorman
Municipal Attorney: Brian Hanson
Municipal Clerk: Sara Peterson

Tuesday, May 23, 2017

6:00 PM

Assembly Chambers

REGULAR MEETING

I. CALL TO ORDER

II. FLAG SALUTE

III. ROLL CALL

IV. CORRESPONDENCE/AGENDA CHANGES

[17-100](#) Reminders, Calendars and General Correspondence

Attachments: [Reminders and Calendars.pdf](#)

[Public Works Update.pdf](#)

[FEMA.pdf](#)

V. CEREMONIAL MATTERS

[17-090](#) Arbor Day Proclamation and Service Award for Debra Pohlman

Attachments: [Arbor Day.pdf](#)

[Pohlman Certificate.pdf](#)

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

VII. PERSONS TO BE HEARD

Public participation on any item off the agenda. All public testimony is not to exceed 3 minutes for any individual, unless the mayor imposes other time constraints at the beginning of the agenda item.

VIII. REPORTS**a. Mayor, b. Administrator, c. Attorney, d. Liaison Representatives, e. Clerk, f. Other****IX. CONSENT AGENDA**

All matters under Item IX Consent Agenda are considered to be routine and will be enacted by one motion. There will be no separate discussion of these items. If discussion is desired, that item will be removed from the Consent Agenda and will be considered separately.

- A** [17-091](#) Approve the minutes of the April 11, 17, 18, 19, 25, May 1, 2, 9
Assembly meetings

Attachments: [Consent and Minutes.pdf](#)

X. BOARD, COMMISSION, COMMITTEE APPOINTMENTS

- B** [17-093](#) Appoint Martha Moses to an unexpired term on the Historic Preservation
Commission in the category of "Sitka Tribe of Alaska - alternate seat"

Attachments: [Moses application.pdf](#)

XI. UNFINISHED BUSINESS:

- C** [ORD 17-11](#) Adjusting the FY17 Budget (Fire Department Operations, Crescent
Harbor Playground Project, Commercial Passenger Excise Tax)

Attachments: [Ord 2017-11.pdf](#)

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

- D** [ORD 17-13](#) Adjusting the FY17 Budget (Electric Utility Subsidization)

Attachments: [Motion Ord 2017-13.pdf](#)

[Ord 2017-13 electric subsidy.pdf](#)

- E** [ORD 17-15](#) Adjusting the FY17 Budget (Sitka Community Hospital Modular Unit)

Attachments: [Motion Ord 2017-15.pdf](#)

[Ord 2017-15.pdf](#)

[Memo SCH Modular.pdf](#)

- F** [ORD 17-16](#) Adopting budgets for the Fiscal Year July 1, 2017 through June 30,
2018

Attachments: [Motion Ord 2017-16.pdf](#)

[Ord 2017-16.pdf](#)

Additional New Business Items

- G** [RES 17-07](#) Setting temporary and seasonal moorage rates for Baranof Warm Springs Dock
Attachments: [Motion and Memo RES 17-07.pdf](#)
[2017-07 Baranof Warm Springs moorage rates.pdf](#)
[P&H Minutes.pdf](#)
- H** [17-101](#) Approve Amendment No. 6 to the lease agreement between the City and Borough of Sitka and Kootznahoo Fortress of the Bear
Attachments: [Motion and memo FOB lease amendment.pdf](#)
[Amendment No. 6.pdf](#)
[FOB memos.pdf](#)
[FOB exhibit.pdf](#)
[FOB lease 2003.pdf](#)
- I** [17-099](#) Sitka School District Budget Funding for FY18
Attachments: [SSD FY18 Funding.pdf](#)
[SSD FY18 Adopted Budget Book.pdf](#)
- J** [17-095](#) Approve a final subdivision plat for a Planned Unit Development at 1306 Halibut Point Road filed by the Sitka Community Land Trust
Attachments: [SCLT PUD final subdivision plat.pdf](#)
- K** [17-094](#) Accept the insurance settlement of approximately \$248,000 for the Administration Building at the Gary Paxton Industrial Park
Attachments: [insurance settlement.pdf](#)
- L** [17-096](#) Discussion/Direction/Decision on the selection of an Interim Administrator(s)
Attachments: [Acting Administrator\(s\).pdf](#)

XIII. PERSONS TO BE HEARD:

Public participation on any item on or off the agenda. Not to exceed 3 minutes for any individual.

XIV. EXECUTIVE SESSION

XV. ADJOURNMENT

Note: Detailed information on these agenda items can be found on the City website at <https://sitka.legistar.com/Calendar.aspx> or by contacting the Municipal Clerk's Office at City Hall, 100 Lincoln Street or 747-1811. A hard copy of the Assembly packet is available at the Sitka Public Library. Assembly meetings are aired live on KCAW FM 104.7 and via video streaming from the City's website. To receive Assembly agenda notifications, sign up with GovDelivery on the City website.

*Melissa Henshaw, CMC, Acting Municipal Clerk
Publish: May 19*



CITY AND BOROUGH OF SITKA

Legislation Details

File #: 17-100 **Version:** 1 **Name:**
Type: Item **Status:** AGENDA READY
File created: 5/17/2017 **In control:** City and Borough Assembly
On agenda: 5/23/2017 **Final action:**
Title: Reminders, Calendars and General Correspondence
Sponsors:
Indexes:
Code sections:
Attachments: [Reminders and Calendars.pdf](#)
[Public Works Update.pdf](#)
[FEMA.pdf](#)

Date	Ver.	Action By	Action	Result
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REMINDERS

<u>DATE</u>	<u>EVENT</u>	<u>TIME</u>
Thursday, May 18	Worksession <i>Recruiter meeting to establish Administrator candidate profile</i>	6:00 PM
Tuesday, May 23	Regular Meeting	6:00 PM
Tuesday, May 30	Worksession <i>SEARHC presentation of management proposal for collaboration with Sitka Community Hospital</i>	6:00 PM
Tuesday, June 13	Regular Meeting	6:00 PM



Assembly Calendar

2016 Jan Feb Mar Apr May Jun Jul Aug Sep Oct Nov Dec 2018

May 2017

Sunday	Monday	Tuesday	Wednesday	Thursday	Friday	Saturday
30 <u>Apr</u>	1 May	2	3	4	5	6
Eisenbeisz	Eisenbeisz 6:00pm Board of Equalization	6:00pm Special Budget Meeting: Hospital 7:00pm Planning	6:30pm Library Board	12:00pm SEDA Board Meeting		
7	8	9	10	11	12	13
		12:00pm Parks & Rec 6:00pm <u>Regular Assembly Mtg</u>	Potrzuski 12:00pm Health Needs & Human Services Commission 6:00pm Port & Harbors 6:00pm Historic Preservation	Potrzuski Hunter 12:00pm LEPC	Potrzuski Hunter	Potrzuski Hunter
14	15	16	17	18	19	20
Potrzuski Hunter Bean	Hunter Bean	Bean 12:00pm Tree/Landscape 7:00pm Planning	Bean	6:00pm Worksession: Meet with recruiter to establish a candidate profile for Municipal Administrator	Guevin	Guevin
21	22	23	24	25	26	27
Guevin	Guevin	Guevin 6:00pm <u>Regular Assembly Mtg</u>	Guevin 6:00pm Police and Fire Commission - Fire Hall	Guevin 6:00pm Hospital Board Meeting	Guevin	Guevin
28	29	30	31	1 <u>Jun</u>	2	3
Guevin	Guevin HOLIDAY	Guevin 6:00pm Worksession: SEARHC management proposal		12:00pm SEDA Board Meeting		

Assembly Calendar

[2016](#)
[Jan](#)
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[May](#)
[Jun](#)
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[Aug](#)
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[Oct](#)
[Nov](#)
[Dec](#)
[2018](#)

June 2017

Sunday	Monday	Tuesday	Wednesday	Thursday	Friday	Saturday
28 May	29	30	31	1 Jun	2	3
Guevin	Guevin HOLIDAY	Guevin 6:00pm Worksession: SEARHC management proposal		12:00pm SEDA Board Meeting		
4	5	6	7	8	9	10
		7:00pm Planning	6:30pm Library Board	12:00pm LEPC		
11	12	13	14	15	16	17
		12:00pm Parks & Rec 6:00pm <u>Regular Assembly Mtg</u>	12:00pm Health Needs & Human Services Commission 6:00pm Historic Preservation			
18	19	20	21	22	23	24
		12:00pm <u>Tree/Landscape</u> 7:00pm <u>Planning</u>		Hunter 6:00pm Hospital Board Meeting	Hunter	Hunter
25	26	27	28	29	30	1 Jul
Hunter	Hunter	Hunter 6:00pm <u>Regular Assembly Mtg</u>	Hunter 6:00pm Police and Fire Commission - Fire Hall	Hunter	Hunter	Hunter

PUBLIC WORKS ASSEMBLY UPDATE

WORK COMPLETED THROUGH APRIL 2017

Landslide Disaster Repair:

Milestones This Period

- The GPIP Administration Building Repair Project was presented to the GPIP Board for a decision to either move forward to repair the building to pre disaster condition or accepting the insurance settlement. The Board opted for taking the insurance settlement with a unanimous vote of 4/0.
- Continue construction of the diversion channel at the Water Treatment Plant Access road.

Future Milestones

- Grade and resurface Blue Lake and Green Lake Road.
- Substantial Completion of Blue Lake, Green Lake and Water Treatment Plant Access road is anticipated in June 2017.
- May 23, 2017 a motion for Assembly approval to accept the insurance settlement of approximately \$248,000 for the GPIP Administration Building.

Background

On August 18, 2015 a strong storm system brought heavy rains and winds to Sitka. This event caused multiple landslides on Baranof Island damaging City infrastructure. The City declared a local disaster emergency and requested State assistance. On August 27, 2015 Governor Bill Walker declared the event a disaster and authorized up to \$1,000,000 of expenditures funded from the Disaster Relief Fund (DRF) in the form of a grant from the Department of Military and Veterans Affairs, Division of Homeland Security and Emergency Management (DHS&EM). A request has been made to increase to \$1.6 million.

DHS&EM divides disaster related work into the following categories:

- Category A – Debris Removal
- Category B - Emergency Protective Measures
- Category C – Roads and Bridges
- Category D - Water Control Facilities (not included in our disaster)
- Category E – Buildings and Equipment
- Category F – Utilities (Water, Wastewater & Electric)
- Category G – Parks, Recreational Areas and Other Facilities

The City had damages relating to six out of the seven categories listed above. Nine project worksheets were created itemizing out the damaged areas and repairs to bring the infrastructure back to pre-disaster condition. The City estimates the repairs to be \$1.6 million and was granted authorization to spend \$1,500,000 by the Assembly.

Harrigan Centennial Hall (HCH) Renewal:

Milestones This Period

- Additional CBS Staff and consultant work on project record documents (as-builts) and close-out schedules for staff future operations.
- Production in progress for meeting room name signage, yellow cedar canoe cradle, and original totemic door pull art display.

- Furniture, Fixtures, and Equipment (FF&E) procurement of kitchen equipment and maintenance equipment is in progress.

Future Milestones

- Support operations during the warranty period.

Background

The project funding includes four State grants totaling \$11,500,000; a \$1,991,271 FY10 Legislative Grant designated for a lightering facility visitor's center (previously planned for under the O'Connell Bridge), \$1,180,000 FY11 CPET Head Tax grant, \$1,400,000 Marine Passenger Funds, \$232,620 heat pump grant, and \$66,000 from the Sitka Historical Society for a total project budget/funds of \$16.4 million.

Airport Terminal Improvements:

Milestones This Period

- Architect developing concept plans for upcoming stakeholder meetings.
- Financial consultants working on preliminary finance plan.

Future Milestones

- Prepare preliminary financial plan, concept diagrams, and preliminary project milestone schedule planned for Assembly approval June 2017.

Background

The Airport Terminal Improvement Project is intended to remedy some of the existing critical problems identified in the Airport Terminal Master Plan 2008-2011, including working conditions in the baggage make-up area and in the TSA baggage screening area, as well as problems with congested passenger queuing, screening, baggage, fish boxes, and waiting areas, or passenger flow. The Airport Terminal Improvements Project is funded through a \$275,000 budget appropriation, FY14 from prior Passenger Facility Charges (PFC) collected for terminal improvements. There is a remaining balance of \$232,000 of PFC funds that have not been appropriated. Currently PFCs are not being collected to fund design and construction of terminal improvements.

CBS accepted a TSA design grant in the amount of \$158,569.25 to design specific improvements to the TSA Baggage Screening Area. Other areas impacted by these design changes are ineligible for the TSA design funding and need to be funded by other sources, like funds collected through Passenger Facility Charges.

The preliminary TSA baggage screening layouts impact other adjacent terminal areas/spaces. These limited conceptual design schemes do not address the many problems that exist with passenger flow, queuing and through-put, waiting areas, or the handling fish boxes (which impact all aspects of the terminal, especially during the visitor season). Staff are working on a plan with the airport consultants and stakeholders to improve the airport terminal problems along with the baggage screening and will be presented to the Assembly for approval.

Sitka Wayfinding Signage

Milestones This Period

- Working with the Designer and Sitka Chamber of Commerce on completing the RFP with specific sign locations and site conditions identified.

Future Milestones

- Prepare the bid package and bid the project late spring/early summer 2017.
- Substantial Completion anticipated in fall 2017.

Background

Wayfinding signage was identified as one of the key projects in the 2010 Sitka Passenger Fee Fund Implementation Plan. On June 25, 2013 the Assembly approved a request from the Tourism Commission and Destination Sitka Working Group to move the Wayfinding Signage Project forward by funding the project utilizing Commercial Passenger Excise Tax proceeds. The Sitka Convention & Visitors Bureau (SCVB) was tasked to manage the project at that time. Later The Sitka Chamber of Commerce managed the project while the Consultant, Great Destinations Strategies (GDS), completed the design intent drawings and general specifications. With these complete, the project management has shifted to Public Works to oversee the fabrication and installation of the signage. The project is anticipated to be completed in 2017. The Assembly approved a budget appropriation of \$282,300 from CPET Funds, General capital projects Fund, for the purpose of designing and constructing Wayfaring signs.

Gary Paxton Industrial Park Dock:

Milestones this Period

- Developed/finalized design of site layout, transfer-bridge, barge retrofit, small vessel float, gangway, fire suppression and electrical systems.
- Coordination on barge wear deck design.
- Barge demolition and retrofit in progress at Puget Sound facility.
- Fabrication underway for transfer-bridge, small vessel float, dolphins.
- Project is ~36% complete with expenditures at approximately \$2.5 million.

Future Milestones

- Outfit barge and install pile hoops completed by June 2017.
- Transfer bridge fabrication and coatings completed by June 2017.
- Dry-dock barge for coating application July 2017.
- On site construction anticipated September - October 2017.

Background

The project is funded by a designated Legislative Grant, administered by the State of Alaska, Dept. of Commerce, Community & Economic Development, and Division of Community & Regional Affairs. The total amount of the grant is \$7.5 million. The project is administered by Public Works and the GPIIP Director, Garry White. A design/build contract was awarded to Turnagain Marine Construction in the amount of \$6,800,000 on November 22, 2016. The Assembly approved establishing a project contingency of \$250,000 utilizing \$125,000 from the Bulk Water Fund and \$125,000 from the GPIIP Enterprise Fund on December 13, 2016. Substantial completion is anticipated in October 2017.

Jeff Davis Street Reconstruction Project:

Milestones This Period

- Water main installed from John Brady Drive to Lincoln Street.
- Installation of 300 linear feet of storm drain pipe and two concrete storm structures.

Future Milestones

- Completion of water main installation, storm drain installation, curb, gutter and sidewalk replacement and pavement replacement south of John Brady Drive in May, as well as restoration of damages to lawns and landscaping along the length of Jeff Davis. Substantial Completion date is June 6, 2017.

Background

The project includes replacement of approximately 50-year old undersized water main with new, large diameter pipe within Jeff Davis Street and replacing the existing storm drainage infrastructure, pavement, curb, gutter and sidewalks. The project will also improve the sewer service to four homes on Jeff Davis Street currently served by a collection main crossing private property. A change order was executed to replace ~220 LF of critical sewer main which had not been anticipated, however had a significant belly (greater than 1 foot) and may have been a future issue that could undermine the new asphalt if not addressed. Funding for the project is provided by the following sources; \$644,000 FY2015 ADEC Grant, \$812,000 FY2014 ADEC Water Loan, \$225,000 from 2016 General Fund and \$110,000 from 2017 General Fund.

Landfill and Crescent Lift Station Replacement:

Milestones This Period

- Contractor is approximately 85 percent complete with the construction of the Landfill Lift Station. Wet well and valve vault structures installed in April; leachate pond excavated and made ready for impermeable liner.
- Opened bids for construction of Crescent Lift Station on April 6, 2017. Low bidder is CBC, Inc.

Future Milestones

- Substantial completion date Landfill lift station construction is May 24, 2017. Remaining work includes installation and testing of new pumps, construction of leachate pond liner and project cleanup.
- Issue Notice to Proceed on Crescent Lift Station contract. Substantial Completion for construction is August 18, 2017.

Background

The project includes replacement of the Landfill Lift Station and force main pipe at the end of Tilson Street and the Crescent Lift Station adjacent to the Sitka Sound Science Center. The pumps and components of both lift stations are inefficient, obsolete and, in the case of the Landfill Lift Station, corroded due to the landfill leachate it is pumping to the wastewater treatment plant. There have also been four force main break within the past two years. Funding for the project is provided by the following sources: Two separate ADEC loans (the Lake, Monastery, Channel and Landfill lift station loan; and a separate Crescent lift station loan) and the Wastewater Enterprise Fund.

Federal Land Access Program (FLAP) Grant: Phase 6:

Milestones This Period

- NEPA public scoping report and documentation submitted to Western Federal Lands by Sitka Trail Works.

Future Milestones

- Sitka Trail Works will arrange for biological and cultural reports for NEPA environmental permitting to be completed in partnership with the Forest Service by this winter.
- Sitka Trail Works will apply for Corps permit on behalf of the City after US FS wetlands delineation. The Corps permit will be in place by 2018.
- The completion date is estimated spring 2020 for all permitting. The project will be construction ready at that time.

Background

The City and Borough of Sitka has been awarded a \$250,000 MAP-21 Federal Lands Access Program (FLAP) Grant for planning, design and permitting of Phase 6 Cross Trail multimodal pathway (Cross TMP), connector from Kramer Drive to Alaska Marine Ferry Terminal, by Western Federal Lands (WFL). The Assembly approved submission of the grant in Resolution 2014-06 in April 2014. The Western Federal Lands Access Program application was submitted in April 2014, and then awarded on July 26, 2014. This is listed as a FY16 budgeted project with Western Federal Lands Access Program. Sitka Trail works is overseeing the work on behalf of CBS via a Memorandum of Agreement.

South Lake – West DeGroff water, sewer and street repairs:

Milestones This Period

- Advertised for construction bids on April 11, 2017.
- Hosted pre-bid conference on April 18, 2017.

Future Milestones

- Bid opening scheduled for May 9, 2017.
- Issue construction Notice to Proceed in May 2017 with Substantial Completion for base bid set at September 8, 2017.

Background

The project includes replacement of aging, failing water, sewer and storm drainage infrastructure in Lake Street from the roundabout to DeGroff Street, and DeGroff Street from Lake Street to Hollywood Way. The project will also replace pavement, curb, gutter and sidewalk, which will be demolished during the utility replacement. Funding for the project is provided by the following sources; \$1,000,000 FY2017 ADEC Grant, \$715,800 FY2015 ADEC Water and Sewer Loans, \$200,000 from FY2017 General Fund, \$50,000 from the 2017 Water Enterprise Fund and \$50,000 from the 2017 Wastewater Enterprise Fund.

Eagle Way (EW) and Old Harbor Mountain Road (OHMR) Utility and Road Upgrades:

Milestones This Period

- Contractor completed installation of new water main, storm drain piping and basins, subgrade excavation and subbase fill, and preparation of rip rap subgrade (EW).
- Construction project is 40% complete.

Future Milestones

- Electrical conduit and street light installation (EW) May 2017.
- Mobilization and utility installation (OHMR) May 2017.
- Curb/gutter, sidewalk and paving (EW & OHMR) May/June 2017.
- Substantial Completion required by June 30, 2017.

Background

The project will include new pavement, storm drainage, water main and services, and a pedestrian pathway within Eagle Way. The project will also include new pavement and storm drain improvements within Old Harbor Mountain Road. Funding for the project consists of a \$1,500,000 State of Alaska Department of Commerce Community and Economic Development Grant.

Boat Company Building Sink Hole Repair:

Milestones This Period

- Develop US Army Corps of Engineers (COE) permit application.

Future Milestones.

- Submit COE permit application May 2017.
- Develop construction design and specifications for project May/June 2017.
- Advertise construction contract June 2017

Background

The project includes stabilizing eroding shoreline at the Gary Paxton Industrial Park (GPIP). The project is funded by the GPIP enterprise fund with an authorized budget of \$250,000.

Sitka 2016-17 Paving Project:

Milestones This Period

- 100% final design submittal received by CBS.

Future Milestones

- Advertisement for Bids May 5 2017.
- Construction is anticipated in summer 2017 with Substantial Completion by August 31, 2017.

Background

The project includes new pavement and ADA curb ramps with curb and gutter, sidewalk and storm drain improvements as necessary. Funding for the project is provided by the following sources:

\$ 2,770,000	General Fund – Sitka Paving 2017
\$ 35,000	Water Fund – Sitka Paving 2017
\$ 85,000	Wastewater Fund – Sitka Paving 2017
\$ 2,890,000	Total Project Funding

Nelson Logging Road Upgrades:

Milestones This Period

- 85% design submittal received by CBS.
- Submittal of Cultural Resources Report to State Historic Preservation Office.
- Alaska Department of Natural Resources began processing Right Of Way application.
- Met with Forest Service on site to discuss project impacts to Forest Service issues.

Future Milestones.

- Final design May/June 2017.
- Project permits received May/June 2017.
- Construction is anticipated to begin late Summer/Fall 2017.

Background

The project includes replacing both inadequate bridges, realignment at HPR intersection, upgrading Nelson Logging Road and pedestrian amenities as funding allows. The scope may also include road realignment(s) and widening to accommodate two-way traffic. Funding for the project is provided by a \$2,343,000 State of Alaska Department of Commerce Community and Economic Development Grant.

Water

The Electric Department is planning to install new transmission power poles along SMC Rd. from Thimbleberry to the Blue Lake Rd. The Water Division provided locates for the 30 inch water transmission main and the 12 inch water distribution main that run along the same side of the road as the proposed transmission power poles.

The Water Division provided assistance to a number of residences who had water leaks on their service lines or within their homes. This assistance often requires operators to help locate the water shut-offs both inside the homes and on private property. Property valves are often buried and not easily accessible or functional.

The Water Division repaired the fire hydrant located at the DOT building at the airport. This hydrant is used for filling the crash trucks.

The Water Division continues to troubleshoot issues with one of the three UV reactors. We are working with the manufacturer and the equipment is still under warranty.

The Water Division performed pressure tests on the treated and untreated fire hydrants at the GPIIP.

The Water and Wastewater Divisions provide information, perform inspections, supply parts, etc. on a daily basis to the road and utility projects. We are currently working on Jeff Davis, Eagle Way, and Old Harbor is scheduled to begin mid-May.

Wastewater

The Wastewater Division performed dye testing on the Sitka Community Hospital's storm drain system.

The Wastewater Division used their CCTV equipment to televise the sewer lines on Viking Way and Valhalla Drive. The goal is to televise a third of the wastewater system on an annual basis. This helps diagnose problems, perform condition assessment and project planning.

The Wastewater Division is working with the Sitka Community Hospital on getting their grease trap in functioning order.

Spring cleaning occurred at the wastewater treatment plant. This consists of hosing down the parking lots, washing interior and exterior windows, and performing a deep clean inside of the treatment plant.

A tour of the wastewater treatment plant was given to a class from Mt. Edgecumbe HS. We typically get asked to provide tours a couple times a year to the MEHS and look forward to each one.

The Wastewater Division is performing daily inspections on the Landfill Lift Station replacement project.

Risk MAP Project Report for the City and Borough of Sitka Assembly

Project History

The Federal Emergency Management Agency (FEMA) is responsible for preparing Flood Insurance Rate Maps (FIRMs) that delineate flood hazard zones and Base Flood Elevations (BFEs) in the United States. Because of the importance of understanding the nation's coastal flood risk, FEMA has initiated coastal flood risk studies for the populated coastline as part of its Risk Mapping, Assessment, and Planning (Risk MAP) effort. Through the Risk MAP effort, FEMA is now updating Sitka's Maps. The previous maps, which are currently in place, had been approved by the Assembly in 2009.

Revised Maps Introduced

In June of 2016, FEMA provided preliminary copies of the revised Flood Insurance Rate Map (FIRM) and Flood Insurance Study (FIS) to municipal staff of the City and Borough of Sitka. The preliminary FIRM and FIS include flood hazard information for certain locations in the city and adjacent islands in Sitka Sound. This information targets a 1% annual chance of inundation (a.k.a. 100-year flood). Several public service announcements have been published to provide details for community members seeking more information. Mailings went out specifically to homeowners who have property within the flood zone, and I, as the municipal floodplain manager, have made myself available to answer questions that have arisen.

Appeal Process

After FEMA's Community Coordination Open House meeting (in January 2017) to present the Risk MAPs to community members, an appeal period began in late February. The appeal deadline is later this week, on May 27. The appeal period is the time when protests and appeals may be submitted. FEMA has emphasized that any appeal must provide knowledge or information indicating that the draft maps are scientifically or technically incorrect. If an appeal or protest results in significant changes, FEMA will revise the FIS report and FIRM. When the proposed flood hazard determinations are finalized, they will become the basis for the floodplain management measures that Sitka must adopt to remain qualified for participation in the National Flood Insurance Program (NFIP).

Local Appeal Issues

I've included here a synopsis of our (CBS) analysis of the appeal and protest opportunities:

1. **Swan Lake** – Public Works engineers have been able to assemble pertinent survey data on the outflow culvert near the roundabout. This survey data may provide FEMA with more detail in a critical area than the LIDAR (photo-geometric) information, which is currently in the analysis. There appears to be sufficient information to question FEMA's data, but the methodology appears sound. Staff engineers estimate that the determination of the base flood elevation surrounding the lake could be lowered from 34.4 (as proposed in the draft maps) to 33.1 feet when assimilating this additional data. This could have a significant impact on the identified scope of flood hazards (and the number of affected properties) in that area.

2. **Alice Loop** – Public Works has submitted (to FEMA) the as-built data from fill placed to extend the airport runway. We were hoping to provide more current data than FEMA had to determine the new base flood elevation and also to dispute the new determination that flooding on Alice Loop is now (as indicated on the draft maps) in a velocity zone. The velocity zone designation (where lateral wave action exacerbates the flooding effect) involves more onerous requirements for construction and engineering of foundations. Our airport construction as-builts pre-date the FEMA analysis, and so FEMA indicated that this is not new and improved information for them. There are homeowners on Alice Loop who have been in to talk and ask questions about the appeal opportunity. I've informed them that an appeal here would need to be brought forward by the residents and landowners, because CBS staff has not been able to identify any incorrect analysis by FEMA. A professional surveyor could possibly do another topo mapping like Pat O'Neill did in 2008 to indicate more clearly the specific elevation associated with the new BFE. There may still be the complication of the new velocity zone (in terms of insurance for existing houses or construction of new ones), but perhaps that can be addressed with each individual lot evaluation. This could involve an evaluation of significant magnitude and expense involving professional hydrologists who (may or) may not end up effectively disputing FEMA's analysis.
3. **Galankin Island** - Ceri Malein and Matt Donohoe have submitted survey and engineering information for review. FEMA appears willing to make adjustments to this property based upon submitted data. We (CBS) will be re-submitting this information as a matter of course and to make sure that this information is considered for appeal.
4. **Katlion Street** - BIHA is interested in assuring that their building is out of the flood zone. Other properties on Katlian Street are also within the proposed flood zone. The Public Works staff has been able to put together as-built data for the breakwater segments outside the perimeter of New Thompson Harbor. LIDAR was flown in May 2014, whereas the final breakwater was complete in August of 2014. It's unclear as to whether or not this construction was incorporated into FEMA analysis. CBS staff will be submitting breakwater construction data, which may enhance the information that FEMA currently has. This re-analysis could constrict the boundaries of the proposed flood zone around Katlian Street, possibly removing some buildings from the proposed flood zone.
5. **Map Details** - The proposed flood zones are superimposed onto an older photograph. The photo doesn't include several new buildings and features, so we would like them to make an overlay of a more recent photo on all the draft maps. This will allow for more effective program management.
6. **Map Details** - Several street names are incorrect.
7. **Concerned Citizens** - There have been other folks in to question or confirm their location relative to the flood zone. Except for the cases mentioned above, the CBS has not been able to provide any supplemental information to assist in the assessment of these cases. I've helped the property owners understand their options in terms of professional investigation and appeal. We may get more appeal input from these folks before the deadline is up and we will submit those to FEMA as well. As a matter of course, the CBS will submit all appeals from private interests to FEMA.

Next Steps

After the end of the appeal period, FEMA will complete the risk assessments. The scheduled follow-up dates could change if there are comments or appeals that require additional processing of the FIS or FIRM. They will be compiled into the Risk MAP Report after which a Resilience Workshop will be held to discuss the assessment results and risk reduction strategies. This will most likely be held in the spring of 2018.

Following the resolution of any comments and appeals, FEMA will send the CBS Administrator a Letter of Final Determination (LFD). The LFD will state that the updated FIRMs will become effective in six months. The letter also notifies each affected community participating in the NFIP that it must maintain a compliant floodplain management program to remain in good standing in the NFIP. The Sitka Assembly will then have the opportunity to adopt the new maps and reiterate their desire to comply with stipulations of the National Flood Insurance Program.

Maintaining Sitka's Status In-Good-Standing with the National Flood Insurance Program

There are several very good reasons why Sitka became involved with this program in the first place. I see no reason to back out at this point. The game hasn't changed, and the benefits are multi-faceted. For more information see the attached two page handout titled "Supplemental Summary of Effects of a Community Withdrawing from the National Flood Insurance Program".

Thank you for the opportunity to present this information,

Chris Duguay
Building Official
City and Borough of Sitka
100 Lincoln Street
Sitka, AK 99835
Office: 907-747-1837
FAX: 907-747-3158
Email: chris.duguay@cityofsitka.org

Supplemental Summary of Effects of a Community Withdrawing from the National Flood Insurance Program

A community that does not join the NFIP, has withdrawn from the program, or is suspended from it, faces the following sanctions:

1. No resident will be able to purchase a federal flood insurance policy.
2. Existing flood insurance policies will not be renewed.
3. No Federal grants or loans for development may be made in identified flood hazard areas under programs administered by Federal agencies such as HUD, EPA, and SBA;
4. No Federal disaster assistance may be provided to repair insurable buildings located in identified flood hazard areas for damage caused by a flood.
5. No Federal mortgage insurance or loan guarantees may be provided in identified flood hazard areas. This includes policies written by FHA, VA, and others.
6. Federally insured or regulated lending institutions, such as banks and credit unions, must notify applicants seeking loans for insurable buildings in flood hazard areas that there is a flood hazard and that the property is not eligible for Federal disaster relief.

If a community seeks to be reinstated and is accepted into the NFIP, the community would then become eligible for Stafford Act and other Federal disaster assistance. **However, if noncompliant development has occurred in your community's mapped SFHAs during the time your community was not participating in the program, the community will be required to remedy all noncompliant development to the maximum extent possible prior to reinstatement in the NFIP.**

The following chart provides a more detailed description of the consequences of non-participation of a community that has mapped special flood hazard area along with the citations.

PROGRAM	CONSEQUENCE	CITATION
National Flood Insurance Program (NFIP)	<ul style="list-style-type: none"> • Flood insurance will no longer be available • No federal grant or loans • No federal disaster assistance loans (i.e. SBA) • No federal mortgage insurance (i.e. FHA, VA, Farmers Home, etc.) • No Fannie Mae, Freddie Mac, and GNMA purchase of mortgages in the secondary market • Lenders of conventional loan must notify the buyer or lessee that property is in a flood hazard area and must notify the buyer or lessee that property in flood hazard area is not eligible for federal disaster relief in a declared disaster. • A sanctioned community has six months to join the NFIP following a disaster declaration and still be eligible for disaster assistance in a mapped Special Flood Hazard Area (SFHA). <ul style="list-style-type: none"> ○ Any non-compliant development occurring in the SFHA of a suspended community must be corrected prior to reinstatement 	<ul style="list-style-type: none"> • Section 201 of the Flood Disaster Assistance Act of 1968 (amended in 1973) • Flood Insurance Reform Act of 1994 • Bunning-Bereuter-Blumenaur Flood Insurance Reform Act of 2004 • 44 CFR § 59.24(a) • 44 CFR § 59.24(f) • 44 CFR § 60.1 • 44 CFR § 60.3 • 44CFR § 59.2(a)

(Continued)

**National Flood Insurance Program (NFIP)
Consequences of Non-Participation**
(continued)

PROGRAM	CONSEQUENCE	CITATION
<p>Hazard Mitigation Assistance</p> <p>(Non- disaster Mitigation Grants)</p>	<ul style="list-style-type: none"> • No HMA grants (FMA, RFC, or SRL) are available, all sub-applicants must be participating in the NFIP and must not have been suspended or have withdrawn from the NFIP to be eligible to apply 	<ul style="list-style-type: none"> • Section 1366, 1323, & 1361A of National Flood Insurance Act (NFIA) • HMA Unified Guidance Part III, D.6.1, D.7, Eligibility Information • 44 CFR 9.11(d)
<p>Hazard Mitigation Grant Program (HMGP) & Pre-Disaster Mitigation Program (PDA)</p>	<ul style="list-style-type: none"> • No HMGP grants are available <u>within the SFHA</u>; all sub-applicants must be participating in the NFIP and must not have been suspended or have withdrawn from the NFIP to be eligible to apply 	<ul style="list-style-type: none"> • Section 1366, 1323, & 1361A of National Flood Insurance Act (NFIA) • HMA Unified Guidance, Part III, D.6.1 and D.7 • Section 404 Stafford Act • 44 CFR 9.11(d)
<p>Individual Assistance (IA)</p>	<ul style="list-style-type: none"> • Federal Assistance to Individuals and Households, home repairs may <u>not</u> be provided in a Special Flood Hazard Area <ul style="list-style-type: none"> ○ Exception is for items not covered by flood insurance (i.e. wells, septic tanks, etc.) ○ FEMA may provide rental assistance in lieu of home repair if an applicant is unable to live in their home within a non-participating community • SBA will <u>not</u> provide disaster assistance loans in a community that does not participate if the damage for which the individual needs the loan was caused by flooding, or if flooding did not cause the damage but the structure is in a SFHA 	<ul style="list-style-type: none"> • 44 CFR § 206.110(k)
<p>Public Assistance (PA)</p>	<ul style="list-style-type: none"> • If a grantee or sub-grantee does not have flood insurance as a result of being located in a suspended or sanctioned community, and the damaged structure is in a SFHA, PA assistance will only be provided for that amount of the damage that a policy claim would not have paid for • For eligible damages not covered by a flood policy, PA will pay as usual, regardless if it is located in a SFHA or a sanctioned community <ul style="list-style-type: none"> ○ limitations do not include emergency work under Category A & B for non-insurable structures such as debris removal and emergency protective measures 	<p>44 CFR § 206.252</p>



CITY AND BOROUGH OF SITKA

Legislation Details

File #: 17-090 Version: 1 Name:

Type: Ceremonial Status: AGENDA READY

File created: 5/3/2017 In control: City and Borough Assembly

On agenda: 5/23/2017 Final action:

Title: Arbor Day Proclamation and Service Award for Debra Pohlman

Sponsors:

Indexes:

Code sections:

Attachments: [Arbor Day.pdf](#)
[Pohlman Certificate.pdf](#)

Date	Ver.	Action By	Action	Result
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OFFICE OF THE MAYOR
City & Borough of Sitka

Arbor Day Proclamation

~ Trees, a joy forever ~

WHEREAS, In 1872 J. Sterling Morton proposed to the Nebraska Board of Agriculture that a special day be set aside for the planting of trees; and

WHEREAS, this holiday, called Arbor Day, was first observed with the planting of more than a million trees in Nebraska; and

WHEREAS, 2017 is the 145th anniversary of the holiday and Arbor Day is now observed throughout the nation and the world; and

WHEREAS, the City and Borough of Sitka is celebrating its fourteenth year as a Tree City, USA; and

WHEREAS, the Sitka Tree and Landscape Committee is committed to furthering the goal of beautifying Sitka with trees and landscape areas; and

WHEREAS, in observance of Arbor Day, the Tree and Landscape Committee celebrated beautification and urban tree health by sponsoring the Harrigan Centennial Hall landscape planting project this spring.

NOW, THEREFORE, BE IT RESOLVED, that the Assembly of the City and Borough of Sitka, Alaska encourages all citizens to plant trees to gladden the heart and promote the well-being of this and future generations.

Signed and sealed this 23rd day of May, 2017.



Matthew Hunter, Mayor

ATTEST:



Sara Peterson, CMC
Municipal Clerk



Service Award

On behalf of the City and Borough of Sitka is hereby awarded to

Debra Pohlman

*this expression of grateful acknowledgment for your almost 4 years of
valued service rendered in the public interest while serving on the
Planning Commission. Thank you!*

Signed and sealed this 23rd day of May, 2017



Mayor, Matthew Hunter



ATTEST:

Municipal Clerk, Sara Peterson





CITY AND BOROUGH OF SITKA

Legislation Details

File #: 17-091 Version: 1 Name:
Type: Item Status: AGENDA READY
File created: 5/3/2017 In control: City and Borough Assembly
On agenda: 5/23/2017 Final action:
Title: Approve the minutes of the April 11, 17, 18, 19, 25, May 1, 2, 9 Assembly meetings
Sponsors:
Indexes:
Code sections:
Attachments: [Consent and Minutes.pdf](#)

Date	Ver.	Action By	Action	Result
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CONSENT AGENDA

POSSIBLE MOTION

I MOVE TO APPROVE THE CONSENT AGENDA
CONSISTING OF ITEM A

I wish to remove Item(s) _____

**REMINDER – Read aloud a portion of each item being
voted on that is included in the consent vote.**

Should this item be pulled from the Consent Agenda the following motion is suggested:

POSSIBLE MOTION

I MOVE TO approve the minutes of the April 11, 17, 18, 19, 25, May 1, 2, and 9 Assembly meetings.



CITY AND BOROUGH OF SITKA

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

Minutes - Draft

City and Borough Assembly

*Mayor Matthew Hunter
Deputy Mayor Bob Potrzuski
Vice-Deputy Mayor Steven Eisenbeisz
Tristan Guevin, Kevin Knox
Aaron Bean, and Aaron Swanson*

*Municipal Administrator: Mark Gorman
Municipal Attorney: Brian Hanson
Municipal Clerk: Sara Peterson*

Tuesday, April 11, 2017

6:00 PM

Assembly Chambers

REGULAR MEETING

I. CALL TO ORDER

II. FLAG SALUTE

III. ROLL CALL

Assembly member Guevin arrived at 6:15pm.

Present: 7 - Swanson, Eisenbeisz, Guevin, Potrzuski, Hunter, Knox, and Bean

IV. CORRESPONDENCE/AGENDA CHANGES

17-067 Reminders, Calendars and Correspondence

None.

V. CEREMONIAL MATTERS

17-060 Sitka High School Drama, Debate, and Forensics Team

Mayor Hunter read and presented outstanding performance awards to members of the Sitka High School Drama, Debate, and Forensics Team for first place in Drama, Debate, and in Overall Sweepstakes at the 2017 State Tournament.

VI. **SPECIAL REPORTS: Government to Government, Municipal Boards/Commissions/Committees, Sitka Community Hospital, Municipal Departments, School District, Students and Guests (time limits apply)**

School Board members, Dr. Tom Conley and Dr. Jennifer McNichol, reported on the fiscal challenges facing the School District.

VII. PERSONS TO BE HEARD

Valorie Nelson spoke in opposition to funds being used for a utility subsidization program.

Aleene Henning thanked the Assembly for their work. In addition, Henning urged enforcement of the law prohibiting cell phone use while driving.

VIII. REPORTS

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

Deputy Mayor - Potrzuski reported on the Washington DC Legislative Trip with Municipal Administrator, Mark Gorman and Community Affairs Director, Maegan Bosak.

Administrator - Gorman reported preinstallation work for the flashing strobe lights at the Halibut Point Road/Peterson Street intersection was underway, stated the Blue Lake overlook project was going out to bid, and cautioned citizens about snow avalanche activity.

Attorney - Hanson encouraged the public to stop by the Legal Department with City related questions.

Clerk - Peterson offered a reminder of Municipal Administrator and Municipal Attorney evaluations scheduled for April 18.

IX. CONSENT AGENDA

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

Yes: 7 - Swanson, Eisenbeisz, Guevin, Potrzuski, Hunter, Knox, and Bean

A 17-062 Approve the minutes of the March 21, 22, and 28 Assembly meetings

This item was APPROVED ON THE CONSENT AGENDA.

B 17-061 Liquor License applications: 1) Approve a liquor license renewal for JL Totem, Inc. dba Totem Square Inn, 2) Approve a liquor license renewal for Baranof Island Brewing Company, LLC dba Baranof Island Brewing Company, and, 3) Approve a duplicate liquor license for Mean Queen LLC dba Mean Queen

This item was APPROVED ON THE CONSENT AGENDA.

X. BOARD, COMMISSION, COMMITTEE APPOINTMENTS

None.

XI. UNFINISHED BUSINESS:**C 17-056** Discussion/Direction regarding the Municipal Administrator selection process

Valorie Nelson supported a local hire.

A motion was made by Eisenbeisz to interview three candidates, two (Carey Meyer and Dave Miller) as a final interview and one (Sheldon Schmitt) as an initial videoconference interview. After that, if the Assembly can't reach a decision then go to a recruiter. The motion PASSED by the following vote.

Yes: 7 - Swanson, Eisenbeisz, Guevin, Potrzuski, Hunter, Knox, and Bean

D ORD 17-05S Amending Sitka General Code Chapter 15.01 entitled "Electric Utility Policies" by amending Section 15.01.020 entitled "Electrical Rates" (*third and final reading*)

Valorie Nelson voiced opposition to reconsideration of the motion.

Potrzuski stated the consequences and ramifications were considerable if this ordinance was not reconsidered. Guevin, who had previously spoke in opposition to the ordinance, stated he could now support the ordinance after direction was given at the April 6th budget meeting to set aside \$400,000 for a needs based electric subsidy program. Bean questioned how long the subsidy would last. Sweeney said it would depend on how the program was administered - for example, how much of a subsidy and how often. Municipal Administrator, Mark Gorman, reminded the subsidy program was not sponsored by Administration but by two Assembly members - Guevin and Potrzuski. Guevin reminded the program was not guaranteed but that money had been set aside.

A motion was made by Guevin to RECONSIDER the motion to approve Ordinance 2017-05S on second and final reading. The motion PASSED by the following vote.

Yes: 4 - Guevin, Potrzuski, Hunter, and Knox

No: 3 - Swanson, Eisenbeisz, and Bean

Valorie Nelson spoke in opposition to the ordinance.

Mayor Hunter and Assembly members Potrzuski, Guevin and Knox spoke in support of the ordinance offering that while a rate increase was difficult, it was the responsible decision. Swanson feared citizens would switch to oil to avoid high electric rates. Bean spoke in support of an independent rate study by the Regulatory Commission of Alaska. Eisenbeisz reminded raising rates was just one solution and wondered what alternative solutions may exist.

A motion was made by Knox to AMEND the effective date of the ordinance to the day after the date of its passage. The motion PASSED by the following vote.

Yes: 7 - Swanson, Eisenbeisz, Guevin, Potrzuski, Hunter, Knox, and Bean

It was noted a change in the effective date would require one more reading of the ordinance.

A motion was made by Knox that this Ordinance be APPROVED on SECOND

READING. The motion PASSED by the following vote.

Yes: 4 - Guevin, Potrzuski, Hunter, and Knox

No: 3 - Swanson, Eisenbeisz, and Bean

- E ORD 17-09** Expanding the authorized uses of the Gary Paxton Industrial Park Contingency Fund and adjusting the FY17 Budget for appropriations from the Contingency Fund

A motion was made by Swanson that this Ordinance be APPROVED on SECOND AND FINAL READING. The motion PASSED by the following vote.

Yes: 7 - Swanson, Eisenbeisz, Guevin, Potrzuski, Hunter, Knox, and Bean

XII. NEW BUSINESS:

New Business First Reading

- F ORD 17-10** Amending Sitka General Code Chapter 9.24 entitled "Bear Attraction Nuisance" by amending Section 9.24.050 entitled "Fines"

Andrew Thoms, Executive Director of Sitka Conservation Society, stated a group had been organized a few years ago to educate citizens on problem bears. There were three components to the group's work: education, prevention and enforcement. This ordinance served as the enforcement piece.

Stephen Bethune, Area Management Biologist with the Alaska Department of Fish and Game, spoke in support of the ordinance and noted the issue wasn't problem bears but instead problem people. He urged citizens wait until trash day to put their garbage receptacles out, thereby reducing the number of issues.

Municipal Attorney, Brian Hanson, explained the Police Department had stated there were enforcement problems with the way the initial bear attraction nuisance ordinance had been structured; a mandatory court appearance was required and fines weren't specified. This ordinance rectified those problems.

A motion was made by Guevin that this Ordinance be APPROVED on FIRST READING. The motion PASSED by the following vote.

Yes: 7 - Swanson, Eisenbeisz, Guevin, Potrzuski, Hunter, Knox, and Bean

Additional New Business Items

- G 17-063** Discussion/Direction/Decision of Sitka Historical Society's request to appropriate \$50,000 of Commercial Passenger Excise Tax (CPET) funds for completion of the Sitka History Museum's interior

Swanson wondered of the legality of using CPET funding. Administrator Gorman stated the Sitka Historical Society (SHS) would need to demonstrate a methodology (e.g. survey) on how the percentage of cruise ship visitors had been determined. The SHS was aware of this requirement and did not feel it would be a major barrier.

Knox and Guevin voiced support for appropriating \$50,000 and noted the importance of the SHS and Museum. Eisenbeisz wondered because visitors would be required to pay an entrance fee if that changed the legalities of using CPET funds. Staff was

asked to research the issue.

Chief Finance and Administrative Officer, Jay Sweeney, noted if the Assembly was in agreement of appropriating \$50,000, the item would come back to the Assembly in the form of an ordinance.

A motion was made by Swanson to appropriate \$50,000 to Sitka Historical Society contingent upon finding no problem with using CPET funds when charging user fees. The motion PASSED by the following vote.

Yes: 7 - Swanson, Eisenbeisz, Guevin, Potrzuski, Hunter, Knox, and Bean

H 17-064

Selection and award of a contract in the amount of \$150,000 for transit services between Old Sitka Dock and Harrigan Centennial Hall parking area for the 2017 cruise ship season

Administrator Gorman informed the process had been modeled after the non-profit grant funding process. In addition, he noted there was an alternate shuttle option in Halibut Point Marine Services proposal, outside of the \$150,000 set aside for the standard shuttle option.

Chris McGraw of Halibut Point Marine Services answered questions of the proposal and informed a majority of the land tours were configured so the morning tours departed from the Old Sitka Dock (OSD) but then visitors were dropped off at Harrigan Centennial Hall (HCH) and vice versa for the afternoon tours - visitors picked up at HCH and dropped off at OSD after completion of tour.

The Assembly expressed interest in hearing more about the alternate shuttle option. Gorman stated he would ask Mr. McGraw for additional information.

A motion was made by Swanson that this Item be APPROVED. The motion PASSED by the following vote.

Yes: 7 - Swanson, Eisenbeisz, Guevin, Potrzuski, Hunter, Knox, and Bean

I 17-065

Discussion/Direction/Decision on the release of documents withheld from the Public Records Request filed by Marko Dapceвич on December 17, 2016 (*possible executive session*)

Mayor Hunter inquired of Assembly member Bean as to whether or not he had shared information with Mr. Dapceвич previously. Bean responded the emails disclosed to Dapceвич were emails he also cc'd the press on as well as emails cc'd to Municipal Attorney Hanson and Municipal Administrator Gorman. Bean indicated he had waived his attorney client privilege. Bean assured the Assembly that he was not working with Mr. Dapceвич on the lawsuit and would not share information from the executive session with Mr. Dapceвич.

A motion was made by Potrzuski to recuse Assembly member Bean from consideration of this Item. The motion FAILED by the following vote.

No: 6 - Swanson, Eisenbeisz, Guevin, Potrzuski, Hunter, and Knox

Non-voting: 1 - Bean

A motion was made by Potrzuski to go into Executive Session to review the communications that were withheld from the response to Mr. Dapceвич's Public Records Request, receive, and consider release of those communications to Mr. Dapceвич by waiver of the attorney-client privilege,

which was the basis (upheld on appeal) for withholding the communications - all of which concern the lawsuit filed by Mr. Dapcevich on March 30, 2017. The motion PASSED by the following vote.

Yes: 7 - Swanson, Eisenbeisz, Guevin, Potrzuski, Hunter, Knox, and Bean

The Assembly was in Executive Session from 8:45pm to 9:08pm.

A motion was made by Swanson to RECONVENE as the Assembly in regular session. The motion PASSED by a unanimous voice vote.

No action was taken on this item.

XIII. PERSONS TO BE HEARD:

None.

XIV. EXECUTIVE SESSION

J 17-066 *Legal matter - Dapcevich lawsuit filed on March 30, 2017*

A motion was made by Potrzuski to go into Executive Session to receive advice from the Municipal Attorney regarding legal issues affecting the Municipality as a result of the lawsuit filed by Marko Dapcevich on March 30, 2017. The motion PASSED by the following vote.

Yes: 7 - Swanson, Eisenbeisz, Guevin, Potrzuski, Hunter, Knox, and Bean

The Assembly was in Executive Session from 9:10pm to 10:00pm.

A motion was made by Potrzuski to RECONVENE as the Assembly in regular session. The motion PASSED by a unanimous voice vote.

A motion was made by Guevin to direct the Municipal Attorney to hire outside counsel and proceed with the legal defense. The motion PASSED by the following vote.

Yes: 6 - Swanson, Eisenbeisz, Guevin, Potrzuski, Hunter, and Knox

No: 1 - Bean

XV. ADJOURNMENT

A motion was made by Guevin to ADJOURN. Hearing no objections, the meeting ADJOURNED at 10:03pm.

ATTEST: _____
Sara Peterson, CMC
Municipal Clerk



CITY AND BOROUGH OF SITKA

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

Minutes - Draft

City and Borough Assembly

Mayor Matthew Hunter
Deputy Mayor Bob Potrzuski
Vice-Deputy Mayor Steven Eisenbeisz
Tristan Guevin, Kevin Knox
Aaron Bean, and Aaron Swanson

Municipal Administrator: Mark Gorman
Municipal Attorney: Brian Hanson
Municipal Clerk: Sara Peterson

Monday, April 17, 2017

6:00 PM

Assembly Chambers

SPECIAL MEETING

I. CALL TO ORDER

II. FLAG SALUTE

III. ROLL CALL

Present: 7 - Swanson, Eisenbeisz, Guevin, Potrzuski, Hunter, Knox, and Bean

IV. CORRESPONDENCE/AGENDA CHANGES

None.

V. PERSONS TO BE HEARD

Michael Winters spoke in support of former Police Chief Sheldon Schmitt and suggested the Assembly consider hiring Schmitt and Fire Chief Dave Miller, also a Municipal Administrator candidate.

VI. NEW BUSINESS:

A 17-070 Administrator applicant interview via video conferencing (Schmitt)

A video conferencing interview was held for applicant Sheldon Schmitt.

B 17-071 Discussion/Direction/Decision regarding the Municipal Administrator selection process (*possible executive session*)

A motion was made by Potrzuski to interview the following candidates on Wednesday, April 19: Carey Meyer, David Miller and Sheldon Schmitt. The motion PASSED by the following vote.

Yes: 6 - Swanson, Guevin, Potrzuski, Hunter, Knox, and Bean

No: 1 - Eisenbeisz

VII. PERSONS TO BE HEARD:

None.

VIII. ADJOURNMENT

A motion was made by Potrzuski to ADJOURN. Hearing no objections, the meeting ADJOURNED at 6:50pm.

ATTEST: _____
Sara Peterson, CMC
Municipal Clerk



CITY AND BOROUGH OF SITKA

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

Minutes - Draft

City and Borough Assembly

Mayor Matthew Hunter
Deputy Mayor Bob Potrzuski
Vice-Deputy Mayor Steven Eisenbeisz
Tristan Guevin, Kevin Knox
Aaron Bean, and Aaron Swanson

Municipal Administrator: Mark Gorman
Municipal Attorney: Brian Hanson
Municipal Clerk: Sara Peterson

Tuesday, April 18, 2017

5:30 PM

Assembly Chambers

City Hall - 3rd floor Conference Room

SPECIAL MEETING

I. CALL TO ORDER

II. FLAG SALUTE

III. ROLL CALL

Present: 6 - Swanson, Eisenbeisz, Guevin, Potrzuski, Hunter, and Knox

Absent: 1 - Bean

IV. PERSONS TO BE HEARD

None.

V. NEW BUSINESS:

A 17-068

Annual evaluation for Municipal Administrator Mark Gorman (*requests evaluation be held in public*)

Gorman stated it had been a privilege to serve the community and thanked the Assembly for their guidance and support during his tenure. The Assembly gave Gorman an exemplary evaluation and expressed appreciation for his contributions and service to the community.

A motion was made by Potrzuski to give Mr. Gorman an exemplary evaluation. The motion PASSED by the following vote.

Yes: 6 - Swanson, Eisenbeisz, Guevin, Potrzuski, Hunter, and Knox

Absent: 1 - Bean

B 17-069 Annual evaluation for Municipal Attorney Brian Hanson (*requests evaluation be held in executive session*)

Municipal Administrator Mark Gorman voiced support for Municipal Attorney Brian Hanson. Gorman stated it had been an absolute pleasure working with Hanson and he had value added since day one.

A motion was made by Swanson to go into Executive Session under the statutory categories of discussing subjects that 1) may tend to prejudice the reputation and character of an individual, and, 2) may have an adverse effect upon the finances of the City and Borough of Sitka and invite Brian Hanson in when ready. In addition, I move to exclude the Municipal Administrator and Municipal Clerk. The motion PASSED by the following vote.

Yes: 6 - Swanson, Eisenbeisz, Guevin, Potrzuski, Hunter, and Knox

Absent: 1 - Bean

The Assembly was in Executive Session from 5:50pm to 6:48pm.

A motion was made by Potrzuski to RECONVENE as the Assembly in regular session. The motion PASSED by a unanimous voice vote.

Assembly member Eisenbeisz thanked Mr. Hanson for his time and service and hoped this would be the first of many evaluations. Hunter agreed.

A motion was made by Knox to give Brian Hanson an exemplary mark on the Municipal Attorney evaluation. The motion PASSED by the following vote.

Yes: 6 - Swanson, Eisenbeisz, Guevin, Potrzuski, Hunter, and Knox

Absent: 1 - Bean

Assembly member Potrzuski stated Mr. Hanson had far exceeded the Assembly's expectations and had accepted the position at a lower rate. Eisenbeisz agreed, offered Hanson's contract had built-in step increases and was deserving of the increase now rather than waiting until September. Knox stated, in seven months, Hanson had saved the City money and gone above and beyond the call of duty.

A motion was made by Knox to APPROVE a contractual salary adjustment for Mr. Hanson to \$135,000 (see Section 4 of contract) effective May 1st as well as move other contractual benefits and dates (see Section 7 of contract) to May 1st. The motion PASSED by the following vote.

Yes: 6 - Swanson, Eisenbeisz, Guevin, Potrzuski, Hunter, and Knox

Absent: 1 - Bean

VI. PERSONS TO BE HEARD:

Assembly member Potrzuski stated he had observed drivers pulling over to the side of the road to use their cellphones rather than while driving. Potrzuski thanked the community.

VII. ADJOURNMENT

A motion was made by Swanson to ADJOURN. Hearing no objections, the meeting ADJOURNED at 6:52pm.

ATTEST: _____

Sara Peterson, CMC
Municipal Clerk



CITY AND BOROUGH OF SITKA

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

Minutes - Draft

City and Borough Assembly

Mayor Matthew Hunter
Deputy Mayor Bob Potrzuski
Vice-Deputy Mayor Steven Eisenbeisz
Tristan Guevin, Kevin Knox
Aaron Bean, and Aaron Swanson

Municipal Administrator: Mark Gorman
Municipal Attorney: Brian Hanson
Municipal Clerk: Sara Peterson

Wednesday, April 19, 2017

5:00 PM

Assembly Chambers

SPECIAL MEETING

I. CALL TO ORDER

II. FLAG SALUTE

III. ROLL CALL

Present: 6 - Swanson, Eisenbeisz, Guevin, Potrzuski, Hunter, and Knox

Absent: 1 - Bean

IV. CORRESPONDENCE/AGENDA CHANGES

None.

V. PERSONS TO BE HEARD

None.

VI. NEW BUSINESS:

A 17-072 Municipal Administrator applicant interviews (*Meyer, Schmitt*)

Hour long interviews were held for each of the Municipal Administrator candidates, Carey Meyer and Sheldon Schmitt.

B 17-073 Discussion/Direction/Decision regarding the Municipal Administrator selection process (*possible executive session*)

Shannon Haugland of the Daily Sitka Sentinel encouraged the discussions to be held in public.

Margie Esquiro stated the Assembly had a huge task before them and encouraged them to take their time.

Pete Esquiro stated neither of the two Administrator candidates was the strong leader Sitka needed. While not in favor of spending money with a recruitment firm, Esquiro urged the Assembly to keep searching.

A motion was made by Knox to go into Executive Session to discuss subjects that may tend to prejudice the reputation and character of Municipal Administrator Candidates, Carey Meyer and Sheldon Schmitt, and invite in Human Resources Director, Mark Danielson. The motion PASSED by the following vote.

Yes: 6 - Swanson, Eisenbeisz, Guevin, Potrzuski, Hunter, and Knox

Absent: 1 - Bean

A motion to AMEND the main motion was made by Eisenbeisz to exclude the Municipal Administrator and Municipal Attorney from the Executive Session. The motion to AMEND PASSED by the following vote.

Yes: 6 - Swanson, Eisenbeisz, Guevin, Potrzuski, Hunter, and Knox

Absent: 1 - Bean

The Assembly was in Executive Session from 7:15pm to 7:25pm.

Assembly members expressed appreciation to each of the candidates, however, stated neither candidate possessed the qualities they were looking for in a Municipal Administrator.

Consensus of the Assembly was to review recruitment proposals, previously submitted by Prothman and Colin Baenziger & Associates, at the April 25, 2017 Assembly meeting.

VII. PERSONS TO BE HEARD:

None.

VIII. EXECUTIVE SESSION

None.

IX. ADJOURNMENT

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

ATTEST: _____
Sara Peterson, CMC
Municipal Clerk



CITY AND BOROUGH OF SITKA

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

Minutes - Draft

City and Borough Assembly

Mayor Matthew Hunter
Deputy Mayor Bob Potrzuski
Vice-Deputy Mayor Steven Eisenbeisz
Tristan Guevin, Kevin Knox
Aaron Bean, and Aaron Swanson

Municipal Administrator: Mark Gorman
Municipal Attorney: Brian Hanson
Municipal Clerk: Sara Peterson

Tuesday, April 25, 2017

6:00 PM

Assembly Chambers

REGULAR MEETING

I. CALL TO ORDER

II. FLAG SALUTE

III. ROLL CALL

Present: 5 - Guevin, Potrzuski, Hunter, Knox, and Bean

Absent: 2 - Swanson, and Eisenbeisz

IV. CORRESPONDENCE/AGENDA CHANGES

17-083 Reminders, Calendars and General Correspondence

No agenda changes.

V. CEREMONIAL MATTERS

17-074 Certificate of Appreciation - Dorothy "Brownie" Thompson

Mayor Hunter read and presented a certificate of appreciation to Dorothy "Brownie" Thompson for her volunteer work at the Halibut Point State Recreation Area.

VI. **SPECIAL REPORTS: Government to Government, Municipal Boards/Commissions/Committees, Sitka Community Hospital, Municipal Departments, School District, Students and Guests (time limits apply)**

School Board member, Dr. Tom Conley, updated the Assembly on state funding reductions and noted the District was aware of the upcoming budget submittal deadline to the City. Conley announced the School Board had voted to restore the City's funding reduction of \$239,000.

VII. PERSONS TO BE HEARD

Alene Henning spoke in opposition to cell phone use while driving.

Rachel Roy briefed the Assembly on her attendance at the Alaska Education Challenge in Anchorage.

VIII. REPORTS

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

Administrator - Gorman extended well wishes to Fire Chief Dave Miller, congratulated Emily Kwong on recent press awards, received an update from SEARHC on their portion of a mangement proposal to be completed late May. Once Sitka Communitys Hospital's portion was received a worksession with the Assembly would be scheduled.

Liaisons - Guevin briefed the Assembly on the April 24 Investment Committee meeting.

Other - Knox stated he was contacted to be part of a planning assessment group interetsed in researching the possibility of a new Police Department building.

IX. CONSENT AGENDA

A 17-075 Approve the minutes of the April 6 Assembly meeting

A motion was made by Knox that the Consent Agenda consisting of item A be APPROVED. The motion PASSED by a unanimous voice vote.

X. BOARD, COMMISSION, COMMITTEE APPOINTMENTS

B 17-076 Reappoint Anne Pollnow to a three-year term on the Historic Preservation Commission

Assembly member Guevin thanked Pollnow for reapplying and for the level of expertise brought to the Commission.

A motion was made by Guevin that this Item be APPROVED. The motion PASSED by the following vote.

Yes: 5 - Guevin, Potrzuski, Hunter, Knox, and Bean

Absent: 2 - Swanson, and Eisenbeisz

XI. UNFINISHED BUSINESS:

C 17-077 Discussion/Direction/Decision on Municipal Administrator recruitment services

Mark Danielson, Human Resources Director, reviewed the recruitment options: 1) enter into a contract with a recruiter or 2) the municipality could readvertise.

Bean expressed an interest in the municipality readvertising and worried a recruiter may not have an understanding of Sitka or the municipality's needs. Assembly members Guevin, Potrzuski, and Knox spoke in support of a recruitment firm and a facilitated process.

A motion was made by Potrzuski to authorize the City and Borough of Sitka enter into a contract with Prothman for Municipal Administrator recruitment services. The motion PASSED by the following vote.

Yes: 5 - Guevin, Potrzuski, Hunter, Knox, and Bean

Absent: 2 - Swanson, and Eisenbeisz

D ORD 17-05S Amending Sitka General Code Chapter 15.01 entitled "Electric Utility Policies" by amending Section 15.01.020 entitled "Electrical Rates" (*third and final reading*)

Former Assembly member, Mike Reif, spoke in support of the ordinance. Reif urged the Assembly to consider a balance between future generations and today's needs. He encouraged the Assembly to support the rate increase rather than not - thereby passing the issue on to future generations.

Assembly members Potrzuski, Guevin and Knox, stated that while a rate increase was an extremely difficult decision to make it was the right one. Guevin noted the increase was based on the best analysis that the 15 cents/kwh rate helped the City reach the balance of cost/use and enabled the City to meet the bond covenant. In addition, he reminded \$400,000 had been set aside for a needs based subsidy. Knox urged those businesses interested in switching over to electric to contact the Electric Department.

A motion was made by Knox that this Ordinance be APPROVED on THIRD AND FINAL READING. The motion PASSED by the following vote.

Yes: 4 - Guevin, Potrzuski, Hunter, and Knox

No: 1 - Bean

Absent: 2 - Swanson, and Eisenbeisz

E ORD 17-10 Amending Sitka General Code Chapter 9.24 entitled "Bear Attraction Nuisance" by amending Section 9.24.050 entitled "Fines"

Potrzuski shared he had been contacted by citizens who suggested that the fines be seasonal. Hunter and Knox stated the Police Department didn't intend to go from trash can to trash can fining people. The fine schedule was put in place to ultimately react to those individuals who chose not to be responsible with trash disposal. Bean reminded we lived in a community with bears and could only go so far fining people for not taking care of trash appropriately. Bean spoke to safety and wondered when a bear was deemed a public safety issue.

A motion was made by Guevin that this Ordinance be APPROVED on SECOND AND FINAL READING. The motion PASSED by the following vote.

Yes: 5 - Guevin, Potrzuski, Hunter, Knox, and Bean

Absent: 2 - Swanson, and Eisenbeisz

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

- F ORD 17-12** Authorizing the lease of 1000 square feet of US Survey 3377 Griffith Island also known as 725 Siginaka Way

Mayor Hunter explained this was a lease ordinance for property at 725 Siginaka Way. Planning Director, Michael Scarcelli, spoke to the lease terms: the annual lease payment was \$6,000 (\$500/month) with a term of 5 years with the option to renew. Hunter stated this business was going to use the Eliason Harbor parking lot. He would be interested in a discussion to dedicate some or all of the revenue to the Harbor Enterprise Fund.

A motion was made by Guevin that this Ordinance be APPROVED on FIRST READING. The motion PASSED by the following vote.

Yes: 5 - Guevin, Potrzuski, Hunter, Knox, and Bean

Absent: 2 - Swanson, and Eisenbeisz

- G ORD 17-11** Adjusting the FY17 Budget (*Fire Department Operations, Crescent Harbor Playground Project, Commercial Passenger Excise Tax*)

Administrator Gorman noted at the last meeting a question had been raised as to the legality of using CPET funds for the Sitka Historical Society if an admission fee was charged. Gorman stated staff had researched the issue. He reminded there were no black and white rules on the use of CPET funds but in speaking with other municipalities who had similar projects he felt the risk was low and confident in the use of CPET funds for this project.

A motion was made by Knox that this Ordinance be APPROVED on FIRST READING. The motion PASSED by the following vote.

Yes: 5 - Guevin, Potrzuski, Hunter, Knox, and Bean

Absent: 2 - Swanson, and Eisenbeisz

Additional New Business Items

- H 17-081** Discussion/Direction on Halibut Point Marine Services add-on proposal for downtown shuttle service

Mayor Hunter explained the add-on shuttle (Lincoln Street) was a topic of conversation at the last meeting when the award was made for shuttle services between Old Sitka Dock and Harrigan Centennial Hall. Administrator Gorman stated he had spoke with Chris McGraw of Old Sitka Dock and the minimum amount needed to pilot the project was \$6,000. Gorman noted Sitka Tribe of Alaska had contacted the Assembly stating they currently provide this service for a fee and would be interested in an RFP process. Gorman reminded the RFP process could take another month. He suggested the Assembly may want to delay action until the next tourist season allowing time for downtown merchants to weigh in and then issue an RFP in early 2018. Assembly members agreed and suggested a well thought out process would be better than a rushed one. Guevin offered there may be a possibility for a government to government collaboration with Sitka Tribe of Alaska.

I 17-078 Discussion/Direction on the funding source for the FY17 Electric Fund subsidization

Mayor Hunter reminded that despite the electric rate increase, a subsidization of the Electric Fund for FY2017 was needed. He summarized a memo provided by the Chief Finance and Administrative Officer in which Sweeney estimated an additional subsidy of approximately \$235,000 was required. Sweeney reminded the exact amount, however, could not be estimated in advance because the subsidy was dependent on electric consumption through the remainder of the year. That said, it was recommended the Assembly appropriate \$400,000 as an additional subsidy in order to afford Administration the latitude to meet covenant requirements if the \$235,000 was insufficient. It was recommended the General Fund be the source of the additional funding.

A motion was made by Guevin to direct the Administrator to appropriate \$400,000 for an additional subsidy to the Electric Fund from the General Fund unassigned balance. The motion PASSED by the following vote.

Yes: 4 - Guevin, Potrzuski, Hunter, and Knox

No: 1 - Bean

Absent: 2 - Swanson, and Eisenbeisz

J 17-082 Authorize the Municipal Administrator to enter into an Investment Management Contract with Alaska Permanent Capital Management for Operating Investments

Potrzuski wondered of the risk. Chief Finance and Administrative Officer, Jay Sweeney, stated there was risk in not taking action. As an institutional manager of funds, Sweeney had an investment policy to follow, however, did not have the resources that would be made available to a professional investor. He offered that of all municipalities in Alaska, of the same size as Sitka or larger, Sitka was the only municipality that managed its own operating funds. Guevin noted the Investment Committee was in support of this decision.

A motion was made by Potrzuski to authorize the Municipal Administrator to enter into an Investment Management Contract with Alaska Permanent Capital Management for Operating Investments. The motion PASSED by the following vote.

Yes: 5 - Guevin, Potrzuski, Hunter, Knox, and Bean

Absent: 2 - Swanson, and Eisenbeisz

K 17-080 Reassignment of Assembly Liaisons: Gary Paxton Industrial Park Board, Sitka Community Hospital Board, SEDA

Mayor Hunter noted Assembly member Eisenbeisz had chosen three of the busiest assignments. Since publication of the agenda, Eisenbeisz had requested to remain the liaison for the Sitka Community Hospital Board. Potrzuski offered to take over the liaison seat on the Gary Paxton Industrial Park Board and Bean offered to be the Assembly liaison for the Sitka Economic Development Association.

XIII. PERSONS TO BE HEARD:

None.

XIV. EXECUTIVE SESSION

L 17-079 Possible Executive Session: Litigation Update - Dapcevich Lawsuit

Municipal Attorney, Brian Hanson, reported Michael Gatti (outside legal counsel) was unavailable this evening and therefore this item would be discussed at the next meeting.

XV. ADJOURNMENT

A motion was made by Potrzuski to ADJOURN. Hearing no objections, the meeting ADJOURNED at 7:58pm.

ATTEST:

Sara Peterson, CMC
Municipal Clerk



CITY AND BOROUGH OF SITKA

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

Minutes - Draft

City and Borough Assembly

Mayor Matthew Hunter
Deputy Mayor Bob Potrzuski
Vice-Deputy Mayor Steven Eisenbeisz
Tristan Guevin, Kevin Knox
Aaron Bean, and Aaron Swanson

Municipal Administrator: Mark Gorman
Municipal Attorney: Brian Hanson
Municipal Clerk: Sara Peterson

Monday, May 1, 2017

6:00 PM

Assembly Chambers

SPECIAL MEETING

- I. CALL TO ORDER
- II. FLAG SALUTE
- III. ROLL CALL

Present: 6 - Swanson, Guevin, Potrzuski, Hunter, Knox, and Bean

Absent: 1 - Eisenbeisz

- IV. NEW BUSINESS:

Board of Equalization

A motion was made by Swanson to Convene as the Board of Equalization. The motion PASSED by a unanimous voice vote.

Municipal Attorney, Brian Hanson, stated item B had been withdrawn.

- A 17-086

Consideration of a late-file application filed by Christine McGraw (*note: if granted, the appeal would be heard at a later date*)

Mayor Hunter requested Assessing Director, Wendy Lawrence, provide a summary of the request. Lawrence stated the Assessing Office had received a late-file appeal application from Christine McGraw after the April 14, 2017 deadline. Lawrence reminded the "unusual circumstances" requirement would need to be met. Lawrence stated McGraw informed her she had mail forwarding with the Post Office and explained it was the burden of the property tax owner to ensure the Assessing Office had the correct mailing address on file. Lawrence stated the City had met its burden and there was no way for the the City to know McGraw had not received the notice until McGraw contacted the Assessing Office on April 21 - after the April 14 appeal period had closed. Lawrence asked that the Board of Equalization uphold the State Statutes and Sitka General Code and not grant the late-file appeal.

Bean noted the request before the Board was an application not a hearing. Given the circumstances of events (Kramer landslide) that had occurred on McGraw's property, he wished to see the application accepted and a hearing granted. Bean suggested there had been a communication breakdown between McGraw and the Assessing Office and spoke to the McGraw's email sent to the Assessing Office on April 28, 2017. Guevin reminded the Board was sitting as a quasi-judicial body, the circumstances were irrelevant. He stated it was the Board's duty to decide whether McGraw's late filing was due to unusual circumstances. Guevin was of the opinion that there was nothing "unusual"; notices were sent to everyone and it was each property owner's responsibility to update their mailing address with the City. In conclusion, he added it was dangerous to set a precedent with personal property. While sympathetic to McGraw, Hunter reminded that the Board was not to take into consideration anything other than what was presented and was also concerned about setting a precedent.

A motion was made by Bean to accept Christine McGraw's late file appeal application. The motion FAILED by the following vote.

Yes: 2 - Swanson, and Bean

No: 4 - Guevin, Potrzuski, Hunter, and Knox

Absent: 1 - Eisenbeisz

A motion was made by Swanson to Reconvene as the Assembly in regular session. The motion PASSED by a unanimous voice vote.

Municipal Administrator Mark Gorman applauded Assessing Director, Wendy Lawrence, for her work noting initially there had been 100 appeals.

- B 17-087** Hear an appeal, and reach findings and decision, filed by Sitka Residences, LLC in regard to real property referenced within appeal packet 2017-01 by reference (Aspen Hotel)

This item was withdrawn prior to the start of the meeting. The Assessing Director informed that Aspen Hotel was signing the corrected assessment and would not be appealing.

V. PERSONS TO BE HEARD:

None.

VI. EXECUTIVE SESSION

None.

VII. ADJOURNMENT

A motion was made by Swanson to ADJOURN. Hearing no objections, the meeting ADJOURNED at 6:15pm.

ATTEST: _____
Sara Peterson, CMC
Municipal Clerk



CITY AND BOROUGH OF SITKA

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

Minutes - Draft

City and Borough Assembly

Mayor Matthew Hunter
Deputy Mayor Bob Potrzuski
Vice-Deputy Mayor Steven Eisenbeisz
Tristan Guevin, Kevin Knox
Aaron Bean, and Aaron Swanson

Municipal Administrator: Mark Gorman
Municipal Attorney: Brian Hanson
Municipal Clerk: Sara Peterson

Tuesday, May 2, 2017

6:00 PM

Assembly Chambers

SPECIAL MEETING

I. CALL TO ORDER

II. FLAG SALUTE

III. ROLL CALL

Present: 6 - Swanson, Eisenbeisz, Guevin, Potrzuski, Hunter, and Knox

Absent: 1 - Bean

IV. PERSONS TO BE HEARD

None.

V. NEW BUSINESS:

A 17-084

Discussion/Direction/Decision of the FY2018 Sitka Community Hospital budget (*Assembly action may be taken*)

Sitka Community Hospital (SCH) CEO, Rob Allen, provided an overview of presentation talking points: operating budget, capital budget, update on the Electronic Health Records (EHR) project - put on hold, and update of the SEARHC collaboration project. With regards to the collaboration project, Allen noted the report the Assembly had asked for would not be complete until the first part of May. Allen explained SCH had hired a consultant to offer suggestions for greater efficiencies (financial and organizational).

Cynthia Brandt, CFO of SCH, explained the FY18 budget process, reviewed the operating budget at a glance, noted anticipated cash flow (minimum 20 days cash on hand) and uses of cash. Brandt outlined budget assumptions used in developing the FY18 budget: operational changes (labor and delivery budgeted through the end of September 2017 and surgical services reduced to half time after September 30), an

overall price increase of 10%, inpatient revenue numbers, outpatient revenue projections (a clinic volume increase of 16%), and increased census number for long-term care (assumption of 14 resident in FY18). Regarding outpatient revenue, Brandt noted FY18 volumes were developed specific to physician staffing and productivity measures of visits per day in addition to an assumed increase in efficiencies gained through the addition of the clinic modular unit requested as an amendment to the FY17 capital budget. Next, Brandt reviewed the deductions from revenue (contractual adjustments, bad debt, and charity care) and the expense side of the budget: salaries and benefits, supplies, depreciation and amortization, utilities, business insurance, purchased services, and professional fees.

Of concern to some Assembly members was the projected 16% increase in outpatient clinic volumes and the estimated 14 long-term care residents year round. Members suggested the figures might be overly optimistic. Also of concern, was the decrease in the projected number of days of cash on hand. Allen clarified 20 days was not a goal, rather a number of days to not drop below. Allen and Brandt spoke to the "on hold" status of the EHR. While important to the success of SCH, Allen explained issues related to the mid year cost report and Medicare had been discovered. He reported SCH had been overpaid in Medicare and an amount between \$800,000 and \$1.2 million would need to be repaid. In addition, a limited capital plan was of concern. Allen offered assurances to the Assembly that SCH was working on a detailed capital plan. He also stated SCH felt the patient demand existed and reminded of a three week waiting period at Mountainside Clinic.

Concerning the add-on modular unit, Administrator Gorman clarified that the \$400,000 purchase was split over two fiscal years - \$200,000 in FY17 and \$200,000 in FY18. Staff recommended \$400,000 be appropriated in FY17 as a capital appropriation; funds would not expire until the project was complete and allow for SCH to spread the project over two years. Staff reminded SCH had requested a deferral of line of credit repayment to fund the acquisition of the clinic modular.

Connie Sipe, SCH Board member, clarified the Board had not made a decision on eliminating OB or reducing surgical services to half time. Instead, the Board had asked staff to look into other viable options - e.g. labor and delivery at SEARHC, midwife birthing center.

Nancy Blatchley Davis urged the Assembly to support SCH and spoke to the community need.

Leisha Witherspoon, an obstetrical patient at SCH, spoke in support of SCH staff and the labor and delivery program.

Dr. Richard Wein stated SCH needed to survive, however, expressed apprehension in the budget presented.

Karen Lucas expressed an urgency for action and noted the community was witnessing the slow death of SCH. She urged the Assembly to consider offers from other providers (e.g. Providence) who may wish to explore a buy out. Lucas stated the native community had formed a group in opposition to the merger of SEARHC and SCH.

Cass Pook offered while there was much history between SEARHC and SCH there was also a need for collaboration in order to survive.

Sharon Sullivan, a nurse, wished for the Assembly to send the budget back to SCH requesting obstetrical services be reinstated through the end of 2017. Sullivan spoke in support of a midwife attended birthcenter.

Irish Nash, an obstetrical patient, wished to remain in Sitka, however, was uncomfortable with the options available. She encouraged the Assembly to restore the obstetrical program to the SCH budget.

Cynthia Dennis expressed concern of the budget assumptions and support for the obstetrics program and surgical services.

Guevin stated while he felt decisions around SCH were going to be driven by crisis, he was comfortable in taking a leap of faith on SCH. Eisenbeisz said he could not support the budget and felt some of the proposed FY18 budget decisions were premature. Knox, while understanding of the difficult position SCH was in, was uncomfortable with the budget assumptions (e.g. programs) presented. Hunter reminded Assembly approval of the SCH budget didn't give the Hospital authorization to implement the budget now. The SCH budget would come before the Assembly as part of the FY18 City budget ordinance on May 23. In addition, Hunter clarified that approving the budget did not approve programmatic changes at SCH. The SCH Board was the body making program changes. Hunter was hesitant of the modular purchase but understands the demand and need for growth. Potrzuski suggested Sitka may be reaching the point where it couldn't offer a multitude of services and choices. He wished to see more work done on the SCH capital plan.

A motion was made by Potrzuski to approve the Sitka Community Hospital FY18 budget as presented. The motion PASSED by the following vote.

Yes: 4 - Guevin, Potrzuski, Hunter, and Knox

No: 2 - Swanson, and Eisenbeisz

Absent: 1 - Bean

B 17-088 Discussion/Direction/Decision on Sitka Community Hospital's request to purchase the clinic office modular in FY2017 (*Assembly action may be taken*)

Administrator Gorman clarified the motion made for Item A stating the clinic modular had not been fully funded in the motion approved by the Assembly. \$200,000 had been set aside in FY18. The Hospital would need to come forward with a request for the remainder of the funds.

No discussion or action was taken specific to Item B.

C 17-085 Discussion/Direction/Decision of the FY2018 General Fund and as it relates to other Funds, the School District, and the Sitka Community Hospital (*Assembly action may be taken*)

Hunter stated the Port and Harbors Commission wished to see a 5% moorage rate increase rather than the proposed 6%. While the Commission recognized an increase to 6% didn't keep up with the Harbor Master Plan they felt it was an extension of help to harbor users. Gorman noted the Harbor Master Plan would need to be adjusted. Knox offered there had been discussion on prioritizing or eliminating non revenue generating items out of the Harbor Master Plan (e.g. the grid, parking lots). Chief Finance and Administrative Officer, Jay Sweeney, reiterated the rate decrease would affect the fiscal plan and the plan would need to be revised. Eisenbeisz suggested the Harbor Master Plan was not sustainable at the current rates and supported readjustment of the plan. Guevin thanked the Port and Harbors Commission for their input and agreed with their recommendation. Potrzuski agreed the Harbor Master Plan was unsustainable, however, was reluctant to deviate from the

plan.

A motion was made by Guevin to direct the Administrator to adjust the harbor rate for FY18 to 5%. The motion PASSED by the following vote.

Yes: 5 - Swanson, Eisenbeisz, Guevin, Hunter, and Knox

No: 1 - Potrzuski

Absent: 1 - Bean

Jay Sweeney, Chief Finance and Administrative Officer, stated the City was in receipt of the School District's budget at which time commences a 30-day period of time, specified in State law, in which the Assembly must act on the District's request and determine the amount of local support. If the Assembly did not take action, then the amount contained in the District's submitted budget for local support was automatically approved. Sweeney noted the City had decreased the level of support to the District by \$239,229; however, the School Board had voted to restore that funding.

School District Superintendent, Mary Wegner, and Cassee Olin, School District Business Manager explained the need for restoration of the \$239,229 citing unanticipated costs - e.g. an increase in health insurance. Without restoration of the funds, teacher positions would need to be eliminated.

School Board President, Cass Pook, and Board Member Tom Conley spoke in support of restoring the funds.

A motion was made by Potrzuski to increase the School District's funding by \$200,000 for FY18. The motion PASSED by the following vote.

Yes: 4 - Guevin, Potrzuski, Hunter, and Knox

No: 2 - Swanson, and Eisenbeisz

Absent: 1 - Bean

VI. PERSONS TO BE HEARD:

None.

VII. EXECUTIVE SESSION

None.

VIII. ADJOURNMENT

A motion was made by Swanson to ADJOURN. Hearing no objections, the meeting ADJOURNED at 10:07pm.

ATTEST: _____
Sara Peterson, CMC
Municipal Clerk



CITY AND BOROUGH OF SITKA

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

Minutes - Draft

City and Borough Assembly

*Mayor Matthew Hunter
Deputy Mayor Bob Potrzuski
Vice-Deputy Mayor Steven Eisenbeisz
Tristan Guevin, Kevin Knox
Aaron Bean, and Aaron Swanson*

*Municipal Administrator: Mark Gorman
Municipal Attorney: Brian Hanson
Municipal Clerk: Sara Peterson*

Tuesday, May 9, 2017

6:00 PM

Assembly Chambers

WORKSESSION 5:00 PM

Cancelled.

REGULAR MEETING

- I. CALL TO ORDER
- II. FLAG SALUTE
- III. ROLL CALL

Deputy Mayor Potrzuski noted the community had faced a huge tragedy over the weekend that had affected many. He asked for a moment of silence.

Present: 7 - Swanson, Eisenbeisz, Guevin, Potrzuski, Hunter, Knox, and Bean

IV. CORRESPONDENCE/AGENDA CHANGES

Mayor Hunter announced the following items were pulled from tonight's agenda and would be discussed at a future meeting: Arbor Day Proclamation, Special Reports, and items A, C, D, F, G, H, I and J.

17-098 Reminders, Calendars and General Correspondence

V. CEREMONIAL MATTERS

17-090 Proclamation - Arbor Day

This item was PULLED from the agenda.

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

17-089 Special Reports: 1) Alaska DOT&PF - Sawmill Creek Road Resurfacing and Pedestrian Improvements, 2) Sitka Comprehensive Plan Update

These items were PULLED from the agenda.

VII. PERSONS TO BE HEARD

Alene Henning asked for enforcement of the law prohibiting cell phone use while driving.

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

None.

IX. CONSENT AGENDA

A 17-091 Approve the minutes of the April 11, 17, 18, 19, 25, May 1, 2, 9 Assembly meetings

This item was PULLED from the agenda.

B 17-092 Approve liquor license transfer and controlling interest applications for Baranof Island Brewing Company, LLC dba Baranof Island Brewing Company at a new location, 1209-A Sawmill Creek Road

A motion was made by Guevin to APPROVE this Item. The motion PASSED by the following vote.

Yes: 7 - Swanson, Eisenbeisz, Guevin, Potrzuski, Hunter, Knox, and Bean

X. BOARD, COMMISSION, COMMITTEE APPOINTMENTS

C 17-093 Appoint Martha Moses to an unexpired term on the Historic Preservation Commission in the category of "Sitka Tribe of Alaska - alternate seat"

This item was PULLED from the agenda.

XI. UNFINISHED BUSINESS:

D ORD 17-11 Adjusting the FY17 Budget (*Fire Department Operations, Crescent Harbor Playground Project, Commercial Passenger Excise Tax*)

This item was PULLED from the agenda.

E ORD 17-12 Authorizing the lease of 1000 square feet of US Survey 3377 Griffith

Island also known as 725 Siginaka Way

A motion was made by Swanson that this Ordinance be APPROVED on SECOND AND FINAL READING. The motion PASSED by the following vote.

Yes: 7 - Swanson, Eisenbeisz, Guevin, Potrzuski, Hunter, Knox, and Bean

XII. NEW BUSINESS:

New Business First Reading

F ORD 17-13 Adjusting the FY17 Budget (*Electric Utility Subsidization*)

This item was PULLED from the agenda.

G ORD 17-14 Amending Sitka General Code Title 20 "Miscellaneous Permit Regulations" by changing the name to "Environmentally Critical Areas" and adding a new Chapter 20.01 entitled "Landslide Area Management"

This item was PULLED from the agenda.

Additional New Business Items

H 17-094 Accept the insurance settlement of approximately \$248,000 for the Administration Building at the Gary Paxton Industrial Park and discuss the future disposition of the Building

This item was PULLED from the agenda.

I 17-095 Approve a final subdivision plat for a Planned Unit Development at 1306 Halibut Point Road filed by the Sitka Community Land Trust

This item was PULLED from the agenda.

J 17-096 Discussion/Direction/Decision on the selection of an Interim Administrator(s)

This item was PULLED from the agenda.

XIII. PERSONS TO BE HEARD:

Acting Administrator Michael Harmon stated thoughts and prayers went out to family and friends affected by the tragic event over the weekend and applauded the Police Department for their work. He reminded the community of counseling services available.

XIV. EXECUTIVE SESSION

K 17-097 Litigation Update - Dapcevich Lawsuit

A motion was made by Knox to go into Executive Session, and exclude Acting Administrator Michael Harmon, to receive advice from outside legal counsel, Michael Gatti, regarding legal matters affecting the Municipality as a result of the lawsuit filed by Marko Dapcevich on March 30, 2017. The motion PASSED by the following vote.

Yes: 7 - Swanson, Eisenbeisz, Guevin, Potrzuski, Hunter, Knox, and Bean

The Assembly was in Executive Session from 6:08pm to 6:55pm.

A motion was made by Swanson to Reconvene as the Assembly in regular session. The motion PASSED by a unanimous voice vote.

A motion was made by Knox that the City and Borough of Sitka shall defend and indemnify Assembly members, the Administrator, GPIP Director, GPIP board members, and employees, current and former, against all costs, expenses, judgements and liabilities, including attorney fees, incurred by or imposed upon that person in connection with the lawsuit in the Superior Court of the State of Alaska in the First Judicial District at Sitka, captioned Marko Dapcevich v. City and Borough of Sitka, et al., Case No. 1SI-17-44 CI, arising from the person's affiliation with the City and Borough of Sitka if the person acted on behalf of the City and Borough of Sitka and within the scope of the person's official duties or powers. The motion PASSED by the following vote.

Yes: 6 - Swanson, Eisenbeisz, Guevin, Potrzuski, Hunter, and Knox

No: 1 - Bean

XV. ADJOURNMENT

A motion was made by Swanson to ADJOURN. Hearing no objections, the meeting ADJOURNED at 6:59pm.

ATTEST: _____

Sara Peterson, CMC
Municipal Clerk



CITY AND BOROUGH OF SITKA

Legislation Details

File #: 17-093 Version: 1 Name:

Type: Item Status: AGENDA READY

File created: 5/3/2017 In control: City and Borough Assembly

On agenda: 5/23/2017 Final action:

Title: Appoint Martha Moses to an unexpired term on the Historic Preservation Commission in the category of "Sitka Tribe of Alaska - alternate seat"

Sponsors:

Indexes:

Code sections:

Attachments: [Moses application.pdf](#)

Date	Ver.	Action By	Action	Result
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POSSIBLE MOTION

I MOVE TO appoint Martha Moses to an unexpired term on the Historic Preservation Commission in the category of “Sitka Tribe of Alaska – alternate seat”.



Application for Appointment to Boards, Committees, and Commissions
City and Borough of Sitka

Board/Commission/Committee: Historic Preservation
Name: Martha Moses Daytime Phone: 738 1275
Address: P.O. Box 6142 Evening Phone: ↓
Email Address: ravenstern79@yahoo.com Fax Number: N/A
Length of Residence in Sitka: Life Registered to vote in Sitka? Yes No
Employer: CC THITA - Sitka TANF
Organizations you belong to or participate in: Sitka Tribe of Alaska

Explain your main reason for applying: Orientation gaining knowledge as a STA Council Rep.

What background, experience or credentials will you bring to the board, commission, or committee membership?
Tribal Citizen, former active ANS member

Please disclose any potential conflicts of interest that may arise from your appointment. These may include but are not limited to: N/A

- A substantial financial interest of \$1000 annually that could be influenced by your appointment.
- An immediate family member employed within the scope of this appointment.

Please attach a letter of interest, outline, or resume which includes your education, work, and volunteer experience that will enhance your membership.

→ *(To be considered, your application must be complete AND be accompanied by one of the above supporting documents.)*

Date: 4/17/17 Signature: Martha Moses

Your complete application and resume should be returned to the Municipal Clerk's Office by noon on the Wednesday prior to an advertised Assembly meeting.

Please note: all information submitted will be made public and published online. Appointments are normally made at the conclusion of an Assembly meeting, however, Assembly members may vote to discuss applicant(s) in a session. In this case, do you wish to be present when your application is discussed? Yes No

Return to:
Melissa Henshaw, Deputy Clerk/Records Specialist, 100 Lincoln Street
Fax: 907-747-7403 Email: melissa.henshaw@cityofsitka.org

Alternate to
Bob Sam for
STA seat

From: Gassman, Lisa [<mailto:lisa.gassman@sitkatriben-sn.gov>]

Sent: Monday, May 01, 2017 3:07 PM

To: Melissa Henshaw <melissa.henshaw@cityofsitka.org>

Subject: Fwd: Message from "STA-ADM-9060"

Melissa,

Please see attached form for Martha Moses. We would like her to serve on the Historic Preservation Commission as an alternate to Bob Sam in the STA seat. Please let me know if that will cause any issues. Thanks.

Lisa Gassman
General Manager

Sitka Tribe of Alaska

456 Katlian Street

Sitka, AK 99835

(907) 747-3207 General * (907) 747-7380 Direct Line * (907) 747-4915 Fax

lisa.gassman@sitkatriben-sn.gov <lisa.gassman@sitkatriben-sn.gov>



HISTORIC PRESERVATION COMMISSION

NAME	CONTACT NUMBERS	TERM STARTS	EXPIRES	CATEGORY
ANNE POLLNOW PO Box 6326	738-0794 sealevelanne@gmail.com	4/28/15 4/25/17	4/22/17 4/25/20	CHAIR At large
ANA DITTMAR 217 Marine Street Unit B	623-7537 anadittmar1@hotmail.com	4/10/12 5/27/15	4/10/15 5/27/18	Vice-Chair At large
ROBERTA LITTLEFIELD 4102 Halibut Point Road	738-4004 c 747-3444 h robbylittlefield@gci.net	7/13/10 4/24/12 5/27/15	01/27/12 4/24/15 5/27/18	SECRETARY Native community
JAMES POULSON 1610 Sawmill Creek Rd	747-3219 w 747-6567 h sitka@operamail.com	2/22/11 2/25/14	2/22/14 2/25/17 9/8/18	Historical Society <i>Ozment's term</i>
SCOTT SALINE PO Box 3183	738-7889 c shsaline@gci.net	4/26/16	4/26/19	At large
KITTY SOPOW 3414 Halibut Point Road	907-545-2850 kittysopow@gmail.com	2/28/17	2/28/20	At large
ROBERT SAM 456 Katlian Street	623-7097 bob.sam@sitkatriben-sns.gov	2/24/15	2/24/18	STA
CLARA GRAY PO Box 401	752-7880 clara.gray@sitkatriben-sns.gov	4/12/16	2/24/18	STA (alternate) <i>Miller's term</i>
Samantha Pierson Planner I	747-1814 samantha.pierson@cityofsitka.org			Staff Liaison/ Secretary
Aaron Swanson 1410 C Sawmill Creek Rd	747-5499 h 623-7869 c assemblyswanson@cityofsitka.org			Assembly Liaison

7 members from selected categories 3-year terms

Sitka Historical Society (1), Native Community (2) - one representing Sitka Tribe of Alaska), At-Large (4)

Established by Ordinance 92-1075, Amended by Ordinance 93-1150, Addition by Ordinance 97-1409

Second Wednesday, 6:00 p.m. – Harrigan Centennial Hall, 330 Harbor Drive

Quorum is met when 4 Commission members are present

Revised: April 26, 2017



CITY AND BOROUGH OF SITKA

Legislation Details

File #: ORD 17-11 Version: 1 Name:
Type: Ordinance Status: AGENDA READY
File created: 4/19/2017 In control: City and Borough Assembly
On agenda: 5/23/2017 Final action:
Title: Adjusting the FY17 Budget (Fire Department Operations, Crescent Harbor Playground Project, Commercial Passenger Excise Tax)

Sponsors:

Indexes:

Code sections:

Attachments: [Ord 2017-11.pdf](#)

Date	Ver.	Action By	Action	Result
4/25/2017	1	City and Borough Assembly		

POSSIBLE MOTION

I MOVE TO approve Ordinance 2017-11 on second and final reading.

CITY AND BOROUGH OF SITKA

ORDINANCE NO. 2017-11
AN ORDINANCE OF THE CITY AND BOROUGH OF SITKA
ADJUSTING THE FY17 BUDGET

BE IT ENACTED by the Assembly of the City and Borough of Sitka, Alaska as follows:

1. CLASSIFICATION. This ordinance is not of a permanent nature and is not intended to be a part of the Sitka General Code of the City and Borough of Sitka, Alaska.

2. SEVERABILITY. If any provision of this ordinance or any application thereof to any person or circumstance is held invalid, the remainder of this ordinance and application thereof to any person and circumstances shall not be affected thereby.

3. PURPOSE. The purpose of this ordinance is to adjust the FY17 budgets for known changes.

4. ENACTMENT. The Assembly of the City and Borough of Sitka hereby adjusts the FY17 budget for known changes. In accordance with Section 11.10(a) of the Charter of the City and Borough of Sitka, Alaska, the budget for the fiscal period beginning July 1, 2016 and ending June 30, 2017 is hereby adjusted as follows:

Table with 4 main sections: FISCAL YEAR 2017 EXPENDITURE BUDGETS, GENERAL FUND (with Fire Department note), CAPITAL PROJECTS (with Fund 700 note), and SPECIAL REVENUE FUNDS (with Fund 194 note).

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45 **EXPLANATION**

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47 Necessary revisions in the FY 2017 budget were identified. These changes involve the increase of
48 expenditure accounts and causes decreased cash flows to the fund balance of various funds. A short
49 explanation of each budget revision is included.

50
51 **5. EFFECTIVE DATE.** This ordinance shall become effective on the day after the date of its
52 passage.

53
54 **PASSED, APPROVED, AND ADOPTED** by the Assembly of the City and Borough of Sitka,
55 Alaska this 23rd Day of May, 2017.

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59 **ATTEST:**

Matthew Hunter, Mayor

60
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63 _____
64 **Melissa Henshaw, CMC**
65 **Acting Municipal Clerk**

66 **1st reading 4/25/17**

67 **2nd reading 5/23/17**



CITY AND BOROUGH OF SITKA

Legislation Details

File #: ORD 17-13 Version: 1 Name:
Type: Ordinance Status: AGENDA READY
File created: 5/3/2017 In control: City and Borough Assembly
On agenda: 5/23/2017 Final action:
Title: Adjusting the FY17 Budget (Electric Utility Subsidization)
Sponsors:
Indexes:
Code sections:
Attachments: [Motion Ord 2017-13.pdf](#)
[Ord 2017-13 electric subsidy.pdf](#)

Date	Ver.	Action By	Action	Result
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POSSIBLE MOTION

I MOVE TO approve Ordinance 2017-13 on
first reading.

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CITY AND BOROUGH OF SITKA
ORDINANCE NO. 2017-13
AN ORDINANCE OF THE CITY AND BOROUGH OF SITKA
ADJUSTING THE FY17 BUDGET

BE IT ENACTED by the Assembly of the City and Borough of Sitka, Alaska as follows:

1. **CLASSIFICATION.** This ordinance is not of a permanent nature and is not intended to be a part of the Sitka General Code of the City and Borough of Sitka, Alaska.

2. **SEVERABILITY.** If any provision of this ordinance or any application thereof to any person or circumstance is held invalid, the remainder of this ordinance and application thereof to any person and circumstances shall not be affected thereby.

3. **PURPOSE.** The purpose of this ordinance is to adjust the FY17 budgets for known changes.

4. **ENACTMENT.** The Assembly of the City and Borough of Sitka hereby adjusts the FY17 budget for known changes. In accordance with Section 11.10(a) of the Charter of the City and Borough of Sitka, Alaska, the budget for the fiscal period beginning July 1, 2016 and ending June 30, 2017 is hereby adjusted as follows:

<u>FISCAL YEAR 2017 EXPENDITURE BUDGETS</u>
GENERAL FUND
Fund 100 – General Fund – Operations: At the April 25, 2017 meeting, the Assembly agreed with the Administration recommendation transferring up to \$400,000 from the General Fund Unassigned Fund Balance to the Electric Department Rate Stabilization Fund for supplemental FY2017 Electric Utility Subsidization.
ENTERPRISE AND INTERNAL SERVICE FUNDS
Fund 200 – Electric Fund – Operations: At the April 25, 2017 meeting, the Assembly agreed with the Administration recommendation transferring up to \$400,000 from the General Fund Unassigned Fund Balance to the Electric Department Rate Stabilization Fund for supplemental FY2017 Electric Utility Subsidization.

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EXPLANATION

Necessary revisions in the FY 2017 budget were identified. These changes involve the increase of expenditure accounts and causes decreased cash flows to the fund balance of various funds. A short explanation of each budget revision is included.

5. EFFECTIVE DATE. This ordinance shall become effective on the day after the date of its passage.

PASSED, APPROVED, AND ADOPTED by the Assembly of the City and Borough of Sitka, Alaska this 13th Day of June, 2017.

ATTEST:

Matthew Hunter, Mayor

Melissa Henshaw, CMC
Acting Municipal Clerk

1st reading 5/23/17
2nd reading 6/13/17



CITY AND BOROUGH OF SITKA

Legislation Details

File #: ORD 17-15 Version: 1 Name:
Type: Ordinance Status: AGENDA READY
File created: 5/12/2017 In control: City and Borough Assembly
On agenda: 5/23/2017 Final action:
Title: Adjusting the FY17 Budget (Sitka Community Hospital Modular Unit)
Sponsors:
Indexes:
Code sections:
Attachments: [Motion Ord 2017-15.pdf](#)
[Ord 2017-15.pdf](#)
[Memo SCH Modular.pdf](#)

Date	Ver.	Action By	Action	Result
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POSSIBLE MOTION

I MOVE TO approve Ordinance 2017-15 on
first reading.

CITY AND BOROUGH OF SITKA

ORDINANCE NO. 2017-15
AN ORDINANCE OF THE CITY AND BOROUGH OF SITKA
ADJUSTING THE FY17 BUDGET

BE IT ENACTED by the Assembly of the City and Borough of Sitka, Alaska as follows:

1. CLASSIFICATION. This ordinance is not of a permanent nature and is not intended to be a part of the Sitka General Code of the City and Borough of Sitka, Alaska.

2. SEVERABILITY. If any provision of this ordinance or any application thereof to any person or circumstance is held invalid, the remainder of this ordinance and application thereof to any person and circumstances shall not be affected thereby.

3. PURPOSE. The purpose of this ordinance is to adjust the FY17 budgets for known changes.

4. ENACTMENT. The Assembly of the City and Borough of Sitka hereby adjusts the FY17 budget for known changes. In accordance with Section 11.10(a) of the Charter of the City and Borough of Sitka, Alaska, the budget for the fiscal period beginning July 1, 2016 and ending June 30, 2017 is hereby adjusted as follows:

Table with 1 column and 4 rows. Row 1: FISCAL YEAR 2017 EXPENDITURE BUDGETS. Row 2: GENERAL FUND. Row 3: Sitka Community Hospital – Capital: The SCH Director of Operations is requesting a Capital appropriation of \$400,000 from the Hospital’s Unassigned Fund Balance for the purchase & installation of an Office Modular for the Clinic office expansion. Row 4: (Empty)

EXPLANATION

Necessary revisions in the FY 2017 budget were identified. These changes involve the increase of expenditure accounts and causes decreased cash flows to the fund balance of various funds. A short explanation of each budget revision is included.

5. EFFECTIVE DATE. This ordinance shall become effective on the day after the date of its passage.

PASSED, APPROVED, AND ADOPTED by the Assembly of the City and Borough of Sitka, Alaska this 13th Day of June, 2017.

ATTEST:

Matthew Hunter, Mayor

Melissa Henshaw, CMC
Acting Municipal Clerk

1st reading 5/23/17
2nd reading 6/13/17



MEMORANDUM

To: Mayor Hunter and Members of the Assembly,
Mark Gorman, Administrator

Cc: Bryan Bertacchi, Hospital Board Chair
Rob Allen, CEO

From: Steven Hartford, SCH Director of Operations

Date: May 10, 2017

Subject: Clinic Office Modular and request for deferral of monthly line of credit payments

The Hospital is currently in the planning stages to install an office modular for Clinic office expansion. This project has been on the books and has been identified as a necessary facility upgrade for the last several years and we are hoping to move ahead with it within the next few months. The previously provided presentation and the details included explain our thinking on the project and our request for the Assembly's formal approval of the project at its May 23rd meeting.

Office Modular

Background

The Office modular, as an adjunct to the Mountainside Family Healthcare Clinic will help us with some critically needed expansion space to continue our mission of strengthening and expanding our primary outpatient services division in order to meet a growing need in the community and to better position SCH for an evolving focus on population health. As the presentation indicated, the current clinic space, with growing demand for services, is already substantially overcapacity and overcrowded. This modular will allow us the opportunity for a more efficient provider work flow as well as opening up much needed patient care space in the clinic proper.

The project was initially approved by our Board of Directors at its October 2016 meeting to move forward in our current fiscal year. Due to some timing issues and budgetary priorities it was not forwarded to the Assembly for final approval at that time. The Board took up this issue again at its meeting in March and determined that we were at a critical stage in our Clinic space needs. The Board



+ SITKA COMMUNITY HOSPITAL
Creating a healthier tomorrow today.

209 Moller Avenue
Sitka, Alaska 99835
(907) 747-3241
www.sitkahospital.org

requested that this be forwarded to the Assembly now together with a request to defer our line of credit payments. I will detail that request further below.

Analysis

We are planning to treat this acquisition and installation as a supplemental capital budget item in fiscal '17. The funding for this project (\$400,000.00) would be treated as a supplemental capital allocation from our cash reserves and would be contingent on the Assembly's authorization for us to defer the repayment of our line of credit monthly payments for approximately 8 months. The Hospital is currently returning half of our monthly dedicated tobacco tax receipts as repayment on our line of credit. The current balance on the original \$1.5mm line of credit as of March 30, 2017 is \$732,361.00. The average monthly payment is \$50,000.00 which would mean at that rate that we could complete the cash flow off- set of the modular project within 8 months and then resume the line of credit payments to its conclusion. The project is estimated to take 4-6 months from date of order to completion.

Recommendation

That the Assembly approves a supplemental capital budget of \$400,000.00 to come from the Hospital's cash reserves and approves the temporary deferral of monthly line of credit payments until said deferral totals \$400,000.00



CITY AND BOROUGH OF SITKA

Legislation Details

File #: ORD 17-16 Version: 1 Name:
Type: Ordinance Status: AGENDA READY
File created: 5/12/2017 In control: City and Borough Assembly
On agenda: 5/23/2017 Final action:
Title: Adopting budgets for the Fiscal Year July 1, 2017 through June 30, 2018
Sponsors:
Indexes:
Code sections:
Attachments: [Motion Ord 2017-16.pdf](#)
[Ord 2017-16.pdf](#)

Date	Ver.	Action By	Action	Result
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POSSIBLE MOTION

I MOVE TO approve Ordinance 2017-16 on
first reading.

CITY AND BOROUGH OF SITKA

ORDINANCE NO. 2017-16

AN ORDINANCE OF THE CITY AND BOROUGH OF SITKA
ADOPTING BUDGETS FOR THE FISCAL YEAR JULY 1, 2017
THROUGH JUNE 30, 2018

BE IT ENACTED by the Assembly of the City and Borough of Sitka, Alaska as follows:

1. **CLASSIFICATION.** This ordinance is not of a permanent nature and is not intended to be a part of the Sitka General Code of the City and Borough of Sitka, Alaska.

2. **SEVERABILITY.** If any portion of this ordinance or any application thereof to any person or circumstance is held invalid, the remainder of this ordinance and application thereof to any person and circumstances shall not be affected thereby.

3. **PURPOSE.** The purpose of this ordinance is to set forth budgetary requirements for the operation of the various divisions, departments and organizations of the City and Borough of Sitka for Fiscal Year 2018.

4. **ENACTMENT. NOW THEREFORE, BE IT ENACTED** by the Assembly of the City and Borough of Sitka, Alaska that the following expenditure budgets for the fiscal period beginning July 1, 2017 and ending June 30, 2018 are hereby adopted as follows:

<u>FUND</u>	<u>REVENUE</u>	<u>EXPENDITURE BUDGET</u>		
<u>GENERAL FUNDS</u>	REVENUE	OPERATIONS	CAPITAL/ TRANSFER	TOTAL
General Fund	\$ 26,417,956	\$ 25,394,234	\$ 1,369,500	\$ 26,763,734
<u>ENTERPRISE FUNDS</u>				
Electric Fund	\$ 17,821,264	\$ 17,670,066	\$ 3,300,000	\$ 20,970,066
Water Fund	\$ 2,444,080	\$ 2,090,029	\$ 245,000	\$ 2,335,029
Wastewater Fund	\$ 3,385,800	\$ 2,952,972	\$ 736,000	\$ 3,688,972
Solid Waste Fund	\$ 3,816,970	\$ 3,622,066	\$ 500,000	\$ 4,122,066
Harbor Fund	\$ 3,546,617	\$ 2,702,420	\$ 1,050,000	\$ 3,752,420
Airport Terminal Fund	\$ 724,203	\$ 370,004	\$ -0-	\$ 370,004
Marine Service Center Fund	\$ 279,878	\$ 148,718	\$ -0-	\$ 148,718
Gary Paxton Industrial Park	\$ 272,124	\$ 263,412	\$ -0-	\$ 263,412

<u>INTERNAL SERVICE FUNDS</u>	REVENUE	OPERATIONS	CAPITAL/ TRANSFER	TOTAL
Management Information Systems Fund	\$ 1,170,501	\$ 1,092,286	\$ -0-	\$ 1,092,286
Central Garage Fund	\$ 1,904,838	\$ 861,819	\$ 422,000	\$ 1,283,819
Building Maintenance Fund	\$ 715,455	\$ 926,051	\$ 60,000	\$ 986,051
<u>SPECIAL REVENUE FUNDS</u>				
Pet Adoption Fund	\$ 1,000	\$ 1,000	\$ -0-	\$ 1,000
SEACAD Fund	\$ 5,000	\$ 5,000	\$ -0-	\$ 5,000
Sitka Forfeiture Fund	\$ 2,000	\$ 2,000	\$ -0-	\$ 2,000
Justice Assistance Grant	\$ 52,000	\$ 52,000	\$ -0-	\$ 52,000
State Forfeiture Fund	\$ 2,000	\$ 2,000	\$ -0-	\$ 2,000
Homeland Security Grant	\$ 335,000	\$ 335,000	\$ -0-	\$ 335,000
Library Building Fund	\$ 1,700	\$ -0-	\$ -0-	\$ -0-
Southeast Alaska Economic Development Fund	\$ 37,500	\$ 37,500	\$ -0-	\$ 37,500
GPIP Contingency Fund	\$ 18,000	\$ 18,000	\$ -0-	\$ 18,000
Tobacco Excise Tax Fund	\$ 886,500	\$ 886,500	\$ -0-	\$ 886,500
Student Activities Travel Fund	\$ 2,500	\$ 2,500	\$ -0-	\$ 2,500
Fisheries Enhancement Fund	\$ 46,655	\$ 46,459	\$ -0-	\$ 46,459
Commercial Passenger Vessel Excise Tax Fund	\$ 273,100	\$ 266,200	\$ -0-	\$ 266,200
Visitor Enhancement Fund	\$ 484,000	\$ 508,912	\$ -0-	\$ 508,912
Revolving Fund	\$ 28,200	\$ 28,700	\$ -0-	\$ 28,700
Guarantee Fund	\$ 6,200	\$ 6,200	\$ -0-	\$ 6,200
Cemetery Fund	\$ 2,185	\$ 2,185	\$ -0-	\$ 2,185
Rowe Trust Fund	\$ 4,400	\$ 4,400	\$ -0-	\$ 4,400
Library Endowment Fund	\$ 6,000	\$ -0-	\$ -0-	\$ -0-
Bulk Water Fund	\$ 21,500	\$ 56,300	\$ -0-	\$ 56,300
Seasonal Sales Tax/School Bond Debt Service Fund	\$ 3,135,792	\$ 3,862,584	\$ -0-	\$ 3,862,584
<u>PERMANENT FUND</u>				
Permanent Fund	\$ 652,329	\$ 1,375,900	\$ -0-	\$ 1,375,900

<u>CAPITAL PROJECT FUNDS</u>	REVENUE	OPERATIONS	CAPITAL /TRANSFER	TOTAL
General Capital Project Fund	\$ 1,300,000	\$ -0-	\$ 1,300,000	\$ 1,300,000
GF Contingent on State/Federal Funding	\$ 3,900,000	\$ -0-	\$ 3,900,000	\$ 3,900,000
Electric Capital Project Fund	\$ 3,300,000	\$ -0-	\$ 3,300,000	\$ 3,300,000
Water Capital Project Fund	\$ 245,000	\$ -0-	\$ 245,000	\$ 245,000
Water Contingent on State/Federal Funding	\$ 19,337,722	\$ -0-	\$ 19,337,722	\$ 19,337,722
Wastewater Capital Project Fund	\$ 691,000	\$ -0-	\$ 691,000	\$ 691,000
Wastewater Contingent on State/Federal Funding	\$ 10,044,761	\$ -0-	\$ 10,044,761	\$ 10,044,761
Solid Waste Capital Project Fund	\$ 500,000	\$ -0-	\$ 500,000	\$ 500,000
Harbor Capital Project Fund	\$ 1,050,000	\$ -0-	\$ 1,050,000	\$ 1,050,000
Harbor Contingent on State/Federal Funding	\$ 17,300,000	\$ -0-	\$ 17,300,000	\$ 17,300,000
Airport Contingent on State/Federal Funding	\$ 4,000,000	\$ -0-	\$ 4,000,000	\$ 4,000,000
MSC Contingent on State/Federal Funding	\$ 8,440,000	\$ -0-	\$ 8,440,000	\$ 8,440,000
<u>COMPONENT UNIT</u>				
Sitka Community Hospital	\$ 27,858,431	\$ 27,205,075	\$ 935,552	\$ 28,140,627

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51 **EXPLANATION**

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53 Details of individual budgets are contained in Enclosure 1. Support to the Sitka School District has been included in
54 the General Fund Expenditures. Budgeted amounts for all funds include revenue, operating expenditures and new
55 capital outlays.

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57 **5. EFFECTIVE DATE.** This ordinance shall become effective on July 1, 2017.

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59 **PASSED, APPROVED, AND ADOPTED** by the Assembly of the City and Borough of Sitka, Alaska this 13th day
60 of June, 2017.

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65 _____
Matthew Hunter, Mayor

66 ATTEST:

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70 _____
71 Melissa Henshaw, CMC
72 Acting Municipal Clerk

73
74 1st reading 5/23/17
75 2nd reading 6/13/17



CITY AND BOROUGH OF SITKA

Legislation Details

File #: RES 17-07 Version: 1 Name:
Type: Resolution Status: AGENDA READY
File created: 5/17/2017 In control: City and Borough Assembly
On agenda: 5/23/2017 Final action:
Title: Setting temporary and seasonal moorage rates for Baranof Warm Springs Dock
Sponsors:
Indexes:
Code sections:
Attachments: [Motion and Memo RES 17-07.pdf](#)
[2017-07 Baranof Warm Springs moorage rates.pdf](#)
[P&H Minutes.pdf](#)

Date	Ver.	Action By	Action	Result
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POSSIBLE MOTION

I MOVE TO approve Resolution 2017-07 on
first and final reading.



City and Borough of Sitka

100 Lincoln Street • Sitka, Alaska 99835

Coast Guard City, USA

MEMORANDUM

To: Mayor Hunter and Assembly Members

From: Stan Eliason, Harbormaster
Maegan Bosak, Community Affairs Director

Subject: Resolution 2017- 07 Baranof Warm Springs Dock User Fees

Date: May 16, 2017

The City and Borough of Sitka (CBS) seeks to proactively manage its infrastructure at the Baranof Warm Springs (BWS) townsite. CBS was transferred ownership of the new Baranof dock in October 2016. The cost of maintaining and completing routine and major maintenance will be substantial. Users of the dock, which includes nearly all persons accessing the uplands, will need to pay a share of these costs. CBS identified potential new sources of revenues to include fees for commercial or overnight use of the dock during the summer season or possible year-round dock use fees. Discussions of a dedicated fund for Baranof Warm Springs have occurred but at this time CBS intends to deposit these fees in the CBS Harbor Enterprise Fund.

To pay for the annual Baranof Warm Springs Dock expenses the Harbor Department is implementing new fees for users of the Baranof Warm Springs Dock. This first season local caretakers will periodically send fees collected from the "iron ranger" to Sitka for CBS processing. In the future, a summer caretaker to passively manage the process may be required. Members of the Baranof Property Owners Association (BPOA) have volunteered to help support this collection process.

A CBS dock charge for all vessels moored at the new CBS dock between May 15 and September 15, during the peak visitor season (no fees charged remainder of year unless modified) will be enacted following passing of the resolution. The Iron ranger is in place and signage is available.

Due to limited dock size, vessels longer than 65 feet will be expected to anchor out.

Vessel length:	Daily Fee	Weekly Fee	Seasonal Fee
Up to 20'	\$10	\$40	\$100
20 to 35'	\$20	\$80	\$200

35 to 50'	\$30	\$120	\$300
50 to 65'	\$40	\$160	\$400
Float Plane	\$20		

This is a suggested starting point for fee structure. It attempts to balance a reasonable, non-punitive charge for using the City's new dock without causing hardship and in some cases dissuading users from coming to Baranof. The fees must be high enough to generate needed revenues but not so high that they are considered excessive or unacceptable.

CBS will develop policies to protect the new dock but recognizes enforcement will be difficult. Signage about fees and policies such as not "rafting out" more than three vessels, not obstructing aircraft access, not parking vessels longer than 65 feet at the dock, and maintaining areas for skiffs may be posted, but compliance will remain voluntary.

The Port and Harbors Commission approved the rates on April 12, 2017.

RECOMMENDED ACTION: Pass the resolution.

CITY AND BOROUGH OF SITKA

RESOLUTION NO. 2017-07

A RESOLUTION OF THE CITY AND BOROUGH OF SITKA, ALASKA, SETTING TEMPORARY AND SEASONAL MOORAGE RATES FOR BARANOF WARM SPRINGS DOCK

WHEREAS, Sitka General Code Section 13.06.010 Moorage charges and fees, Subsection (A) states, Moorage fees and charges shall be established by resolution and approved by the Assembly; and

WHEREAS, constructed by the State of Alaska, ownership of the Baranof Warm Springs Dock was transferred to the City and Borough of Sitka in the fall of 2016. In order to plan and provide for maintenance, repairs and eventual replacement, moorage fees will be collected from users; and

WHEREAS, an Iron Ranger has been constructed and installed for collection of fees. All fees will be remitted to the Harbor Department with help from local area caretakers.

NOW, THEREFORE, BE IT RESOLVED that the Assembly of the City and Borough of Sitka, Alaska, hereby approves the following temporary and seasonal moorage charges, effective as stated:

Temporary and Seasonal Moorage (effective May 24th, 2017):

Vessels up to 20 feet in length, Daily Fee \$10, Weekly Fee \$40 and Seasonal Fee \$100

Vessels 20 to 35 feet in length, Daily Fee \$20, Weekly Fee \$80 and Seasonal Fee \$200

Vessels 35 to 50 feet in length, Daily Fee \$30, Weekly Fee \$120 and Seasonal Fee \$300

Vessels 50 to 65 feet in length, Daily Fee \$40, Weekly Fee \$160 and Seasonal Fee \$400

Float Plane, Daily Fee \$20

PASSED, APPROVED AND ADOPTED by the Assembly of the City and Borough of Sitka, Alaska on this 23rd day of May, 2017.

Matthew Hunter, Mayor

ATTEST:

Melissa Henshaw, CMC Acting Municipal Clerk

1st and final reading 5/23/17

Sitka Port and Harbors Commission Minutes

Wednesday, April 12, 2017 6:00PM

Harrigan Centennial Hall

Port and Harbors Commission Members:
Josh Arnold, Melissa Greenhalgh, Dave Gordon,
Michael Nurco, Brendan Jones,
Matthew Hunter: Assembly Liaison

I. CALL TO ORDER

Chair Nurco called the meeting to order at approximately 6:15PM.

II. ROLL CALL

Present: Chair Michael Nurco, Melissa Greenhalgh, Josh Arnold, Brendan Jones

Assembly Liaison: Matthew Hunter

Absent: Dave Gordon (excused)

Staff: Harbormaster Stan Eliason, Office Manager Kristi Jones, Senior Planner Michael Scarcelli

III. CORRESPONDENCE:

Harbormaster Eliason, received a letter from Baranof Warm Springs home owner, Lani Brennan for the commission to recommend helping Alaska Whale Foundation (AWF) monitor and be paid as active agent to collect fees. Harbormaster Eliason received a letter from USCG regarding Short Term Rentals in Harbors.

IV. AGENDA CHANGES

None.

V. PERSONS TO BE HEARD

None.

VI. APPROVAL OF MINUTES

M - Jones/S - Arnold moved to approve the March 8, 2017 minutes. Motion carried unanimously.

VII. REPORTS

- 1.) Harbormaster - Stan Eliason let the commission know that the harbor crew was prepping the docks and facilities for summer use. Pressure washing, painting and many other things were in the works. Eliason stated that he was working with the Police Department to remove abandon vehicles from the harbors during spring cleanup. Eliason spoke regarding the use of transient docks during Sac-Roe Herring had been great and he will provide the commission with the numbers generated from Sac-Roe to the harbors at the next meeting in May. Eliason informed the commission that he was working with NMFS to educate the boating public to not feed sea lions. Eliason also informed the commission that he was promoting skiff and kayak use through the Sitka soup.
- 2.) City Staff - Senior Planner, Michael Scarcelli - Would be speaking during new business, related to the items under new business.
- 3) Chair - None.

- 4) Assembly Liaison – Mayor Matthew Hunter, informed the commission that the assembly had approved a seasonal electrical rate plan, however that there could be rate hike approved that would affect the Harbors electrical rates this summer. Mayor Hunter explained to the commission that he appreciates their work, and ideas on how to reduce harbor rate increases in the future. He recommended that the commission work with staff to look at harbor infrastructure that could be eliminated from the Master Plan to help reduce overall scope of this Enterprise Fund.
- 5) Other (s) - None

VIII. UNFINISHED BUSINESS

- 1) Sitka Harbor moorage rates – Chair Mike Nurco suggested to the board that they discuss only a 5% increase of moorage rate. Josh Arnold made a motion to recommend to the assembly a 5% increase to moorage rates this fall.

M – Arnold/S – Greenhalgh motion to recommend a 5% increase to Sitka Harbor moorage rate. Motion carried 3 voting yes and 1 voting no.

- 2) **Baranof Warm Springs moorage rates** - John Herchenrider, Baranof Warm Springs home owner, spoke again to the commission to recommend that there was a couple individuals willing to collect the fees from the iron ranger and deliver to Harris Air or Allen Marine to be delivered to the Sitka Harbor Department. Mr. Herchenrider does not recommend using AWF and paying them \$6,000 to be the agent, as he felt their schedule with employees could not collect every day.

M – Arnold/ S- Jones motion to approve the Harbor staff recommended rate structure for Baranof Warm Springs. Motion carried unanimously.

IX. NEW BUSINESS

- 1) Consideration of lease of 725 Siginaka Way (former 4j's) – Senior Planner, Michael Scarcelli informed the commission that there was seven bids on the current lease of the property and building at the location. Michael Scarcelli's recommendation to the commission was to award to the winning bidders, with a recommendation to add terms that address vagrant use, require tenant to have their own garbage can and no exclusive parking rights.
M – Arnold/S – Jones moved to approve the lease to the winning bidder with these terms. Motion carried unanimously.

- 2) Short term boat rental application – Brendan Jones
Action was null and void due to lack of quorum.

X. SET NEXT MEETING DATE AND AGENDA ITEMS

- 1.) The next regular meeting would be held Wednesday, May 10, 2017. No additional agenda items were discussed.

XI. ADJOURNMENT

M – Chair Nurco/S – Arnold made a motion that the meeting be adjourned. Motion carried unanimously. Meeting adjourned at 7:35pm.

Attest:
Chuck Hackett, Deputy Harbormaster



CITY AND BOROUGH OF SITKA

Legislation Details

File #: 17-101 Version: 1 Name:

Type: Item Status: AGENDA READY

File created: 5/17/2017 In control: City and Borough Assembly

On agenda: 5/23/2017 Final action:

Title: Approve Amendment No. 6 to the lease agreement between the City and Borough of Sitka and Kootznahoo Fortress of the Bear

Sponsors:

Indexes:

Code sections:

Attachments: [Motion and memo FOB lease amendment.pdf](#)
[Amendment No. 6.pdf](#)
[FOB memos.pdf](#)
[FOB exhibit.pdf](#)
[FOB lease 2003.pdf](#)

Date	Ver.	Action By	Action	Result
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POSSIBLE MOTION

I MOVE TO approve Amendment No. 6 to the lease agreement between the City and Borough of Sitka and Kootznahoo Fortress of the Bear.



329 Harbor Drive, Suite 212
Sitka, AK 99835
Phone: 907-747-2660

Friday, April 21, 2017

MEMORANDUM

To: Mark Gorman, CBS Administrator
From: Garry White, Director
Subject: Fortress of the Bear (FOB) Lease extension

Introduction

The Gary Paxton Industrial Park (GPIP) Board of Directors is recommending that the lease between the CBS and the Fortress of the Bear be extending for another 99 years. The GPIP Board met on March 23rd 2017 and recommended approval of the following motion:

MOTION: M/S Bevan/Jones moved to lease 149,880 sq/ft of Block 3, Lot2 of the GPIP to Fortress of the Bear for \$50/mo. (\$600 annually) for 99 years with an option to buy at a future date.

ACTION Motion PASSED 3/0 on a roll call vote
Yeas: Scott Wagner, Hugh Bevan, Dan Jones

All other terms of the lease agreement are to remain the same, except the following:

- Lease area is to increase 31, 560 SF from 118,320 to 149,880
- Term is to be extended another 99 years.

The Fortress of the Bear originally requested to purchase the property on Block 3, Lot 2 of the GPIP that it had been leasing since 2003, plus additional adjacent property.

The CBS Electric Department determined that a portion of the FOB leased property was located within the property boundary of the CBS's FERC permit for the Blue Lake Dam and recommended against selling the property at this time.

Background

The Fortress of the Bear has been leasing a portion of Block 3, Lot 2 at the GPIP since July 31, 2003. The original term of the lease was 10 years with an option for two, 5-year extensions. The lease has been amended 6 times since the inception of the lease.

Original Lease

The original lease began on July 31, 2003. Lease terms allowed for an 18-month rent ramp up schedule at lease execution. During startup the rent was fixed at \$100 per month. At the end of the 18-month period the lease rate was to rise uniformly to \$3,002.16 per month over a six month period.

Amendment #0

On August 23, 2005 the Assembly granted Fortress an extension of the rent startup period. Specifically, the Assembly set the rent at \$100 per month through April 2006.

Amendment #1

On June 13, 2006, the Assembly approved a motion to extend the \$100 per month rent grace period until May 1, 2007

Amendment #2

On May 22, 2007, the Assembly approved a motion to lower the lease rent to \$50 per month until May 1, 2009.

Amendment #3

On May 12, 2009, the Assembly approved a motion to extend the \$50 per month rent until December 2010.

Amendment #4

On January 25, 2011, the Assembly approved a motion to extend the \$50 per month rent until December 2015 and added 11,100 SF to the lease area, including an old APC building.

Amendment #5

On April 11 & 26, 2011, the Assembly approved a motion to add a new section to the lease agreement; Section 1.5 – Failure to Timely Pay on Promissory Note, which set up an \$80,000 revolving loan to Fortress of the Bear from the CBS Southeast Economic Development Fund for a 10 year term.

Property Value

The subject site on Block 3, Lot 2 contains large clarifier tanks used during the APC mill operation. These tanks are unique to the site. Additional two old APC mill builds are on the property.

The CBS Assessor has estimated the value of the raw land on the property at \$3.50/SF.

FOB is requesting increase its lease area for a total area of 149,880 SF. Estimate value of the raw land would be \$524,580 at \$3.50/SF

The raw land value estimate does not take into account any environmental issues with the previous site use.

Structures on the property were given a value of \$0 due to the unique nature of the facilities, current condition, and being past their useful life.

Rationale for less than market sale

- CBS cost to deconstruct clarifying tanks and other old APC buildings.
- Reduced CBS Liability
 - As the owner of the property, the CBS is exposed to certain liability risks, which the CBS has mitigated with insurance policies. Potential risks include the potential for an event similar to the Cincinnati Gorilla incident and potential natural hazards, such as the recent landslide in the general area.
- Reduced Environmental Liability
 - Potential environmental risks were not researched by the Director. But due to timeframe in construction of buildings and clarifying tanks, the potential for lead paint, asbestos, etc. exists.
- Economic Benefit to the Community and GPIIP
 - Sales tax has been created by the establishment of the FOB. The unique bear orphanage has been a draw for tourist since its inception. FOB staff suggest that 20% of cruise ship passengers visit the site.
 - The business additionally provides a positive economic benefits to independent transportation businesses, tourist business, and other associated business that benefit from the tourist draw of the site.
 - FOB reduces the amount of solid waste that needs to be shipped off island, saving the CBS money.
 - FOB staff reports that outside investors have shown interest in investing money into the business and site.
- Job Creation
 - FOB currently employs 4 people year round and 10 seasonal workers.
- Sweat equity provided onsite by FOB
 - Please see that attached sheet provided by FOB, which shows an investment of \$685,000.
- Lease history and follow through on original proposal by FOB.
 - Please see the attached 12/14/2015 letter provided to the GPIIP Board to see the history of FOB since 2003. FOB had multiple requirements to be allowed to care for bears, which have been completed. FOB has continued to increase its operations on a yearly basis.
- Ability to increase tax revenues to CBS
 - FOB has stated that it wishes to continue to further upgrade the property to allow for increased traffic volume. FOB plans to increase the size of the viewing

platform, increase restroom capacity, increase the size of the visitor gift shop, and increase the black bear habitat. The proposed upgrades to the property would allow for more sales tax revenues.

Additional Information

- Attached original lease
- Proposed lease amendment #6

Action

Assembly approval of attached lease amendment between the CBS and Fortress of the Bear.

**AMENDMENT NO. 6 TO THE LEASE AGREEMENT
BETWEEN THE CITY AND BOROUGH OF SITKA
AND KOOTZNAHOO FORTRESS OF THE BEAR**

City and Borough of Sitka (“Lessor”), 100 Lincoln Street, Sitka, Alaska 99835, and Kootznahoo Fortress of the Bear (“Lessee”), P.O. Box 2337, Sitka, Alaska 99835, an Alaska Company, agree to amend and modify the Lease Agreement Between The City And Borough Of Sitka And Kootznahoo Fortress Of The Bear (“Lease”), dated July 31, 2003, and its amendments, including the first amendment made by motion of Sitka Assembly on June 13, 2006, the second amendment made by motion of Sitka Assembly on May 22, 2007, the third amendment made by motion of Sitka Assembly on May 12, 2009, the fourth amendment made by motion of Sitka Assembly on January 25, 2011, and the fifth amendment made by motion of the Sitka Assembly on May 19, 2011. This Amendment No. 6 was approved in accordance with the Lease at Section 18.1 by Assembly motion on May 23, 2017. This Amendment No. 6 increases the square footage of the space leased to the Lessee and extends the term (Sections below replace existing Sections):

* * *

Section 1.1 Conveyance of Estate in Lease. Lessor, for and in consideration of the rents received and of the covenants and agreements made by Lessee, does lease to Lessee, and Lessee leases from Lessor, the Subject Property as shown on Amended Appendix A. The Subject Property shows a 149,880 square feet parcel of land at the Sawmill Cove Industrial Park. The initial term was ten (10) years beginning July 31, 2003, with extensions and holdovers until May 22, 2017. The term is extended ninety-nine (99) years, beginning May 23, 2017, until May 22, 2116.

* * *

Section 2.1 Amount and Method of Payment of Rent During the Term of the Lease. The rent amount shall be \$50 per month beginning June 1, 2017. Lessee shall pay the rent for each month in advance upon the first day of each and every month for which rent is due throughout the extended term of the Lease Agreement without the necessity of any billing by Lessor. Sections 2.2, 2.3 and 2.4 shall not apply to the extended term.

* * *

All other provisions in the Lease Agreement that are not modified by this Amendment No. 6 remain in full force and effect.

CITY AND BOROUGH OF SITKA

Mark Gorman, Municipal Administrator

STATE OF ALASKA)
) ss.
FIRST JUDICIAL DISTRICT)

THIS CERTIFIES that on the ____ day of _____, 2017, before me, a Notary Public in and for the State of Alaska, personally appeared MARK GORMAN, Municipal Administrator of the City and Borough of Sitka, Alaska, a municipality organized under the laws of the State of Alaska, and by signing this document verifies that he has been authorized to execute the documents on its behalf, and he signs freely and voluntarily.

Notary Public for Alaska
My Commission expires: _____

KOOTZNAHOO FORTRESS OF THE BEAR

Les Kinnear

STATE OF ALASKA)
) ss.
FIRST JUDICIAL DISTRICT)

THIS IS TO CERTIFY that on this ____ day of _____, 2017, before me the undersigned, a Notary Public in and for the State of Alaska duly commissioned and sworn, personally appeared LES KINNEAR, known to be the person who executed the above and foregoing instrument, and acknowledged to me that by signing this document, he is authorized to do so on behalf of Kootznahoo Fortress of the Bear, and he signs freely and voluntarily.

Notary Public for Alaska
My Commission expires: _____



March 23, 2017

Re: Fortress Of The Bear site:

Following up on the original December 16, 2015 purchase request.

In light of the FERC lines on the property Fortress accepts the 99-year lease paid continuing at the annual \$600 per year.

If the FERC is lifted and the city chooses to sell the property, Fortress Of The Bear is requesting a \$100 property sale for the site.

The following is a cost breakdown of incurred expenses and it FOTB's hope that this board and the CBS will understand and support our request.

Les & EVY Kinnear
Co-Directors

Fortress of the Bear site investment generalization.

FOB incorporated in the spring of 2002 and lobbied the CBS for access to the site. WE signed a long term lease, and took possession of the site on Aug. 1 2003. Demolition of residual mill infrastructure and initiating action on ADF&G bear permit requirements were our focus. Initial fees to the city included \$6,100.00 first and last months rent, we secured a multimillion dollar general liability insurance policy with the city as co-insured. We were billed \$1,100.00 for property insurance for the first year. With the cost of specialty tools, fuel, equipment, scrap shipping and labor our expenses for the first year were @\$45,000.00.

Over the next four years, while meeting ever changing ADF&G requirements we created bear management gating systems, eliminated several hundred tons of unserviceable material and scrapped at least 200 tons of metals. If it could be repurposed on site it was. From 2004-2007 we invested \$45,000.00 in time and \$25,000.00 in expense to continue development. In the spring of 2007, I constructed an ADA accessible ramp to a viewing deck as one of the last requirements for the ADF&G permit to recover bears. The permit was issued on the 19th of July 2007 and the first bear arrived eight days later. A second bear arrived on September 20th. While we had nearly exhausted our resources we at last had something to show for all our efforts.

Our first season exhibiting bears involved a great deal of coordination between a small, overextended staff and a haphazard, ill-coordinated, though enthusiastic visitor experience. We continue to expand our appeal through the cruise industry and tour companies. Subsequent seasons have seen a progression of sophistication all around. We were especially delighted when we acquired electricity, water, sewer and real restrooms.

Revenue has increased dramatically, expenses have increased and plans for expansion are accelerating. Staffing levels with highly qualified personnel have grown, now providing a visitor experience of exceptional quality. The 2016 season saw 30,000 visitors at FOB. We are generating nearly \$200,000.00 in direct wages annually into the community. We also have a capital improvements budget of over \$200,000.00 for the 2017 season.

On a recent visit to the Sea Life Center in Seward we were amazed at the scope of that project, also amazing is the \$32,000,000.00 price tag, funded primarily by the government. We take pride in the "home grown" nature and atmosphere of Fortress of the Bear.

We estimate the cost of improvements at FOB from inception to the end of the 2016 season at \$685,000.00



Fortress Of The Bear
-For Protection And Positive Solutions-
Through Education-

December 14, 2015

Dear Mr. White and Board Members:

Purchasing Fortress Of The Bear property:

Fortress Of The Bear is pleased to present this proposal for the purchase within the Gary Paxton Industrial Park:

We are requesting that the CBS and this board grant us sale of the property we have occupied since 2003 for \$100.00

12 years since establishing Fortress Of The Bear, we have gone through many twists and turns. Meeting the demands of numerous permitting processes, seeking funding, and tackling the dream of building a first class orphaned bear center has been daunting. We have been breaking new ground from the start, overcoming the concerns of a very skeptical community, and navigating government regulation to finally open a world class bear habitat with visitor amenities.

This year we completed our most successful year yet. We had over 30,000 visitors who witnessed all 8 of our bears interacting with each other, their keepers and most importantly their constantly improving habitats. Construction of a breezeway connecting the brown bear habitats has allowed us an opportunity to introduce two captive populations. An accomplishment duplicated in few other institutions in the country. Our bears interact with other bears, their keepers, the public, and explore new habitats and unique enrichment. What we do is becoming a blueprint for zoos and sanctuaries around the world to follow. In 2013 we brought in 3 orphaned black bears that garnered national attention and pressured Alaska Department of Fish & Game into allowing a new bear species onto Baranof Island.

- We believe we have come to the point where we need to take ownership of this property. There are several reasons for this request:
- Almost 13 years of sweat equity of a property that the CBS was prepared to destroy at a cost of an estimated \$100,000.00
- The enhancement of the property is one of our next major goals. For us to continue to invest in building new offices, food prep areas, vet areas, intern housing, and visitor amenities, without ownership, does not make business

sense. We believe we can attract outside funding, for construction on property that is owned by the Fortress of the Bear. This has been verified by several potential funding organizations.

- We are required by the Department of Agriculture to build a second perimeter fence that extends beyond our current lease area. This fence is to help stop humans from breaching the bear areas.
- We need to enlarge the black bear habitat; they have outgrown their area. We have enclosed a proposed new area to be included in this sale.

Fortress Of The Bear signed a lease with the CBS for the property located at 4639 Sawmill Creek Road. Since the signing, we have come before the Industrial Park Board and the city assembly to renew that lease several times. The CBS acknowledging our value to the community has allowed us to continue our lease at a reduced rate.

Reasons:

Sweat Equity- 12 years of non-stop development of the property

Financial Investment – While in development, we have personally sustained our lives through our own funding as well as contributing to the purchase of materials needed. A conservative estimate for this is in excess of \$350,000.

Contributions to CBS economic development- payments to the city for property taxes, loan fees, sales tax and increased revenues for satellite businesses who depend on us, in some cases, in large part for their livelihood. These include, but are not limited to tour companies, taxis, shuttle services and car rental companies. Local suppliers include, Spenard Builders, Northern Sales, True Value, Fuel Companies, Freight services, bookkeeping services and direct and indirect employment of local citizens.

Fortress Of The Bear welcomes all service organizations. Additionally educational, sports, and service organizations and deliver educational tours for no cost.

Recycling: We are Sitka's largest private recycling company.

History:

The Fortress of The Bear incorporated in 2002. We provide an educational experience for residents, students, and visitors and secure a home for orphaned and

injured bears in Alaska. While we received a great deal of support from the Gary Paxton Industrial Park Board in securing the site, there were no utilities or useable structures to begin our venture. In order to maintain captive bears in Alaska there were several primary criteria that we met. We were required to prove our animal husbandry skills by raising and maintaining a large animal species on site for one year. We brought 6 pigs to Sitka in August 2003. We had arranged with the local markets to use their discarded, outdated, bakery, dairy, and produce as a food source for our animals. We use industrial wood chips, straw, and shredded paper for bedding, and compost all residues. A second requirement was to obtain a class "C" Federal exhibition license, subject to periodic unannounced inspection, in compliance with Federal regulations. We acquired that license in 2004 and have maintained it in good standing since. In 2007 we received a bear permit from ADF&G and 10 days later received our first bears.

Our key achievements include:

- We have removed infrastructure from the 2 bear habitats added an additional habit for 3 orphaned black bears and have prepared homes for 3 bear populations.
- Installed a large viewing platform with both stairs and handicapped access ramp. ☐
- Installation of water management system and electricity. Completion of gift shop and restrooms. ☐
- Acquisition, training and relocation of 3 cubs to the Bronx Zoo in 2009. A brown bear from Hoonah to Montana Grizzly Encounters and a Black bear sent to International Exotic Animal Sanctuary in Boyd, Texas ☐
- Initiation of Intern training program and implementation of a successful Intern training program.
- Organized tours and numerous independent travelers extensively visit our facility. The contribution to the local economy is evident in the extensive use of cabs, rental cars, tours, B &B guests, Charter fishing clients and independent travelers. Many who have told us that this was there singular reason for visiting Sitka. It is our estimate that in 2015 this generated an \$800,000.00 income for these entities. ☐
- Recovery of more than 70 tons of market discard material from the local refuse stream per year. After cycling it through our animals, it has been reduced to more than 50 tons of quality compost ☐
- We have entertained and educated more than 80,000 visitors, including nearly all of the grade school children on scheduled field trips. We regularly see Mt.

Edgecumbe students, ORCA groups, home school field trips, Center for Community, Big Brothers/Sisters, Girl and Boy Scout Troops, visitors from out of town, and even wheel chair patients from the Long Term Care unit at the Community Hospital. ☐

- We have recycled more than 200 tons of scrap metal, miscellaneous valves, pumps, motors, pipe, etc. ☐
- We have reused 20 tons of infrastructure for buildings, animal housing and utilities. ☐
- People come away from the Fortress Of The Bear with a connection to Bears that is unlike any other bear viewing experience. The program we have set forth to maintain a viable enrichment program for our resident and visiting bears allows for a high level of activity within their captive environment. ☐

It is our hope that this board will recognize the keystone attraction Fortress Of The Bear has become and allow us to continue to develop the site. By doing so, we believe this will ensure a vibrant tourism industry and enrich our community with a unique center unlike any other in Alaska.

Sincerely,

Les Kinnear
Executive Director
Fortress Of The Bear

Addendum:

Tax return totals 2010-2014
Proposed property lines

LOT 2

PLUS FERC POWERLINE
AND B.L. ROAD EASEMENTS
220,387 S.F.

Delta = 88,52,34"
L = 114,00'
R = 176,83'
CHD. = 159,65'
CHD. BRG. = S 18°16'38" E

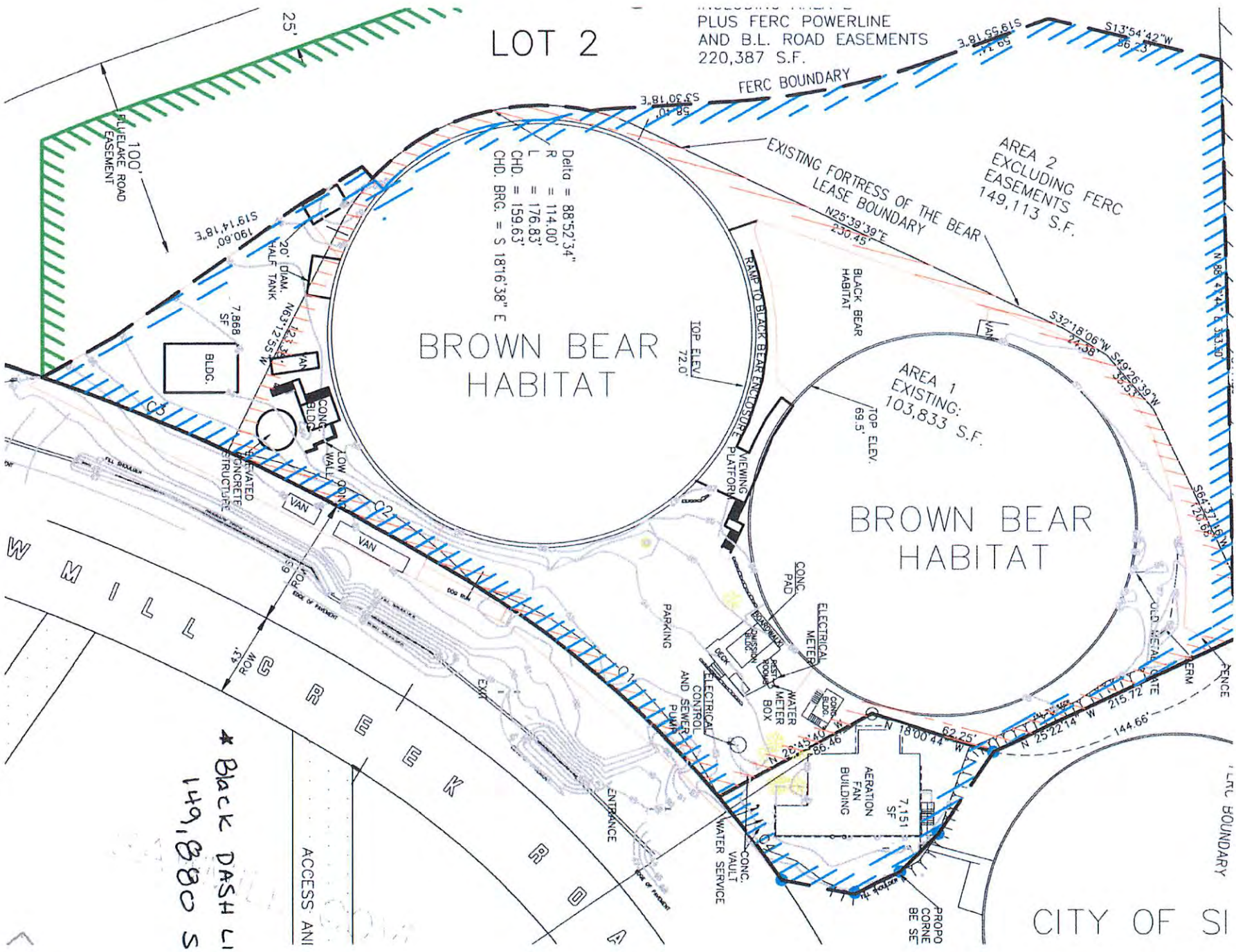
BROWN BEAR HABITAT

AREA 1
EXISTING:
103,833 S.F.

BROWN BEAR HABITAT

AREA 2
EXCLUDING FERC
EASEMENTS
149,113 S.F.

★ Black DASH LINE
149,880 SF



CITY OF SI



LEASE AGREEMENT

**THE
CITY & BOROUGH
OF SITKA**

&

**KOOTZNAHOO
FORTRESS OF THE BEAR**



LEASE SUMMARY

This document is a lease agreement between the **City and Borough of Sitka**, Alaska and **Kootznahoo Fortress of the Bear** of Sitka, Alaska. Kootznahoo is dedicated to providing a safe haven for urbanized bears:

“Our objective is to facilitate the humane acquisition of nuisance bears, to provide an educational experience for local residents and tourists. The site [habitat] will contain a research facility for the continued study of bears. We anticipate providing employment for at least four people in the short term, a veterinarian, contracts for construction, planning, transportation as well as other benefits to the community. The plans include making the facility environmentally “friendly” by using the site [habitat] for composting wastes and utilizing material that would normally pose a dismal problem.”

Kootznahoo Fortress of the Bear; Preliminary Business & Operations Plan; February, 2003

The property to be leased with this contract is 107,220 square feet of space within the area referred to as the former clarifier tanks and includes the primary and secondary clarifier tanks, which will be modified into enclosed bear habitat located at the Sawmill Cove Industrial Park.

In order to earn a permit from the Alaska Game and Fish Department to habitat bears, Kootznahoo must raise another species of animal to prove to the State they can provide adequate care for bears. For the first year of the lease, Kootznahoo will raise hogs to earn their permit.

The terms and conditions contained within this lease are as follows:

Term: Ten year initial lease with an option for two additional five-year lease upon the mutual agreement of both parties.

Lease Rate: The lease rate is 33.7 cents per square foot, which is based upon an annual 10% return on land valued at \$3.37 per square foot. At full rent, the lease will generate \$3,002.16 per month.

Market Rate Adjustment: At the end of the first five years of the lease, the City will have a market appraisal of the property completed and the lease rate thereafter will be established to a rate that is 10% of market value per year but not less than the lease rate described here. The market appraisal will be performed based upon the land value in its as-is condition.

Cost-of-Living Adjustment: Beginning with year four, the yearly lease rate will be adjusted by the average percentage of increase of the Consumer Price Index (CPI) of Seattle and Anchorage over the previous year. In no case will the rate decrease due to a negative CPI.

Cost Recovery: To aid Kootznahoo in recovering a portion of the cost of renovating the leasehold, the lease rate for the first 18 months will be \$100 per month. If at the end of the first 18 months Kootznahoo is indeed progressing with operation, the money will be refunded. The next six months, the rate will ramp in six stages to full rent by the end of month 24. Beginning with month 25, the lease rate will be \$3,002.16 per month or \$36,025.92 per year.

Sub Lease: Kootznahoo may sub-lease a portion of their space to another provided the Sawmill Cove Board approves the sub-lease and the sub-lease meets the other terms and conditions of this lease.

Condition: The space Kootznahoo wishes to lease is in an “as is” condition.

Utility Service: Kootznahoo will extend, at their expense, water, sewer and electrical service. Kootznahoo will also arrange, at their expense, trash and refuse services.

Odor Control: Kootznahoo must make every effort to control odors both from the initial hog farm to the eventual bear habitat. The Sawmill Cove Board of Directors reserves the right to require the removal of the animals.

Zoo Standards: Kootznahoo must meet the State of Alaska standards for raising animals.

Security: Kootznahoo will, at all times, maintain the highest possible security to assure the safety of Park tenants and visitors from the inherent dangers of brown bears. This will include confinement within the tanks and confinement around the leasehold property.

Parking: Kootznahoo will park vehicles and/or buses within the confines of the leasehold or make arrangements with the Alaska Department of Transportation to use a portion of the highway right-of-way.

Insurance: Kootznahoo must maintain at all times insurance at \$1 million per occurrence, \$100,000 to rented property, \$1 million personal injury and \$2 million general aggregate.

Environment Understanding: By signing this lease, Kootznahoo understands that Sawmill Cove is an industrial park and therefore the environment in the Park may not always be a tolerant environment for bears due to noise, dust, traffic or other activities.

Outdoor Signage: Kootznahoo may erect signage on the leasehold with the approval of the City Building department and the Sawmill Cove Board of Directors. The signage style, size and physical location will be determined on a case-by-case basis by the Sawmill Cove Board.

First/Last Payment: Kootznahoo will pay at lease signing \$6,004.32, which is the equivalent of two months lease payment at full value. Of this amount, \$3,002.16 represents the lease payment for month 25 and the remaining \$3,002.16 represents the final month of the lease.

LEASE AGREEMENT

PREAMBLE

This lease agreement is made as of July 31st, 2003 between the City and Borough of Sitka, 100 Lincoln Street, Sitka, Alaska 99835 ("Sitka" or "City" or "Lessor") and Kootznahoo Fortress of the Bear, P.O. Box 2337, Sitka, Alaska 99835 an Alaska company ("Kootznahoo" or "Lessee"). This Lease Agreement consists of the Special Provisions, the General Provisions, and the attached Exhibits A, B, C, D and E.

SPECIAL PROVISIONS

ARTICLE 1: TERM OF LEASE, AND TERMINATION OF LEASE

Section 1.1 Conveyance of Estate in Lease. Lessor, for and in consideration of the rents received and of the covenants and agreements made by Lessee, does lease to Lessee, and Lessee leases from Lessor, the Subject Property as shown on Appendix A. The Subject Property shows a 107,220 square feet parcel of land at the Sawmill Cove Industrial Park. The initial term is ten (10) years and begins on the date both parties execute the contract.

Section 1.2 Options to Renew. Provided there does not then exist a continuing material default by Lessee under this Lease at the time of exercise of this right or at commencement of any extended term, Lessee shall have the right to exercise options for two terms of five (5) years upon the same terms and conditions as this Lease Agreement with the lease payments as described in Article II. Each of these options is effective only if (a) the Sawmill Cove Industrial Park Board of Directors has determined under Subsection 3.5(e) that Kootznahoo has adequately controlled its odors and wild animals during the immediately preceding term of the lease; (b) Kootznahoo makes a written request to exercise such option not more than 30 days from the end of the immediately preceding term; (c) Kootznahoo is not in default; and (d) Kootznahoo has complied with the requirements of section 2.3.

Section 1.3 Disposition of Improvements and Lessee's Personal Property Following Term of Lease Agreement. With the exception of such improvements described in the next sentence, Lessee shall remove from the Subject Property any personal property or improvements constructed, installed, or deposited on the Subject Property at the termination of this Lease Agreement or any extension thereof unless Lessee makes a separate written agreement with Sitka to do otherwise. Subject to the provisions of the next sentence, Kootznahoo shall leave behind at no cost to Sitka improvements including: tank and building systems and their components such as plumbing, piping, and fixtures; building structural components; non-structural improvements such as walls and ceilings; electrical service entrance equipment, electrical distribution panels, electrical cables, feeders, branch circuit wiring, and appurtenances such as light fixtures, switches, and other devices; portable fire extinguishers, smoke detectors, and fire and life safety equipment attached or fastened in ways integral to the land in which Subject Property is located. Any improvements or personal property not removed after thirty (30) days have passed after termination of this Lease Agreement shall be deemed abandoned and at Lessor's option shall

become the property of Lessor, and Kootznahoo shall repay to Sitka any costs of removing such improvements or personal property from the Subject Property if Sitka does not exercise such option. Kootznahoo shall repair any holes that may be left in tanks, walls, ceilings, or floors as a result of removal of improvements in a manner that meets all existing requirements of local, state, and federal law and matches the existing materials of Subject Property. Kootznahoo agrees to leave Subject Property in a neat, clean, and weather tight condition at the end of the term of the Lease Agreement.

Section 1.4 Covenants to Perform. This Lease Agreement is made upon the above and the following terms and conditions, each of which the party bound by such covenants and conditions agrees to perform, irrespective of whether the particular provision is in the form of a covenant, an agreement, a condition, a direction, or otherwise, and each party agrees to provide the other party with documents or further assurances as may be required to carry out the expressed intention of the parties.

ARTICLE II RENT

Section 2.1 Calculation & Method of Payment of Rent During the Initial Ten-Year Term of the Lease. The First Year of the Lease begins on the date for commencement of this Lease Agreement set out in Article 1. Each successive year of the lease begins on the corresponding anniversary of the lease. Notwithstanding any other provision of this Lease Agreement, on the term start date set out in Article 1, lessee shall pay \$6,004.32. Of this amount, \$3,002.16 shall be the rent payment for the 24th month and \$3,002.16 shall be the rent payment for the 48th month of the initial lease. The \$6,004.32 paid will be refunded and the lease cancelled with no further obligation on the part of either party if within the first 18 months of the lease the site is determined to be unusable for this project because of contamination to the site by previous occupants. Subject to the provision in the previous sentence, Lessee shall pay the lease payments for each month in advance upon the first day of each and every month for which rent is due throughout the term of the Lease Agreement without the necessity of any billing by Lessor. The following table shows the amount of lease payments due each month during the initial 10-year term of the Lease Agreement.

Month	Space	Total/Month
1 st thru 18 th	107,220	\$100
19 th month	107,220	\$500.36
20 th month	107,220	\$1000.72
21 st month	107,220	\$1,501.08
22 nd month	107,220	\$2,001.44
23 rd month	107,220	\$2,501.80
24 th month	107,220	\$3,002.16
25 th thru 48 th	107,220	\$3,002.16
49 th thru 120 th	107,220	CPI Adjustment
60 th thru 120 th	107,220	Market Rate

Section 2.2 Cost of Living Adjustment to Lease Rate: Beginning with the 49th month of the lease, the lease rate will be adjusted yearly based on an average of (a) the percentage difference between the "All Items" figure for Anchorage, Alaska in the "Consumer Price Index for All Urban Consumers" as published in the edition published most recently after January 1, 2007 and

the "All Items" figure for Anchorage, Alaska as published in the "Consumer Price Index for All Urban Consumers" published most recently after January 1, 2006 and (b) the percentage difference between the "All Items" figure for Seattle, Washington as published in the "Consumer Price Index for All Urban Consumers" published most recently after January 1, 2007 and the "All Items" figure for Seattle, Washington as published in the "Consumer Price Index for All Urban Consumers" published most recently after January 1, 2006.

Notwithstanding any other provision of this Lease Agreement, no adjustment in the lease payment from one year to the next year in the Fourth Year through the 10 Year shall exceed three and a half percent (3.5%). If the cost of living average is greater than 3.5%, then the remainder will be added to the following year. Notwithstanding any other provision of this Lease Agreement, no adjustment in the lease payment will occur based on cost of living for a year in which the adjustment described in the above table shows no increase in the cost of living or a decrease in the cost of living.

Section 2.3 Market Appraisal. Sitka may commission a professional market appraisal of the land in its "as is" condition to determine the value of the Subject Property. Subject to the provision of the next sentence, the rental rate for each month of the first five-year option term (also known as the Eleventh through Fifteenth Years) shall be equal to one-twelfth of ten percent (10%) of the appraised value as determined by the appraisal described in the this section. Notwithstanding any other provision of this Lease Agreement, Kootznahoo's lease rate during the Sixth through Tenth Years shall not increase by more than ten percent (10%) per year over what the lease rate was during the Fifth Year if the appraisal described in this section shows that the lease rate for the Sixth through Tenth Years should increase over the lease rate for the Fifth Year.

Section 2.4 Calculation and Method of Payment of Rent During Optional Five-Year Renewal of the Lease. If Lessee decides to exercise the option to renew for five-year term under Section 1.2, the Lessee must notify the City of their intent no less than six (6) months before the end of the first term of the lease. The rent will remain the same except as provided for in Section 2.2 and Section 2.3.

ARTICLE III RESTRICTIONS UPON USE OF SUBJECT PROPERTY

Section 3.1 Lessee's Obligations as to Construction, Maintenance, and Repair

(a) At the sole cost and expense of Kootznahoo and in compliance with all building codes and legal requirements, Kootznahoo shall purchase, construct, develop, repair, and/or maintain any improvements, personal property, fixtures, and other items on the interior Subject Property in a first-class manner using materials of good quality. All improvements to the leasehold must first be approved by the Public Works Department of the City of Sitka.

(b) Lessee acknowledges that Lessor has made no representation or warranty with respect to Lessee's ability to obtain any permit, license, or approval.

(c) Lessee shall also use the Subject Property and any improvements placed thereon only for lawful uses.

(d) Lessee shall not permit the accumulation of waste or refuse matter on the Subject Property, and Lessee shall not obstruct or permit the obstruction of the streets, sidewalks, access ways, or alleys adjoining the Subject Property except as may be permitted by Lessor or other municipal authorities having jurisdiction. Lessee shall do all things necessary during the term of this Lease Agreement to remove any dangerous condition from time to time existing on the Subject Property.

(e) Lessee may erect outdoor signage at its expense with the permission of the City and Borough Public Works Department and the Sawmill Cove Board of Directors. The style, size and physical placement location of the sign will be approved on a case-by-case basis by the Sawmill Cove Board of Directors.

Section 3.2 Lessor's Approval of Certain Alterations or Improvements. Lessee shall not make or permit to be made any alteration of, addition to, or change in, structures and improvements, nor demolish all or any part of the structures or improvements without the prior written consent of the Lessor, which consent shall not be unreasonably withheld. In requesting consent Lessee shall comply with all applicable laws and ordinances, and shall submit to the Public Works Director of the City and Borough of Sitka or his or her written designee detailed plans and specifications of proposed work, an explanation of the needs and reasons for the work, and a plan of full payment of the costs of the work. Lessor shall notify Lessee of its approval or objections no later than 30 days after receiving the information described in the previous sentence. In approving or objecting Lessor shall be acting in its proprietary function and not its regulatory function, any such approval in this proprietary function does not relieve Kootznahoo of any obligation to obey the law. Nothing in this Section shall be interpreted to prevent Kootznahoo from removing at the termination of this Lease Agreement any improvements or personal property as described in Section 1.3.

Section 3.3 Rights of Access to Property (a) Lessor reserves for itself and any public utility company the right to access the Subject Property at all reasonable times in a reasonable manner for the purposes of opening, repairing, replacing, reconstructing, maintaining, or servicing the public utilities, if any, located on the Subject Property, as well as for the purposes of constructing or installing new public utilities. Lessor also reserves for itself and the Alaska Department of Environmental Conservation and the Alaska Game and Fish Department the right to access the Subject Property at all reasonable times in a reasonable manner for the purposes of regulation and enforcement of this Lease Agreement. Sitka also reserves for itself the right to access the Subject Property at all reasonable times in a reasonable manner for the purposes of (1) inspection of all work being performed in connection with the construction of improvements; (2) showing Subject Property for exhibiting Subject Property in connection with renting or leasing Subject Property in a matter that will not unreasonably interfere with Lessee's business; and (3) placing "For Sale" or "For Rent" signs on Subject Property. Lessee shall not charge for any of the access allowed in the situations described in this subsection.

(b) Lessee shall not construct any permanent improvements over or within the boundary lines of any easement for public utilities without receiving the written prior consent of Lessor and any applicable utility company.

Section 3.4 Additional Conditions of Leasing. Lessee recognizes—and shall cause all beneficiaries of Lessee and all permitted successors in interest in or to any part of the Subject Property to recognize—that:

(a) The use of the site upon which the Subject Property is located, is subject to Appendix C, the "Prospective Purchaser Agreement Between the State of Alaska and the City-Borough of Sitka for the Former Alaska Pulp Corporation Pulp Mill Property" dated April 28, 1999 (hereinafter "the Prospective Purchaser Agreement"), including all attachments, which specifically includes "Memorandum of Understanding between the State of Alaska and the City and Borough of Sitka Management Plan for Sawmill Cove Property (Former APC Property)" dated April 28, 1999 (hereinafter "the Management Plan"). The Prospective Purchaser Agreement and all its attachments—specifically including the Management Plan—are hereby incorporated into this Lease Agreement and attached to it. Lessee shall abide by and fully comply with all requirements of the Prospective Purchaser Agreement and the Management Plan applicable to Lessee's activities, use, and occupancy of the site upon which the Subject Property sits. Kootznahoo agrees not to increase or exacerbate contamination or pollution at Sawmill Cove Industrial Park. Kootznahoo also agrees not violate any restrictions in Appendix C as to human habitation or vessel movement.

(b) The use of the site is subject to the terms of the Agreement to Convey between Alaska Pulp Corporation and the City and Borough of Sitka ("the Conveyance Agreement"), a copy of which is attached hereto as Appendix C, including preferential use for T & C Barge Lines, Inc. of the existing utility dock and the existing mooring buoy on the Subject Property in accordance with the Conveyance Agreement. Kootznahoo further acknowledges that a summary of the requirements imposed by the Prospective Purchasers Agreement, the Management Plan, and the Conveyance Agreement is included in Appendix D. Kootznahoo acknowledges receipt of Appedices C, D, and E.

(c) The charges and fees paid by Lessee to Lessor must be separated according to The City and Borough of Sitka accounting standards.

(d) The City and Borough of Sitka may form a Port Authority or similar entity, in the future and all agreements regarding the Subject Property, including this Lease Agreement, between Lessee and Lessor shall be completely transferable to said Port Authority. A transfer of the property to any such entity shall not create any restrictions upon use of the Subject Property or the dock in addition to those hereunder.

(e) Kootznahoo shall have the Right-of-First-Refusal to lease land contiguous to the north and south boundary of the leasehold except for that land the City and Borough of Sitka deems it requires for either the operation of the Park or the operation of the City and Borough business.

(f) The City and Borough of Sitka may sell the land in the future and all agreements regarding the Subject Property, including this Lease Agreement, between Lessee and Lessor shall be completely transferable to said owner. In this case, Kootznahoo will have the Right-of-First-Refusal to purchase their leasehold. A transfer of the property to any such entity shall not create any restrictions upon use of the Subject Property in addition to those hereunder.

(g) Lessor may, upon at least 10 days prior notice to Lessee, temporarily suspend the supply of water, the supply of electric power, the use of pipelines, the use of waterfront structures or the

use of the Improvements in order to perform routine maintenance and, in all events, subject to unavoidable delays, as provided in Section 4.4. Such interruptions shall be of as short duration as necessary to perform such maintenance, and Sitka shall not be responsible for any such costs or expenses as a result of suspending such utilities.

(h) Lessee will pay the City and Borough of Sitka Fire Marshal fees and other building permit fees and shall also pay all applicable property taxes and assessments when due.

(i) Kootznahoo may park vehicles on their leasehold in any manner deemed necessary but safe. The Lessee may also make separate arrangements with the Alaska Department of Transportation to park on the DOT highway right of way.

(j) Except as provided for in Subsection 3.4 (h), Kootznahoo shall not store anything on property owned by Sitka outside of the leasehold and must at all times maintain a neat and orderly habitat.

(k) Kootznahoo is responsible for taking any measures that Kootznahoo deems necessary to provide security for Kootznahoo's property. The City and Borough is not responsible for theft or vandalism.

(l) Kootznahoo must follow all applicable laws and regulations of the State of Alaska and the Alaska Department of Game and Fish as it applies to the Policy on Zoos, (Appendix B) as dated August 30, 1988 or as may be amended at a later date by the Alaska Department of Fish and Game.

(m) Kootznahoo recognizes the potential danger to the tenants of the Park and the general public of keeping wild bears and will maintain at all times a safe environment to prevent bear escapes. This may include redundancies in security barriers and/or protection as deemed necessary to safeguard the public. The Sawmill Cove Board of Directors and the City Public Works Department will inspect and approve all safety devices and barriers before the first bear(s) are allowed in the habitat.

(n) Kootznahoo acknowledges and accepts the nature of the Sawmill Cove Industrial Park as industrial and may be noisy, dusty or congested and may not at all times be a tolerant environment for the keeping of bears or other wild or domestic animals.

(o) Kootznahoo may from time to time invite the general public and/or tourists to visit the habitat and will provide the necessary comforts afforded the general public without depending on facilities in buildings within the Park. Outhouses may be used only on a temporary basis until permanent facilities are constructed.

(p) Kootznahoo will have in force at all times \$2 million general aggregate insurance or \$1 million per occurrence insurance and include the City and Borough of Sitka as an additional insured with all rights of subrogation waived against the City and Borough as respects to lease of the habitat development site.

(q) Kootznahoo will receive a refund in the 19th month of the lease for the rent paid for the first 18 months of the lease (\$1,800) provided Kootznahoo is still in operation and progressing as planned.

Section 3.5 Control of Emission of Odors from Subject Property.

(a) Kootznahoo will strive to control odors at all times, assure odor control equipment is working properly, and utilize the best available technology for odor control.

(b) In the event of persistent odor complaints, the Sawmill Cove Industrial Park Board of Directors may require Kootznahoo to take one or all of the following remedial actions at the expense of Kootznahoo:

(i) Assure that the odor control equipment is in proper working order;

(ii) Provide operation and maintenance records to the Board;

(iii) If the odors can't be abated, the Sawmill Cove Board of Directors reserves the right to require the removal of animals.

(c) Sitka retains the right to move, at Sitka's expense, Kootznahoo's operation from the Subject Property to another location within the Sawmill Cove Industrial Park if such other location provides a facility of equal or better quality and size.

Section 3.6 Control of Rodents and Other Creatures on Subject Property. Lessee shall take affirmative measures to ensure that its operations do not attract to Subject Property or any portion of Sawmill Cove Industrial Park any of the following creatures: rodents, vermin, insects, eagles, crows, ravens, seagulls, or wild bears outside the confines of the habitat.

ARTICLE IV UTILITY SERVICES & RATES

Section 4.1 Provision of Utility Services. Kootznahoo will pay for and cause electrical, water and sewer services to be extended and installed to the leasehold.

Section 4.2 Rates for Utility Services Provided by Lessor. Utility rates charged by Lessor for utility services Lessor provides shall be those set forth in the City and Borough of Sitka's Customer Service Policy.

Section 4.3 Lessee to Pay for Utility Services. Lessee will pay, or cause to be paid, all proper charges: for electricity and solid waste; for sewer and water; for telephone and other communication services; and for all other public or private utility services, which shall be used by or supplied to the Subject Property at any time during the term of this Lease Agreement. In the event that any charge, cost, or expense for any of the above-mentioned utility services or for any of the other above-mentioned services shall not be paid when due and payable, Lessor shall have the right, but shall not be obligated, to pay it, with the understanding that amounts paid by Lessor shall constitute additional rent due and payable under this Lease Agreement and shall be repaid to Lessor by Lessee immediately on rendition of a bill by the Lessor. Interest at the highest rate allowable by law shall be added as a charge for unpaid utility bills paid by Sitka on behalf of Lessee.

Section 4.4 Lessor Not Liable for Failure of Utilities or Building. Lessor shall not be liable for any failure of water supply, sewer, or electric current, or for any injury or damages to person or property caused by or resulting from any natural disaster, natural condition, gasoline, oil, steam, gas, electricity, or hurricane, tornado, flood, wind or similar storms or disturbances, or water, rain, or snows which may leak or flow from the street, sewer, or from any part of the Subject Property, or leakage of gasoline or gas from pipes, appliances, sewer, or plumbing works therein, or from any other place, or for sewer or plumbing works therein, or from any other place.

ARTICLE V INDEMNIFICATION

Section 5.1 General Indemnification of Lessor Without Limitation of Any Other Indemnity Given. Lessee agrees to indemnify, defend, and save harmless Lessor against and from any and all claims by or on behalf of any person, firm, or corporation arising, other than due to acts or omissions of Lessor, from the conduct or management of or from any work or thing whatsoever done in or about the Subject Property and structures and improvements, including liability arising from products produced on the property. Lessee also agrees to indemnify, defend, and save Lessor harmless against and from any and all claims and damages arising, other than due to acts or omissions of Lessor, during the term of this Lease Agreement from: (a) any condition of the Subject Property or improvements placed on it; (b) any breach or default on the part of the Lessee regarding any act or duty to be performed by Lessee pursuant to the terms of this Lease Agreement; (c) any act or negligence of Lessee or any of its agents, volunteers, contractors, servants, employees or licensees; and (d) any accident, injury, death or damage whatsoever caused to any person occurring during the Term of this Lease Agreement in or on the Subject Property. Lessee agrees to indemnify, defend, and save harmless Lessor from and against all costs, counsel and legal fees, expenses, and liabilities incurred, other than due to acts or omissions of Lessor, in any claim or action or proceeding brought asserting claims of or asserting damages for any alleged act, negligence, omission, conduct, management, work, thing, breach, default, accident, injury, or damage described in the previous two sentences. The above agreements of indemnity are in addition to and not by way of limitation of any other covenants in this Lease Agreement to indemnify the Lessor. The agreements of indemnity by the Lessee do not apply to any claims of damage arising out of the failure of the Lessor to perform acts or render services in its municipal capacity.

Section 5.2 Indemnification of Lessee. Except to the extent of liabilities arising from Lessee's acts or omissions, including Lessee's failure to comply with the Prospective Purchaser Agreement and the Management Agreement (both of which are attached to this Lease Agreement), Lessor indemnifies, defends, and holds Lessee harmless for liabilities incurred solely by reason of conditions existing on the site as of the date of execution of this Lease Agreement.

Section 5.3 Reimbursement of Costs of Obtaining Possession. Each Party agrees to pay and to indemnify the other party prevailing in any dispute hereunder against, all costs and charges, including but not limited to, full reasonable counsel and legal fees lawfully and reasonably incurred in enforcing any provision of this Lease Agreement including obtaining possession of the Subject Property and establishing the Lessor's title free and clear of this Lease Agreement upon expiration or earlier termination of this Lease Agreement.

GENERAL PROVISIONS

ARTICLE VI DEFINITIONS

Section 6.1 Defined Terms. For the purposes of this Lease Agreement, the following words shall have the meanings attributed to them in this Section:

- (a) "Event of Default" means the occurrence of any action specified in Section 15.1.
- (b) "Imposition" means all of the taxes, assessments, utility rates or charges, levies and other governmental charges, levied or assessed against the Subject Property, any part thereof, any right or interest therein or any rent and income received therefrom as well as sales taxes on rent.
- (c) "Improvements" or "improvements" means all buildings, structures and improvements of any nature now or hereafter located upon the Land, as well as all apparatus and equipment necessary for the complete and comfortable use, occupancy, enjoyment and operation of the Subject Property, including fittings, appliances, machinery, garage equipment, heating equipment, lighting equipment, cooling equipment, air conditioning and ventilating equipment, wiring, controls, communications equipment, plumbing, switchboards, antennae, elevators, escalators, floor coverings, refrigerating equipment, hot water heating and all other appliances and equipment; excepting only in each case articles of personal property appurtenances and fixtures (including trade fixtures) owned by Lessee, Sublessees, or others, which can be removed without defacing or materially injuring the improvements remaining on the property, from the property with the portion of the property from which such items are removed being returned to a condition at least as good as that existing on the date of this lease.
- (d) "Personal Property" means tangible personal property owned or leased and used by the Lessee or any sublessee of the Lessee, in connection with and located upon the Subject Property.
- (e) "Rent" means the lease rate, which is the amount Lessee periodically owes and is obligated to pay Lessor as lease payments under this Lease Agreement for the use of the demise.
- (f) "Sawmill Cove Industrial Park" is the real estate composed of approximately 84 acres of uplands and 146 acres of tidelands located within the City and Borough of Sitka that is owned by the City and Borough of Sitka and was for a period longer than 30 years in the 1960s, 1970s, and 1980s, and 1990s a pulp mill operated by Alaska Pulp Corporation.
- (g) "Subject Property" means the Land.
- (h) "Land" means the lease hold area within the Sawmill Cove Industrial Park.
- (i) "Sublessee" and "Sublease" -- any reference to "sublessee" shall mean any subtenant, concessionaire, licensee, or occupant of space in or on the Subject Property holding by or through the Lessee; the term "sublease" shall mean any lease, license, concession or other agreement for the use and occupancy of any part of the Subject Property made by any Person holding by or through the Lessee.

(j) "Term" means the period of time Lessee rents or leases the Subject Property from Lessor.

ARTICLE VII INSURANCE

Section 7.1 Insurance. Before occupying the Subject Property, Lessee shall, at Lessee's sole cost and expense but for the mutual benefit of the Lessor and the Lessee, maintain the following insurance described in this Article and deliver copies evidencing same to Lessor. Any and all policies providing any of the following insurance shall name Lessor as an additional insured party and shall be held by and be payable jointly to Lessor and Lessee with the proceeds to be distributed in accordance with this Lease Agreement.

(a) Fire and extended coverage insurance on all improvements on the Subject Property (when improvements are made) in an amount no less than 100 percent of the replacement cost of the improvements as of the most recent anniversary of the first day of the month immediately following the date set out in the Preamble, without deduction for depreciation, with a maximum deductible of \$5,000.00 protecting against loss or damage by: (i) fire and lightning; (ii) the risks commonly included within the term "extended coverage" (including but not limited to windstorm, hail, explosion, riot, riot attending a strike, civil commotion, aircraft, vehicles, and smoke); and (iii) vandalism and malicious mischief, all as these terms are used in insurance policies from time to time issued by insurance companies licensed to do business by the State of Alaska. Such replacement cost shall be determined yearly by the insurance broker for Kootznahoo. In lieu of the above insurance coverage, Lessee may obtain "Special Form" coverage, provided only that this coverage is at least as large in amount and as broad in coverage as the foregoing and that the form of the coverage is first approved in writing by Lessor. During any construction, excavation, destruction, alteration, razing, or restoration performed on the Subject Property or on any of the Improvements on the Subject Property, Kootznahoo shall maintain in an escrow account funds equal to the full estimated cost of any such work and shall report on the amount in such account monthly to both Sitka's Finance Director and Public Works Director.

(b) Comprehensive general public liability and property damage insurance, and contractual liability insurance, protecting and indemnifying Lessor, Lessee, and others designated by Lessor against any and all claims arising from any and all acts or omissions of Lessee (including all costs and expenses of defending against same) for bodily injury, sickness, disease, or death or for damage or injury to or destruction of property (including loss of use) arising out of ownership, maintenance, or use of the improvements and the Subject Property including any products sold by Lessee. The limits of such insurance shall be not less than \$2,000,000 in general aggregate coverage and \$1,000,000 each occurrence in respect of bodily injury, sickness, disease, or death of any one person resulting from any occurrence and \$1,000,000 in respect of damage or injury to or destruction of property from any one occurrence.

(d) Workers' compensation insurance, automobile liability insurance, and employer's liability insurance as required by law.

(e) In the event that any other type of legislation may be enacted imposing special liability upon the owner of property by virtue of its use for any special purposes, before the Lessee shall

so use the Improvements or any part of it, Lessee shall provide insurance in form and substance and with insurers and limits satisfactory to Lessor indemnifying Lessor, Lessee, and other persons Lessor may designate against any and all liability.

Section 7.2 Delivery of Insurance Policies. (a) Copies of these policies of insurance and insurance company certificates evidencing the existence of all of these policies of insurance shall be delivered to Lessor not less than 30 days after the execution and delivery of this Lease Agreement. All policies of insurance required to be provided and obtained shall provide that they shall not be amended or canceled on less than 30 days' prior written notice to Lessor and all insureds and beneficiaries of the policies. Lessor shall have no obligation to pay premiums or make contributions to the insuring company or any other person.

(b) Not less than 30 days prior to the expiration date of any policy required to be carried pursuant to this Article, the Lessee shall deliver to Lessor the applicable respective policies or insurance company certificates evidencing all policies of insurance and renewals required to be furnished.

Section 7.3 Notification of Claim, Loss, or Adjustment. Lessee shall advise Lessor of any claim, loss, adjustment, or negotiations and settlements involving any loss under all policies of the character described in Section 8.1.

Section 7.4 Insurer To Be Approved and Provision of Premium Receipts. All policies of insurance of the character described in Section 8.1 shall be written with companies of recognized responsibility reasonably acceptable to Lessor. Upon written request by Lessor, Lessee shall provide photocopies of receipts showing the payment of premiums for all insurance policies required to be maintained by this Lease Agreement.

Section 7.5 Waiver of Subrogation. Whenever: (i) any loss, cost, damage or expense resulting from fire, explosion or any other casualty or occurrence is incurred by either of the parties to this Lease Agreement, or anyone claiming under it in connection with the Subject Property or Improvements; and (ii) the party is then covered in whole or in part by insurance with respect to loss, cost, damage or expense or is required under this Lease Agreement to be so insured, then the party so insured (or so required) releases the other party from any liability the other party may have on account of the loss, cost, damage or expense to the extent of any amount recoverable by reason of insurance and waives any right of subrogation which might otherwise exist in or accrue to any person on account of it, provided that the release of liability and waiver of the right of subrogation shall not be operative in any case where the effect is to invalidate the insurance coverage or increase its cost (provided that, in the case of increased cost, the other party shall have the right, within thirty (30) days following written notice, to pay the increased cost keeping the release and waiver in full force and effect).

ARTICLE VIII RESTRICTIONS REGARDING ASSIGNMENT, SUBLEASES, AND TRANSFERS OF SUBJECT PROPERTY

Section 8.1 Lessee Without Power to Assign Lease or Transfer or Encumber Subject Property. Lessee has no power under this Lease Agreement to assign the Lease Agreement. Lessee has no power under this Lease Agreement to transfer the Subject Property. Lessee has no

power to encumber Subject Property or pledge its interest in Subject Property as collateral for a loan or mortgage.

Section 8.2 Limitations on Subleases. Lessee shall not sublease the Subject Property or any portion of it without the prior written approval of the Sawmill Cove Board of Directors. All Subleases entered into demising all or any part of the Improvements or the Subject Property shall be expressly subject and subordinate to this Lease Agreement, including Exhibits B and C. Lessor's consent to a sublease of the Subject Property shall not release Kootznahoo from its obligations under the Lease Agreement. Lessor's consent to a sublease shall not be deemed to give any consent to any subsequent subletting.

ARTICLE IX USE AND PROTECTION OF THE SUBJECT PROPERTY

Section 9.1 Property As Is - No Repairs. (a) The Lessee acknowledges that it has examined the Subject Property and the present improvements including any public improvements presently located there and knows the condition of them and accepts them in their present condition and without any representations or warranties of any kind or nature whatsoever by the Lessor as to their condition or as to the use or occupancy which may be made of them. The Lessee assumes the sole responsibility for the condition of the improvements located on the Subject Property. The foregoing shall not be deemed to relieve the Lessor of its general municipal obligations.

(b) Lessee acknowledges that the Subject Property is adjacent to other property rented by other tenants of Sawmill Cove Industrial Park. Lessee further acknowledges that noise and other types of interference with the use of the Subject Property may be caused by activities within or related to the Park. Lessee further acknowledges that construction occurring in Sawmill Industrial Park may also create noise and other sources of interference with Lessee's operations.

Section 9.2 Compliance with Laws. Lessee shall throughout any term of this Lease Agreement, at Lessee's sole expense, promptly comply with all the laws and ordinances and the orders, rules, regulations, and requirements of all federal, state, and municipal governments and appropriate departments, commissions, boards, and officers (whether or not the same require structural repairs or alterations) and all other legal requirements that may be applicable to the use of the Subject Property. Nothing in the foregoing sentence shall be deemed to relieve Lessor of its general obligations to the City and Borough of Sitka in its municipal capacity.

Section 9.3 Notification of City and Borough of Sitka's Public Works Director of Discovery of Contamination. Lessee shall promptly notify the Public Works Director of the City and Borough of Sitka within 24 hours if any contaminated soils or other media that require special handling are encountered during construction activities.

Section 9.4 Use of Utility Lines. Lessee shall connect or otherwise discharge to such utility lines as are approved by the Director of Public Works, and shall obtain any permits and comply with any conditions specified by the Director of Public Works for such connections.

Section 9.5 Permits and Approvals for Activities. Lessee shall be responsible for obtaining all necessary permits and approvals for its activities unless otherwise specifically allowed by Lessor. Not less than ten (10) days in advance of applying for permits to any public entity other

than the City and Borough of Sitka, Lessee shall provide copies of all permit applications and associated plans and specifications to the Director of Public Works of the City and Borough of Sitka to facilitate review by departments of the City and Borough of Sitka for consistency with the Management Plan and other plans for and uses of Sawmill Cove Industrial Park. The City and Borough of Sitka is not obligated to comment on the permit applications and plans, and the result of any review by the City and Borough of Sitka does not affect Lessee's obligation to comply with the Management Plan and any applicable laws.

ARTICLE X LESSOR'S RIGHT TO PERFORM LESSEE'S COVENANTS; REIMBURSEMENT OF LESSOR FOR AMOUNTS SO EXPENDED

Section 10.1 Performance of Lessee's Covenants To Pay Money. The Lessee covenants that if it shall at any time default or shall fail to make any other payment (other than Rent) due and the failure shall continue for ten (10) days after written notice to the Lessee, then the Lessor may, but shall not be obligated so to do, and without further notice to or demand upon the Lessee and without releasing the Lessee from any obligations of the Lessee under this Lease Agreement, make any other payment in a manner and extent that the Lessor may deem desirable.

Section 10.2 Lessor's Right To Cure Lessee's Default. If there is a default involving the failure of the Lessee to keep the lease area in good condition and repair in accordance with the provisions of this Lease Agreement, to make any necessary renewals or replacements or to remove any dangerous condition in accordance with the requirements of this Lease Agreement or to take any other action required by the terms of this Lease Agreement, then the Lessor shall have the right, but shall not be required, to make good any default of the Lessee. The Lessor shall not in any event be liable for inconvenience, annoyance, disturbance, loss of business, or other damage of or to the Lessee by reason of bringing materials, supplies and equipment into or through the building during the course of the work required to be done to make good such default, and the obligations of the Lessee under this Lease Agreement shall remain unaffected by such work, provided that the Lessor uses reasonable care under the circumstances prevailing to avoid unnecessary inconvenience, annoyance, disturbance, loss of business, or other damage to the Lessee.

Section 10.3 Reimbursement of Lessor and Lessee. All sums advanced by the Lessor pursuant to this Article and all necessary and incidental costs, expenses and attorney fees in connection with the performance of any acts, together with interest at the highest rate of interest allowed by law from the date of the making of advancements, shall be promptly payable by the Lessee, in the respective amounts so advanced, to the Lessor. This reimbursement shall be made on demand, or, at the option of the Lessor, may be added to any rent then due or becoming due under this Lease Agreement and the Lessee covenants to pay the sum or sums with interest, and the Lessor shall have (in addition to any other right or remedy) the same rights and remedies in the event of the nonpayment by the Lessee as in the case of default by the Lessee in the payment of any installment of rent. Conversely, the Lessee shall be entitled to receive from the Lessor prompt payment or reimbursement on any sums due and owing from the Lessor to the Lessee, together with interest at the highest rate allowed by law. However, nothing contained in this Lease Agreement shall entitle the Lessee to withhold any Rent due to the Lessor or to offset or credit any sums against rent, except with respect to unpaid rental due from the Lessor to the Lessee under any sublease of building space to the Lessor.

ARTICLE XI DAMAGE OR DESTRUCTION

Section 11.1 Repair and Replacement of Structures and Improvements Following Damage. In the event of damage by earthquake, wind, fire, tidal wave, tsunami, or otherwise to Subject Property, the Lessee shall within six (6) months after the damage and as soon as is reasonably possible at the Lessee's sole expense (but using, along with the Lessee's own funds, insurance proceeds available for that purpose) shall do either (a) repair and restore the Improvements as completely as possible to the condition such Improvements were in immediately prior to the damage or (b) replace the Improvements (including all the machinery, fixtures, and equipment situated there) with Improvements of the same general size and character as the damaged improvements. The choice between (a) and (b) in the previous sentence is to be made by Lessee.

Section 11.2 Payment for Construction After Damage or Destruction. All insurance proceeds recovered by any party on account of damage or destruction to the Improvements, less the actual costs, if any, to the applicable party relating to recovery shall be applied by the parties to the payment of the cost of the work to restore the Improvements and for other purposes.

Section 12.3 Unused Insurance Proceeds and Deposits. In the event any proceeds of insurance or sums deposited with the Lessor by the Lessee in connection with any restoration or rebuilding of the building shall remain in the hands of the Lessor after completion of restoration or rebuilding, and if the Lessee shall not be in default under this Lease Agreement in respect of any matter or thing of which notice of default has been served on the Lessee, then the remaining funds shall be paid, first on any unpaid or accrued rent and other sums due the Lessor, and second to the Lessee.

ARTICLE XII MECHANIC'S LIENS

Section 12.1 Discharge of Mechanics' Liens. The Lessee shall neither suffer nor permit any mechanics' liens to be filed against the title to the Subject Property, nor against the Lessee's interest in the property, nor against the improvements by reason of work, labor, services or materials supplied or claimed to have been supplied to the Lessee or anyone having a right to possession of the Subject Property or improvements as a result of an agreement with or the assent of the Lessee. If any mechanics' lien shall at the time be filed against the Subject Property including the Improvements, the Lessee shall cause it to be discharged of record within 30 days after the date that Lessee has knowledge of its filing.

ARTICLE XIII LIEN FOR RENT AND OTHER CHARGES

Section 13.1 Lien for Rent. The whole amount of the Rent and each and every installment, and the amount of all taxes, assessments, water rates, insurance premiums and other charges and impositions paid by the Lessor under the provisions of this Lease Agreement, and all costs, attorney's fees and other expenses which may be incurred by the Lessor in enforcing the provisions of this Lease Agreement or on account of any delinquency of the Lessee in carrying out any of the provisions of this Lease Agreement, shall be and they are declared to constitute a valid and prior lien upon the Subject Property and the Improvements, and upon the Lessee's leasehold estate, and may be enforced by equitable remedies including the appointment of a receiver.

ARTICLE XIV DEFAULT PROVISIONS

Section 14.1 Events of Default. Each of the following events is defined as an "Event of Default":

(a) The failure of the Lessee to pay any Installment of Rent, or any other payments or deposits of money, or furnish receipts for deposits as required, when due and the continuance of the failure for a period of ten (10) days after notice in writing from the Lessor to the Lessee.

(b) The failure of the Lessee to perform any of the other covenants, conditions and agreements of this Lease Agreement including payment of taxes on the part of the Lessee to be performed, and the continuance of the failure for a period of thirty (30) days after notice in writing (which notice shall specify the respects in which the Lessor contends that the Lessee has failed to perform any of the covenants, conditions and agreements) from the Lessor to the Lessee unless, with respect to any default which cannot be cured within thirty (30) days, the Lessee, or any person holding by, through or under the Lessee, in good faith, promptly after receipt of written notice, shall have commenced and shall continue diligently and reasonably to prosecute all action necessary to cure the default within an additional 60 days.

(c) The filing of an application by the Lessee (the term, for this purpose, to include any approved transferee other than a sublessee of the Lessee's interest in this Lease Agreement): (i) for a consent to the appointment of a receiver, trustee or liquidator of itself or all its assets; (ii) of a voluntary petition in bankruptcy or the filing of a pleading in any court of record admitting in writing of its inability to pay its debts as they come due; (iii) of a general assignment for the benefit of creditors; (iv) of an answer admitting the material allegations of, or its consenting to, or defaulting in answering, a petition filed against it in any bankruptcy proceeding.

(d) The entry of an order, judgment or decree by any court of competent jurisdiction, adjudicating the Lessee a bankrupt, or appointing a receiver, trustee or liquidator of it or of its assets, and this order, judgment or decree continuing unstayed and in effect for any period of 60 consecutive days, or if this Lease Agreement is taken under a writ of execution.

Section 14.2 Assumption or Assignment of Lease to Bankruptcy Trustee. In the event that this Lease Agreement is assumed by or assigned to a trustee pursuant to the provisions of the bankruptcy reform Act of 1978 (referred to as "Bankruptcy Code") (11 U.S.C. § 101 et seq.), and the trustee shall cure any default under this Lease Agreement and shall provide adequate assurances of future performance of this Lease Agreement as are required by the Bankruptcy Code (including but not limited to, the requirement of Code § 365(b)(1)) (referred to as "Adequate Assurances"), and if the trustee does not cure such defaults and provide such adequate assurances under the Bankruptcy Code within the applicable time periods provided by the Bankruptcy Code, then this Lease Agreement shall be deemed rejected automatically and the Lessor shall have the right immediately to possession of the Subject Property immediately and shall be entitled to all remedies provided by the Bankruptcy Code for damages for breach or termination of this Lease Agreement.

Section 14.3 Remedies in Event of Default. The Lessor may treat any one or more of the Events of Default as a breach of this Lease Agreement and at its option, by serving written notice on the Lessee and each Secured Party and Leasehold Mortgagee of whom Lessor has notice

(such notice not to be effective unless served on each such person) of the Event of Default of which the Lessor shall have received notice in writing, the Lessor shall have, in addition to other remedies provided by law, one or more of the following remedies:

(a) The Lessor may terminate this Lease Agreement and the Term created, in which event the Lessor may repossess the entire Subject Property and Improvements, and be entitled to recover as damages a sum of money equal to the value, as of the date of termination of this Lease Agreement, of the rent provided to be paid by the Lessee for the balance of the stated term of this Lease Agreement less the fair rental value as of the date of termination of this Lease Agreement of the fee interest in the Subject Property and Improvements for the period, and any other sum of money and damages due under the terms of this Lease Agreement to the Lessor and the Lessee.

(b) The Lessor may terminate the Lessee's right of possession and may repossess the entire Subject Property and Improvements by forcible entry and detainer suit or otherwise, without demand or notice of any kind to the Lessee (except as above expressly provided for) and without terminating this Lease Agreement, in which event the Lessor may, but shall be under no obligation to do so, relet all or any part of the Subject Property for rent and upon terms as shall be satisfactory in the judgment reasonably exercised by the Lessor (including the right to relet the Subject Property and building for a term greater or lesser than that remaining under the stated term of this Lease Agreement and the right to relet the Subject Property and building as a part of a larger area and the right to change the use made of the Subject Property). For the purpose of reletting, the Lessor may make any repairs, changes, alterations or additions in or to the Subject Property and improvements that may be reasonably necessary or convenient in the Lessor's judgment reasonably exercised; and if the Lessor shall be unable, after a reasonable effort to do so, to relet the Subject Property, or if the Subject Property and building are relet and a sufficient sum shall not be realized from reletting after paying all of the costs and expenses of repairs, change, alterations and additions and the expense of reletting and the collection of the rent accruing from it, to satisfy the rent above provided to be paid, then the Lessee shall pay to the Lessor as damages a sum equal to the amount of the rent reserved in this Lease Agreement for the period or periods as and when payable pursuant to this Lease Agreement, or, if the Subject Property or any part of it has been relet, the Lessee shall satisfy and pay any deficiency upon demand from time to time; and the Lessee acknowledges that the Lessor may file suit to recover any sums falling due under the terms of this Section from time to time and that any suit or recovery of any portion due the Lessee shall be no defense to any subsequent action brought for any amount not reduced to judgment in favor of the Lessor.

(c) In the event of any breach or threatened breach by the Lessee of any of the terms, covenants, agreements, provisions or conditions in this Lease Agreement, the Lessor shall have the right to invoke any right and remedy allowed at law or in equity or by statute or otherwise as through reentry, summary proceedings, and other remedies were not provided for in this Lease Agreement.

(d) Upon the termination of this Lease Agreement and the Term created, or upon the termination of the Lessee's right of possession, whether by lapse of time or at the option of the Lessor, the Lessee will at once surrender possession of the Subject Property and dispose of personal property and improvements as described in Section 1.3. If possession is not immediately surrendered, the Lessor may reenter the Subject Property and Improvements and repossess itself of it as of its former estate and remove all persons and their personal property, using force as may be necessary without being deemed guilty of any manner of trespass or

forcible entry or detainer. Lessor may at its option seek expedited consideration to obtain possession if Lessor determines that the Lease Agreement has terminated as described in the first sentence of this paragraph, and Lessee agrees not to oppose such expedited consideration.

(e) In the event that the Lessee shall fail to make any payment required to be made provided for in this Lease Agreement or defaults in the performance of any other covenant or agreement which the Lessee is required to perform under this Lease Agreement during the period when work provided for in this Lease Agreement shall be in process or shall be required by the terms of this Lease Agreement to commence, the Lessor may treat the default as a breach of this Lease Agreement and, in addition to the rights and remedies provided in this Article, but subject to the requirements of service of notice pursuant to this Lease Agreement, the Lessor shall have the right to carry out or complete the work on behalf of the Lessee without terminating this Lease Agreement.

Section 14.4 Waivers and Surrenders To Be In Writing. No covenant or condition of this Lease Agreement shall be deemed to have been waived by the Lessor unless the waiver be in writing, signed by the Lessor or the Lessor's agent duly authorized in writing and shall apply only with respect to the particular act or matter to which the consent is given and shall not relieve the Lessee from the obligation, wherever required under this Lease Agreement, to obtain the consent of the Lessor to any other act or matter.

ARTICLE XV LESSOR'S TITLE AND LIEN

Section 15.1 Lessor's Title and Lien Paramount. The Lessor shall have title to the Land and building, and the Lessor's lien for Rent and other charges shall be paramount to all other liens on the Subject Property.

Section 15.2 Lessee Not To Encumber Lessor's Interest. The Lessee shall have no right or power to and shall not in any way encumber the title of the Lessor in and to the Land. The fee-simple estate of the Lessor in the Land shall not be in any way subject to any claim by way of lien or otherwise, whether claimed by operation of law or by virtue of any express or implied lease or contract or other instrument made by the Lessee, and any claim to the lien or otherwise upon the Land arising from any act or omission of the Lessee shall accrue only against the leasehold estate of the Lessee in the Subject Property and the Lessee's interest in the Improvements, and shall in all respects be subject to the paramount rights of the Lessor in the Land.

ARTICLE XVI REMEDIES CUMULATIVE

Section 16.1 Remedies Cumulative. No remedy conferred upon or reserved to the Lessor shall be considered exclusive of any other remedy, but shall be cumulative and shall be in addition to every other remedy given under this Lease Agreement or existing at law or in equity or by statute. Every power and remedy given by this Lease Agreement to the Lessor may be exercised from time to time and as often as occasion may arise or as may be deemed expedient by the Lessor. No delay or omission of Lessor to exercise any right or power arising from any default shall impair any right or power, nor shall it be construed to be a waiver of any default or any acquiescence in it.

Section 16.2 Waiver of Remedies Not To Be Inferred. No waiver of any breach of any of the covenants or conditions of this Lease Agreement shall be construed to be a waiver of any other breach or to be a waiver of, acquiescence in, or consent to any further or succeeding breach of it or similar covenant or condition.

Section 16.3 Right to Terminate Not Waived. Neither the rights given to receive, sue for or distrain from any rent, moneys or other payments, or to enforce any of the terms of this Lease Agreement, or to prevent the breach or nonobservance of it, nor the exercise of any right or of any other right or remedy shall in any way impair or toll the right or power of the Lessor to declare ended the term granted and to terminate this Lease Agreement because of any event of default.

ARTICLE XVII SURRENDER AND HOLDING OVER

Section 17.1 Surrender at End of Term. On the last day of the last Lease Year of the original term, or on the earlier termination of the term, the Lessee shall peaceably and quietly leave, surrender and deliver the entire Subject Property to the Lessor, subject to the provisions of Section 1.3, in good repair, order, and condition, reasonable use, wear and tear excepted, free and clear of any and all mortgages, liens, encumbrances, and claims. At the time of the surrender, the Lessee shall also surrender any and all security deposits and rent advances of Sublessees to the extent of any amounts owing from the Lessee to the Lessor. If the Subject Property is not so surrendered, the Lessee shall repay the Lessor for all expenses which the Lessor shall incur by reason of it, and in addition, the Lessee shall indemnify, defend and hold harmless the Lessor from and against all claims made by any succeeding Lessee against the Lessor, founded upon delay occasioned by the failure of the Lessee to surrender the Subject Property.

Section 17.2 Rights Upon Holding Over. At the termination of this Lease Agreement, by lapse of time or otherwise, the Lessee shall yield up immediately possession of the Land to the Lessor and, failing to do so, agrees, at the option of the Lessor, to pay to the Lessor for the whole time such possession is withheld, a sum per day equal to one hundred and seventy-five percent (175%) times 1/30th of the aggregate of the rent paid or payable to Lessor during the last month of the term of the Lease Agreement the day before the termination of the Lease Agreement. The provisions of this Article shall not be held to be a waiver by the Lessor of any right or reentry as set forth in this Lease Agreement, nor shall the receipt of a sum, or any other act in apparent affirmance of the tenancy, operate as a waiver of the right to terminate this Lease Agreement and the Term granted for the period still unexpired for any breach of the Lessee under this Lease Agreement.

ARTICLE XVIII MODIFICATION

Section 18.1 Modification. None of the covenants, terms or conditions of this Lease Agreement to be kept and performed by either party to this Lease Agreement shall in any manner be waived, modified, changed or abandoned except by a written instrument duly signed, acknowledged, and delivered by both Lessor and Lessee.

ARTICLE XIX INVALIDITY OF PARTICULAR PROVISIONS

Section 19.1 Invalidity of Provisions. If any provision of this Lease Agreement or the application of it to any person or circumstances shall to any extent be invalid or unenforceable, the remainder of this Lease Agreement, or the application of such provision to persons or circumstances other than those as to which it is invalid or unenforceable, shall not be affected, and each provision of this Lease Agreement shall be valid and be enforced to the fullest extent permitted by law.

ARTICLE XX APPLICABLE LAW AND VENUE

Section 20.1 Applicable Law. This Lease Agreement shall be construed and enforced in accordance with the laws of the State of Alaska. The forum and venue for any action seeking to interpret, construe, or enforce this Lease Agreement shall be only in the Superior Court for the State of Alaska at Sitka, Alaska.

ARTICLE XXI NOTICES

Section 21.1 Manner of Mailing Notices. In every case where under any of the provisions of this Lease Agreement or otherwise it shall or may become necessary or desirable to make or give any declaration or notice of any kind to the Lessor or the Lessee, it shall be sufficient if a copy of any declaration or notice is sent by United States mail, postage prepaid, return receipt requested, addressed: If to Lessor at: Municipal Administrator, City and Borough of Sitka, of 100 Lincoln Street, Sitka, Alaska 99835, with a copy to: Municipal Clerk at address listed above; and if to Lessee, at: the address set out in the Preamble. Each party from time to time may change its address for purposes of receiving declarations or notices by giving notice of the changed address, to become effective seven days following the giving of notice.

Section 21.2 Notice to Leasehold Mortgagee and Secured Parties. The Lessor shall provide each Leasehold Mortgagee and Secured Party, who has so requested, copies of all notices from Lessor to Lessee relating to existing or potential default under, or other noncompliance with the terms of, this Lease Agreement. All notices, demands or requests which may be required to be given by the Lessor or the Lessee to any Leasehold Mortgagee and Secured Parties shall be sent in writing, by United States registered or certified mail or express mail, postage prepaid, addressed to the Leasehold Mortgagee at a place as the Leasehold Mortgagee may from time to time designate in a written notice to the Lessor and Lessee. Copies of all notices shall simultaneously be sent to the other of the Lessor or the Lessee, as the case may be.

Section 21.3 Sufficiency of Service. Service of any demand or notice as in this Article provided shall be sufficient for all purposes.

Section 21.4 When Notice Deemed Given or Received. Whenever a notice is required by this Lease Agreement to be given by any party to the other party or by any party to a Leasehold Mortgagee, the notice shall be considered as having been given when a registered or certified notice is placed in the United States Post Office mail as provided by this Article and shall be deemed received on the third business day thereafter and for all purposes under this Lease Agreement of starting any time period after notice, the time period shall be conclusively deemed to have commenced three business days after the giving of notice and whether or not it is provided that a time period commences after notice is given or after notice is received.

ARTICLE XXII MISCELLANEOUS PROVISIONS

Section 22.1 Captions. The captions of this Lease Agreement and the index preceding it are for convenience and reference only and in no way define, limit or describe the scope or intent of this Lease Agreement, nor in any way affect this Lease Agreement.

Section 22.2 Conditions and Covenants. All the provisions of this Lease Agreement shall be deemed and construed to be "conditions" as well as "covenants," as though the words specifically expressing or importing covenants and conditions were used in each separate provision.

Section 22.3 Entire Agreement. This Lease Agreement contains the entire agreement between the parties and shall not be modified in any manner except by an instrument in writing executed by the parties or their respective successors or assigns in interest.

Section 22.4 Time of Essence as to Covenants of Lease Agreement. Time is of the essence as to the covenants in this Lease Agreement.

ARTICLE XXIII SHORT FORM LEASE AGREEMENT

Section 23.1 Short Form Lease Agreement. This Lease Agreement shall not be recorded, but the parties agree, at the request of either of them, to execute and deliver a Memorandum of Lease Agreement for recording, containing the names of the parties, the legal description of the Subject Property, the term of the Lease Agreement and any other pertinent provisions for which notice should be given to third parties. The Lessee agrees to bear the cost of recording the Short Form Lease Agreement.

ARTICLE XXIV COVENANTS TO BIND AND BENEFIT RESPECTIVE PARTIES AND TO RUN WITH THE SUBJECT PROPERTY

Section 24.1 Covenants to Run with the Subject Property. All covenants, agreements, conditions and undertakings in this Lease Agreement shall extend and inure to the benefit of and be binding upon the successors and assigns of each of the parties, the same as if they were in every case named and expressed, and they shall be construed as covenants running with the Subject Property. Wherever in this Lease Agreement reference is made to any of the parties, it shall be held to include and apply to, wherever applicable, also the officers, directors, successors and assigns of each party, the same as if in each and every case so expressed.

Section 24.2 Interest in Deposits Automatically Transferred. The sale, conveyance or assignment of the interest of the Lessee (pursuant to the terms of this Lease Agreement) or of the Lessor in and to this Lease Agreement shall act automatically as a transfer to the assignee of the Lessor or of the Lessee, as the case may be, of its respective interest in any funds on deposit with and held by any Construction Lender and the Lessor, and every subsequent sale, conveyance or assignment by any assignee of the Lessor or of the Lessee also shall act automatically as a transfer of their respective rights to the deposits with such Construction Lender and the Lessor to the subsequent assignee.

ARTICLE XXV ADDITIONAL GENERAL PROVISIONS

Section 25.1 Absence of Personal Liability. No member, official, or employee of the Lessor shall be personally liable to the Lessee, its successors and assigns, or anyone claiming by, through or under the Lessee or any successor in interest to the Subject Property, in the event of any default or breach by the Lessor or for any amount which may become due to the Lessee, its successors and assigns, or any successor in interest to the Subject Property, or on any obligation under the terms of this Lease Agreement. No member, official, or employee of the Lessee shall be personally liable to the Lessor, its successors and assigns, or anyone claiming by, through, or under the Lessor or any successor in interest to the Subject Property, in the event of any default or breach by the Lessee or for any amount which become due to the Lessor, its successors and assigns, or any successor in interest to the Subject Property, or on any obligation under the terms of this Lease Agreement.

Section 25.2 Lease Agreement Only Effective As Against Lessor Upon Assembly Approval. This Lease Agreement is effective as against Lessor only upon the approval of such Lease Agreement by the Assembly of the City and Borough of Sitka.

Section 25.3 Binding Effects and Attorneys Fees. This Lease Agreement shall be binding up and inure to the benefit of the respective successors and assigns of the parties hereto. In the event of litigation over this Lease Agreement, the parties agree that the prevailing party shall receive full reasonable attorneys' fees.

Section 25.4 Duplicate Originals. This Lease Agreement may be executed in any number of copies, each of which shall constitute an original of this Lease Agreement. The warranties, representations, agreements and undertakings shall not be deemed to have been made for the benefit of any person or entity, other than the parties.

Section 25.5 Declaration of Termination. With respect to Lessor's rights to obtain possession of the Subject Property or to revest title in itself with respect to the leasehold estate of the Lessee in the Subject Property, the Lessor shall have the right to institute such actions or proceedings as it may deem desirable to effectuate its rights including, without limitation, the right to execute and record or file with the Recorder of Sitka Recording District, a written declaration of the termination of all rights and title of Lessee in the Subject Property, and the revesting of any title in the Lessor as specifically provided in this Lease Agreement.

Section 25.6 Authority. The Lessor and Lessee represent to each other that each has, and has exercised, the required corporate power and authority and has complied with all applicable legal requirements necessary to adopt, execute and deliver this Lease Agreement and perform its obligations. Both parties also represent that this Lease Agreement has been duly executed and delivered by each and constitutes a valid and binding obligation of each enforceable in accordance with its terms, conditions, and provisions.

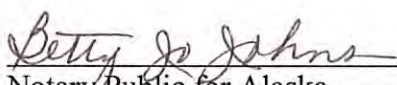

Leslie Kinear, President


Hugh Bevan, Administrator

STATE OF ALASKA)
)ss: **CORPORATE ACKNOWLEDGMENT**
FIRST JUDICIAL DISTRICT)

THIS CERTIFIES that on this 31st day of July, 2003, personally appeared before me LESLIE KINEAR, whose identity is personally known to me or proved to me on the basis of satisfactory evidence, and who by me duly sworn, did say that he is the President of KOOTZNAHOO FORTRESS OF THE BEAR and acknowledged that said document was signed by him in behalf of said corporation by authority of its bylaws.



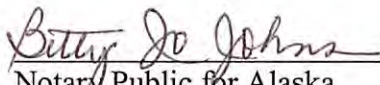

Notary Public for Alaska
My Commission Expires: November 1, 2004
Residing at Sitka, Alaska

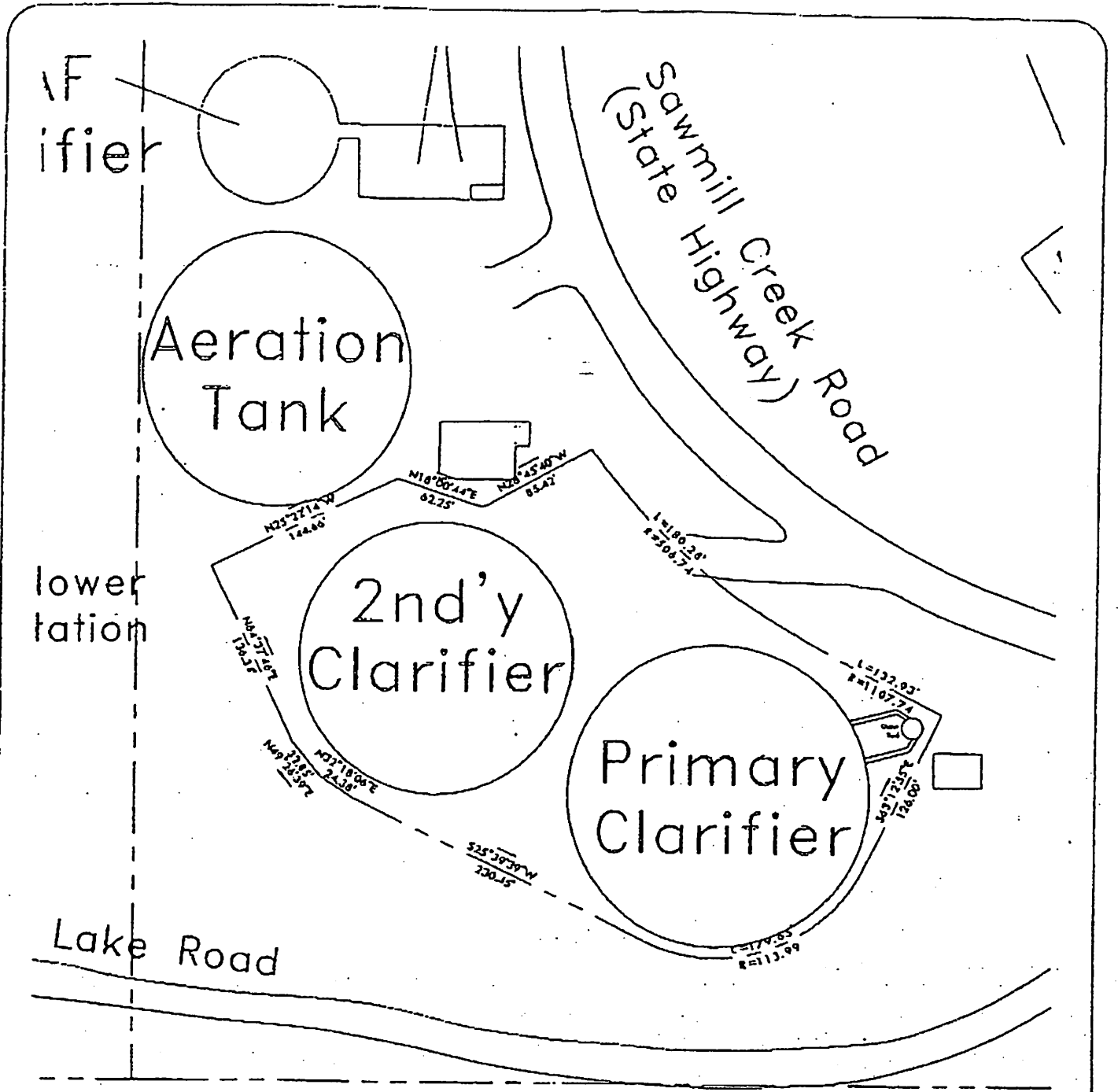
STATE OF ALASKA)
)ss: **MUNICIPAL ACKNOWLEDGMENT**
FIRST JUDICIAL DISTRICT)

THIS CERTIFIES that on this 31st day of July, 2003 before me, a Notary Public in and for the State of Alaska, personally appeared HUGH BEVAN, to me known and known to me to be the person whose name is subscribed to the foregoing LEASE AGREEMENT, and after being first duly sworn according to law, he stated to me under oath that he is the ADMINISTRATOR of the City and Borough of Sitka, Alaska, a corporation organized under the laws of the State of Alaska, that he has been authorized by said corporation to execute the foregoing LEASE AGREEMENT on its behalf and he executed the same freely and voluntarily as the free act and deed of said corporation.

WITNESS my hand and official seal the day and year in this certificate first above written.




Notary Public for Alaska
My Commission Expires: November 1, 2004
Residing at Sitka, Alaska



Page 1

1" = 100'

D.G.JONES/ASSOCIATES

ENGINEERING INSPECTION CONSTRUCTION MANAGEMENT
 Box 2186
 Sitka, Alaska 99835
 (907)-747-7998
 Fax: 907-747-7997
 E-mail: dgj@dgtjonesassociates.com

Proposed Lease Lot

SCIP
 4600 Sawmill Creek Road
 Sitka, AK 99835

Site Layout

May 23, 2003

Dsgnd by: DGJ

Drwn by: DJS

Chckd by: DGJ

Project: 03044

Alaska Department of Fish and Game
Division of Game

POLICY ON ZOOS

The Alaska Department of Fish and Game has the legal authority and responsibility (AS 16.05.340, AS 16.05.920, 5 AAC 92.029, and 5 AAC 92.033) to issue permits to individuals, institutions, or organizations to retain "game animals" in captivity for scientific, educational, and propagative purposes. Authority for administration of these permits has been delegated from the Commissioner to the Director of the Division of Game.

The department has determined that zoos can serve legitimate educational purposes. However, each zoo must meet certain standards before the department will issue permits to possess and exhibit game animals because:

- (1) the department is concerned about the ethical and humane aspects of keeping wild animals in captivity;
- (2) zoo operation is a highly technical field that requires expertise in animal care and husbandry and a large financial investment in facilities and animal care;
- (3) inadequate or inhumane treatment of captive game animals should not be tolerated, may result in criticism of the department, and may impose a financial burden on the department to rectify such situations;
- (4) the department is concerned about the potential of transmission of parasites and infectious diseases to game animals and the potential impacts on native game animals by exotic species; and
- (5) the department must ensure that transport of game animals to and from other states does not violate federal or state laws.

The department, in its discretion, may issue permits to Alaska zoos to possess and exhibit game animals that are surplus to the sustained yield management of the resource and unnecessary to meet demands of higher priority. Applicants for permits must meet the following criteria:

- (1) (a) zoos must be accredited by the American Association of Zoological Parks and Aquariums; or
- (b) have demonstrated responsible animal husbandry practices, zookeeping capabilities, and financial stability by having been in operation for at least one year prior to receiving a permit and by displaying animals for which no permit is required--such animals include elk, reindeer, domestic bison, llamas, alpacas,

one-humped camels, ferrets, game birds, or appropriate species listed under 5 AAC 92.029(b);

- (2) possess a valid, current Federal Exhibitor's License to display animals; this annual license is issued by the office of the Animal and Plant Health Inspection Service, U.S. Department of Agriculture, following an inspection by the Veterinarian in Charge;
- (3) provide adequate security to control game animals that could endanger public safety if they escaped; facilities must be completed and approved by the department before a permit will be issued to retain bears, wolves, or moose; and
- (4) be open to the public for at least 180 days per year.


The department, in its discretion, may issue permits to zoos outside Alaska to receive and possess game animals that are surplus to the sustained yield management of the resource and unnecessary to meet demands of higher priority. Applicants must meet the following criteria:

- (1) zoos must be accredited by the American Association of Zoological Parks and Aquariums; and
- (2) receive a favorable recommendation from the state agency with authority and responsibility for regulating the exhibition of animals in that state.

Educational permits to exhibit game animals will be issued for the calendar year, unless otherwise specified, and are subject to renewal upon receipt of an annual report listing all specimens held.

Native game animals and their progeny, held in Alaska under authority of educational permits issued by the department, remain the property of the State of Alaska. Neither native nor exotic game animals may be transferred to other zoos, individuals, or institutions without written authorization from the department. Following export, animals that are transferred to zoos outside the State of Alaska become the property and responsibility of the permittee.

For the purposes of this policy, "game animal" means any species of bird, reptile, or mammal, including a feral domestic animal, found or introduced in the state, except those animals listed under 5 AAC 92.029(b) or defined as "domestic" by state statutes.



W. Lewis Pamplin, Jr.
Director
Division of Game



DATE

Alaska Department of Fish and Game
Division of Wildlife Conservation

POLICY ON ZOOS--Amendment

Reason For the Amendment

The policy on zoos was adopted on August 30, 1988. Since then we have learned that some reputable and competent zoos are not accredited by the American Association of Zoological Parks and Aquariums (AAZPA). All zoos, however, must receive an annual federal exhibitor's permit. The lack of accreditation is not necessarily due to rejection by AAZPA, but because the zoos do not choose to comply with some of the nonsubstantive stipulations of accreditation. Therefore, the policy is amended as follows where it pertains to zoos outside Alaska (new wording underlined).

- (1) Zoos must be accredited by the American Association of Zoological Parks and Aquariums or receive a favorable recommendation from competent and knowledgeable individual(s) or organization(s) unaffiliated with the zoo; and
- (2) SAME

W. Lewis Pamplin, Jr.
W. Lewis Pamplin, Jr.
Director
Division of Wildlife Conservation

August 18, 1989
DATE

Management Requirements at Sawmill Cove Industrial Park

Sitka, Alaska

This industrial park offers access to a deepwater marine port, a large supply of energy and pure fresh water, and a lovely scenic setting. The Park includes both uplands and tidelands. Several buildings sitting on the uplands testify to the Park's former role as a pulp mill. The City and Borough of Sitka owns and manages this Park, runs a long-term environmental program in the adjoining bay, and requires lessees to follow certain rules.

The rules are set out in full in two documents that memorialize agreements with the State of Alaska under which the City and Borough manages the Park. The agreements are the Memorandum of Understanding's Management Plan and the Prospective Purchaser Agreement. A key purpose of these agreements is to insulate Park tenants from any liability for past uses of the uplands and tidelands. Tenants who follow these rules cannot be held responsible for any cleanup costs from historical uses. Both of those documents are free for the asking from the City and Borough, and both are automatically provided before any tenant leases property at the Park. Both are automatically incorporated into any lease the City and Borough makes with a tenant at the Park.

The following is a summary of these rules for environmental management, navigation, moorage, and dredging. Reading this summary is a useful aid for understanding the Memorandum of Understanding's Management Plan and the Prospective Purchaser Agreement, but is not a substitute for reviewing those documents. (References to those documents appear in parentheses.)

Summary of Management Requirements

Environmental Management

1. The upland portion of the Park can be used for commercial or industrial purposes. (Management Plan, Sec. I.A.)
2. Unless the State of Alaska grants specific approval, the upland portion cannot be used for residential development or any purpose requiring residency by humans around the clock. This restriction on the uplands may last until July 11, 2097. (Management Plan, Sec. I.A.)
3. Part-time residency on board moored vessels is allowed on a short-term basis. (Management Plan, Sec. I.A.1.b.)

4. The State of Alaska has agreed not to take action against those who lease from the City and Borough for any claim for releases of pre-existing contamination at the park as long as the tenant does not aggravate any pre-existing contamination. This protection does not extend automatically to sublessees, who may individually obtain it if they get written approval from the State of Alaska's Department of Environmental Conservation. (Prospective Purchaser Agreement, Secs. VI-VII.)
5. If a tenant or contractor encounters contaminated soils or other media that require special handling, work will cease and the person or entity will immediately contact the City and Borough's Director of Public Works. (Management Plan, Sec. I.C.1.)
6. Properly treated stormwater and relatively clean industrial water may be permitted to be discharged near the Utility Dock. Treated sewage and existing volumes of properly treated stormwater may be permitted to be discharged from an outfall near the Pulp Dock (Outfall 001). Other proposed discharges into impaired areas of Sawmill Cove will likely involve a detailed review of source control, additional treatment, and monitoring so that the discharge will not (a) resuspend contaminated sediments or (b) discharge pollutants that will set back the natural recovery process in impaired areas of Sawmill Cove. (Management Plan, Sec. IV.C; and Prospective Purchaser Agreement; Sec. X, Sec. 7.)
7. Tenants are responsible for securing their own discharge permits and for monitoring and properly reporting their own discharges. Tenants shall be responsible for obtaining all necessary permits and approvals for its activities unless otherwise agreed by the City and Borough. Not less than ten (10) days in advance of applying for permits to agencies other than the City and Borough (or such other time as agreed by the Director of Public Works), the tenant shall provide copies of all permit applications and associated plans and specifications to the Director of Public Works to facilitate review by City and Borough departments for consistency with the Management Plan and other plans for and uses of Sawmill Cove Industrial Park. The City and Borough is not obligated to comment on permit applications and plans, and the result of any City and Borough review does not affect the tenant's obligation to comply with the Management Plan and other applicable laws. Tenants are required to provide to the City and Borough of Sitka copies of permit correspondence and reports.
8. Tenants are required to participate in joint use agreements for common use of stormwater, industrial wastewater, sanitary wastewater, potable water, raw water, and outfall systems. The tenant shall connect or otherwise discharge to such utility lines as are approved by the Director of Public Works, and shall obtain any permits and comply with any conditions specified by the Director of Public Works for such connections.
9. The Alaska Department of Environmental Conservation can access parcels in the Park to monitor compliance with the agreements. The Department's staff and each tenant agree to use reasonable efforts to minimize any interference with each other's activities. (Prospective Purchaser Agreement, Sec. XII.)

Navigation, Moorage, and Dredging

1. Dredging, expansion of moorage, and in-water construction are allowed within the area of Sawmill Cove known as "the Area of Concern" if best management practices are employed. Dredging inside the Area of Concern must occur within a specific navigational corridor. Dredging outside the Area of Concern is subject to normal permitting processes. Prospective tenants are advised that certain areas outside the Area of Concern are classified as impaired water bodies and that special permitting and construction techniques may apply. (Management Plan, Sec. III.A-C and Ex. 2; Prospective Purchaser Agreement, Sec. X.4.)
2. Dredging, expansion of moorage, and in-water construction are not allowed within an area inside the Area of Concern known as "the No Disturbance Zone" except for maintenance of existing facilities. (Management Plan, Sec. III.D and Ex. 2.)
3. Vessel movements across the No Disturbance Zone must follow a specific approach/departure path that keeps the vessels within deeper water. (Management Plan, Sec. III.E.)
4. New single-point mooring buoys may be constructed within the Area of Concern as long as such buoys are located outside the No Disturbance Zone. (Management Plan, Sec. III.E.5; Prospective Purchaser Agreement, Sec. X.5.b.)
5. Vessels are not permitted to anchor inside the Area of Concern. (Management Plan, Sec. III.E.2; Prospective Purchaser Agreement, Sec. X.5.)
6. Existing docks may be permitted for use and certain dock expansion plans have already been evaluated. Other berthing options will be evaluated on a case-by-case basis. (Management Plan, Sec. III.B.)

March 28, 2001

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CITY AND BOROUGH OF SITKA

Legislation Details

File #: 17-099 Version: 1 Name:
Type: Item Status: AGENDA READY
File created: 5/15/2017 In control: City and Borough Assembly
On agenda: 5/23/2017 Final action:
Title: Sitka School District Budget Funding for FY18
Sponsors:
Indexes:
Code sections:
Attachments: [SSD FY18 Funding.pdf](#)
[SSD FY18 Adopted Budget Book.pdf](#)

Date	Ver.	Action By	Action	Result
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POSSIBLE MOTION

I MOVE TO make a determination that the amount of money to be made available from local sources in FY18 to the Sitka School District shall be equal the amount of \$6,578,292 and an amount not to exceed \$150,000 for building repair and maintenance.

Memo

Thru: Mark Gorman, Municipal Administrator
To: City and Borough of Sitka Assembly
From: Jay Sweeney, Chief Finance and Administrative Officer
Date: May 15, 2017
Re: **FY2018 Local Effort For Education Funding**

Mayor Hunter and Assembly Members,

The formal receipt of the Sitka School District (SSD) budget on April 28, 2017 initiated a 30-day period of time, specified in State law, during which which the Assembly must act on the SSD's request, as set forth in its budget, for local effort to support education.

Per State law (set forth in AS 14.14.060), once the 30-day period commences, the Assembly shall determine the total amount of money to be made available from local sources for school purposes, and shall furnish the school board with a statement of the sum to be made available. If the Assembly does furnish the school board, within 30 days, a statement of the sum to be made available, the amount requested in the school district budget is automatically approved.

In its Special Meeting held May 2, 2017, the Assembly voted to restore \$200,000 to the amount contained in the Administrator's draft budget to be made available for education support. This increased the amount budgeted from local sources for school purposes to \$6,578,292.

While the motion passed by the Assembly on May 2 was intended to, and could be perceived as, fulfilling the requirements of AS 14.14.060, the traditional mechanism for determining the total amount of money to be made available from local sources for school purposes is passage of a specific motion which also directs the Administrator to prepare the required statement of the sum to be made available. Thus, the motion the Assembly is asked to consider at its May 23rd meeting specifically fulfils the requirements of State law.



SITKA

SCHOOL DISTRICT
DISCOVER | NURTURE | INSPIRE

2017-2018 Budget



Prepared by:

Dr. Mary Wegner, Superintendent
Cassee Olin, SFO, Business Manager
Sarah Ferrency and Phil Burdick, Co-Assistant Superintendents

FY18 Budget Adoption Date: April 18, 2017



SITKA

SCHOOL DISTRICT
DISCOVER | NURTURE | INSPIRE

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olinc@sitkaschools.org

April 28, 2017

Dear Mayor Hunter and Members of the Assembly,

On behalf of the Sitka School District Board, it is once again our pleasure to submit this year's budget for your consideration. Attached is a document that is an end product of our new budget process and many hours of work and analysis. I am proud to say that our District takes the new budget building process very seriously, and in doing so, carefully weighs the impact and the effectiveness of the dollars we spend educating kids. Also paramount to this process is the time we spend listening to our citizens, parents, administration, teachers, staff, students, and fellow board members to best meet the educational expectations of our community.

It is with a mixed sense of success and loss that we submit our request for \$6,183,762 for the general operations of the school district (instructional), \$433,759 for various school related expenditures (non-instructional) and \$150,000 for major maintenance (reimbursable) for a total of \$6,767,521. While our preliminary budget initially reduced the city's contribution by \$239,229, we, as the School Board, feel that this reduction will no longer allow us to have low-class sizes at the elementary levels and it could also cause significant programs changes.

Our revenue assumptions in this budget include the Governor's proposed K-12 funding package, which holds funding at last year's levels. If the Legislature fails to provide flat funding or funds at less than the anticipated amount, we will come back to the Assembly to request additional funds in order avoid layoffs and significant program changes.

It is important to note that this budget assumes a full reduction of the Timber Receipts revenue that has passed through the Assembly to the School District over the years. As of today there is a possibility of a reauthorization of the Secure Rural Schools, and Community Self-Determination Act. It is being worked on in Washington D.C., and we remain hopeful that it will be reauthorized.

Please feel free to contact us with any questions or concerns that you may have. We are all blessed that Sitka's Schools continue to enjoy the support of a very education-oriented community by ways and means that stretch far beyond the enclosed budget. We as a Board recognize and believe that kids are Sitka's top priority, and look forward to working with you on their behalf.

Sincerely,

Cass Pook, President



FY2018 OPERATING BUDGET

SUMMARY PAGE

FY2018 City and Borough of Sitka Funding Request

Operational (Instructional) Support	6,183,762
Various School Related Expenditures(Non-Instructional)	433,759
Major Maintenance Reimbursable	<u>150,000</u>
Total City Funding Request	6,767,521

Additionally, the District is seeking a formal commitment from the City and Borough of Sitka (CBS) Assembly that, if the federal Secure Rural Schools could be re-authorized will continued to be distributed 50% CBS and 50% SSD after the Title II commitments have been accomodated.

Revenues

Total Budgeted Revenues	19,263,320	
Transfer from Operating Fund Balance	<u>1,247,642</u>	
FY2018 Final Budgeted Revenues and Transfers (Before On Behalf)		20,510,962

Expenditures

Total Budgeted Expenditures	<u>20,510,962</u>	
FY2018 Final Budgeted Expenditures and Transfers (Before On Behalf)		20,510,962

Difference 0

	<i>On Behalf</i>	<u>1,583,757</u>
<i>Final Revenue and Expenditures including On Behalf</i>		<u>22,094,719</u>

FY2018 Final Budgeted Operating Fund Fund Balance

Fund Balance June 30, 2017 (est)	809,438
Non-Spendable Fund Balance	0
Board Approved Transfer for FY2018 Budget	<u>(179,131)</u>
Fund Balance June 30, 2018(est)	630,307

Introductory Section



April 18, 2017

Members of the Sitka School Board

The FY18 Budget is being presented for review by the Sitka School District School Board and all other interested parties. The budget document and the audited financial statements are the two primary publications that communicate the District's financial position and future plans for spending.

The School Board instituted a new budgeting process, and consequently the superintendent and the business manager have created these new budget documents. In following the Meritorious Budget Award (MBA) program criteria, established by the Association of School Business Officials International, we feel that this document provides a comprehensive representation of the FY18 Budget.

The budget presented before you includes sections that provide Introductory, Organizational, and Financial information for the reader. Each major section provides readers with critical information to better understand the Sitka School District budget.

INTRODUCTORY COMPONENT

BUDGET PROCESS

In 2012 the Board decided to better align the district's strategic plan and the goals using the school board goals as a basis for the strategic plan. This re-sought to actionalize the school board goals so that projects could be to help achieve the school board goals. Specifically, the strategic plan group identifies two of the school board goals to focus on for a two-year time. The first year involves the development of a Theory of Action and an Research question for each of the goals selected by the stakeholder group. projects are also identified to help answer the Action Research question. The then implemented the second year of the two-year strategic plan cycle.



school board alignment implemented stakeholder period of Action Specific projects are

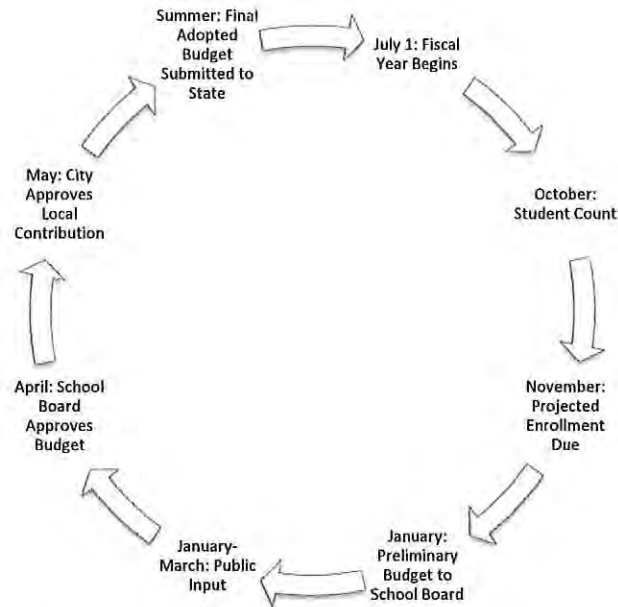
The shift in our strategic planning process was necessary because we felt overwhelmed with too many unfunded mandates consuming our focus and time, and consequently we found that we were not doing strategic planning on a regular basis, as it felt like one more thing to do that was unconnected to our daily work. Since the school board goals guide our daily work, we decided to flip the model and instead use the school board goals as the basis for the strategic plan. Our new process also allows us to measure progress towards our school board goals, and it helps us work collaboratively throughout the district on projects that strategically move the district forward in terms of providing the best educational system we can to our students.

During the 2014-15 school year, the school board set a goal of revising the annual budgeting process. This goal was met when the school board decided to move from a Line Item (roll-over) budget to an Outcome (initiative-based) budget. It was expected that the transition would take more than one year to complete, and consequently the FY17 budget was developed using the old model; however, staff and community members were invited to be more active participants

during the budget hearing process. The new budget process will be first used to develop the FY18 budget. As part of the transition process and to ensure accuracy of the new budget process, both the old and the new processes will be used to develop the FY18 budget.

In January, a preliminary budget is presented to the school board. The preliminary budget is set by projected enrollment figures for the subsequent year. Based on the projected enrollment, administration determines what resources will be available to fund education and meet the needs of the community.

From January through March, budget hearings and worksessions further staff and community input. the school board and city assembly once to inform the assembly of the budget. In April, the school board budget to be presented to the city city must approve an annual to Sitka School District within thirty AS 14.14.060. If the local is different than the amount of funding, the school board will take to approve an adjusted budget submitted to the Alaska Department and Early Development. **Figure 1: Development Timeline**



several are held for Additionally, meet at least status of our approves the assembly. The appropriation (30) days per appropriation requested action in June before it is of Education Budget

Relevant State Statute

Alaska Statute Sec. 14.14.060. Relationship between the borough school district and borough; finances and buildings. (c) Except as otherwise provided by municipal ordinance, the borough school board shall submit the school budget for the following school year to the borough assembly by May 1 for approval of the total amount. Within 30 days after receipt of the budget, the assembly shall determine the total amount of money to be made available from local sources for school purposes and shall furnish the school board with a statement of the sum to be made available, the amount requested in the budget is automatically approved. Except as otherwise provided by municipal ordinance, by June 30, the assembly shall appropriate the amount to be made available from local sources from money available for the purpose.

Relevant Borough Code

Section 10.03 Budget

The superintendent of schools shall submit an annual budget which shall first be approved by the school board; and public hearings shall be held prior to the submission of said budget to the assembly. The budget shall be submitted to the assembly at a date no later than that prescribed by state law, in order for the assembly to determine the amount to be made available from local sources for school purposes.

Relevant District Policy

BP 3100

Budget

The School Board shall establish and maintain a balanced budget. The Board shall adopt an annual budget which is compatible with district goals and objectives.

The district budget shall be prepared annually from the best possible estimates of revenues and expenditures. The Superintendent or designee in consultation with the school board shall determine the manner in which the budget shall be prepared and shall schedule the budget adoption process in accordance with legal time requirements. A public hearing shall be held prior to the adoption of the budget or a revised budget.

PROJECTED ENROLLMENT

Based on the October 20 day count period, the following steps were taken by the District in order to estimate student enrollment. Student enrollment is projected to be 1,253 in FY18.

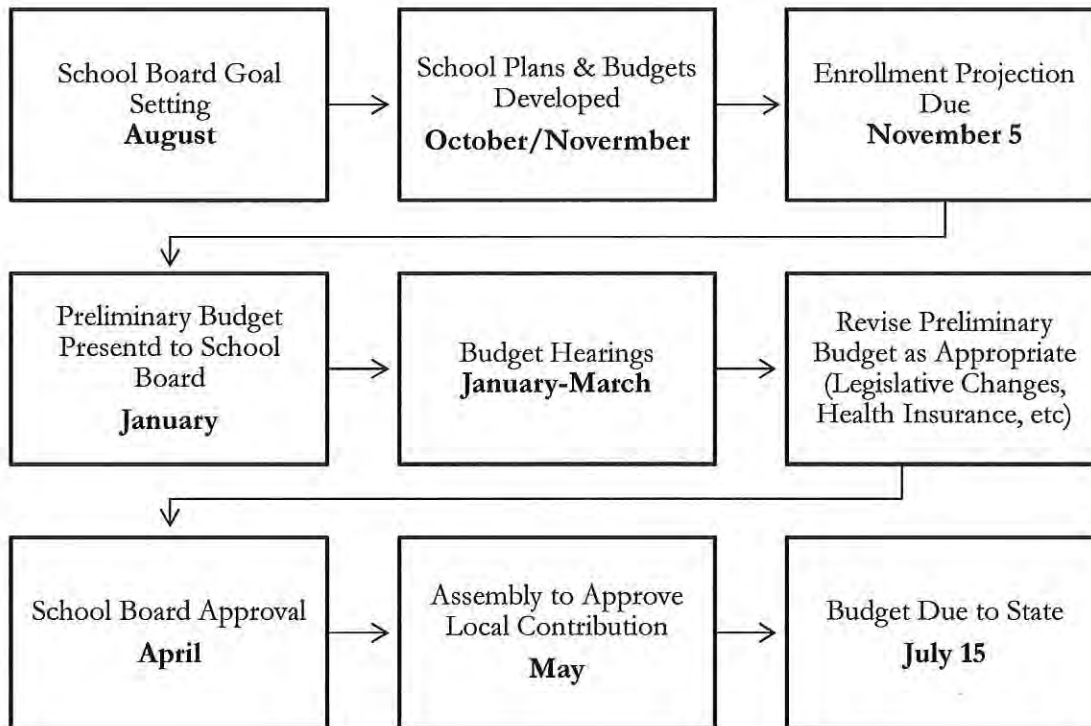
1. Students at Baranof and Keet Gooshi Heen Elementary Schools, Blatchley Middle School, and REACH are moved ahead one grade level, assuming 100% cohort survival. If known, adjustments will be made for planned transfers and arrivals.
2. Incoming kindergarten students are based on the average actual enrollment for the prior 3-years with adjustments made for a specific circumstance (significant construction project ended).
3. Sitka High School students are based on the average of actual enrollment for the prior 3-years combined with a cohort survival analysis.
4. Pacific High School is a school of choice that requires an application process. Students are based on the average actual enrollment for the prior 3-years with adjustments made for a specific circumstance (school remodel years had lower enrollment than usual).
5. Raven's Way is always estimated at 8 students.
6. Preschool is always estimated at 5 students. (Note: Each preschool student counts as .25 FTE)

History of Student Enrollment



ANNUAL TIMELINE

The school board and school district administrators begin the budget process in August of each year for the upcoming school year. The annual timeline for our local school district budget process is captured in the diagram below, which is an expanded process from the budget timeline development process previously shared.

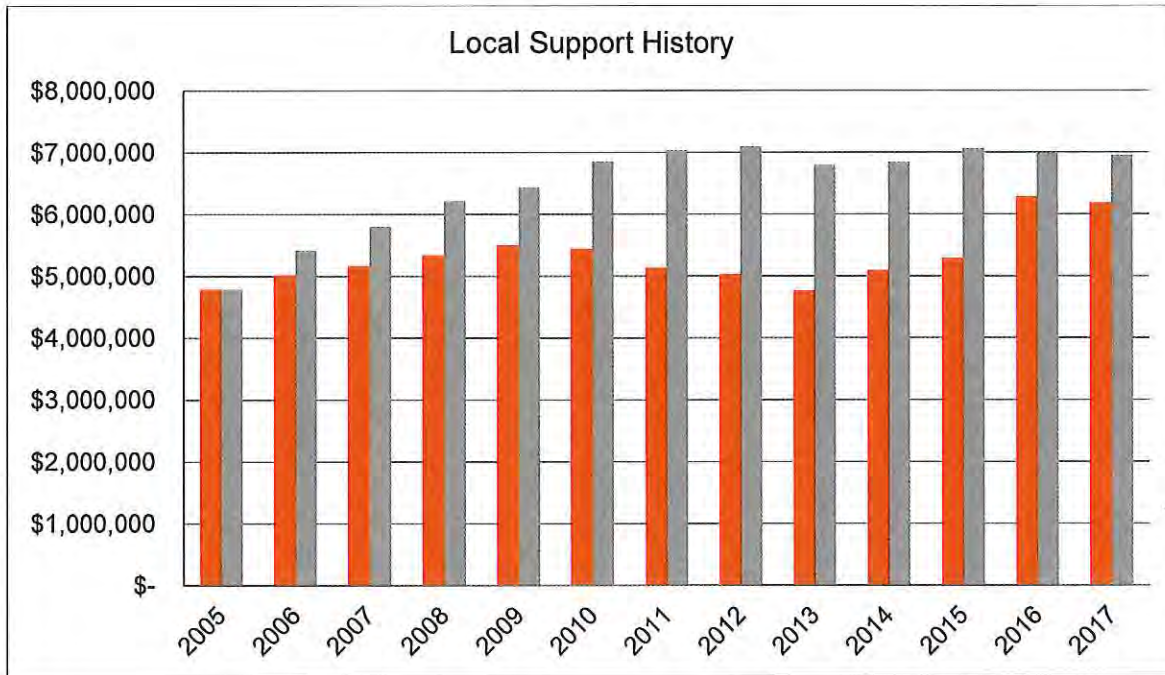


REVENUE BUDGET

The general fund revenue budget of \$19,011,922 was based on a projected enrollment of 1,253 ADM. The biggest factor determining Sitka School District's operating revenue is the State's foundation formula. In FY18, the formula will be based on 1.195% of ISER (area cost differential); an intensive multiplier of 13; and a base student allocation of \$5,930. An overall revenue reduction of \$563,025 is due to lower student enrollment from FY17.

Sitka School District's preliminary budget was based on a local contribution of \$239,229 less than we received in FY17. A local contribution funding level will be officially adopted by the school board in April of 2017. On or before April 30, 2017, Sitka School District's funding request will be transmitted to the City of Sitka per AS 14.14.060 (c).

During the subsequent thirty (30) day window, in which the city must determine the total amount of money to be made available from local sources for school purposes, the city assembly set the local contribution at \$5.9 million. The city assembly also contributes \$583,759 to support the operation of the Blatchley pool, Community Schools, student activities, and major maintenance reimbursement. *(See below chart for local funding history)*



The local contribution maximum (cap) comes from a calculation defined by State statute (AS 14.17.510). The “cap” increases each year based on both the full taxable value of City and Borough of Sitka as well as basic need determined in the Foundation Formula – both factors have seen increases over the prior year. The Sitka School District received the 2016 Full Value Determination from the Department of Commerce Community and Economic Development in the amount of \$1,245,005,400.

In FY17, on-behalf relief from the State decreased. The actuarial rate for both retirement plans is set to decrease over last year’s rates. See the following breakdown for on-behalf rates for FY17. While the rates have decreased, resulting in a loss of revenue of approximately \$563,948, the expense side of the budget will see an equivalent adjustment, to make the net impact on the FY17 budget zero.

FY16	Employer Rate		On-behalf	=	Actuarial Rate
TRS	12.56%	+	16.71%	=	29.21%
PERS	22.00%	+	5.19%	=	27.19%
FY17	Employer Rate		On-behalf	=	Actuarial Rate
TRS	12.56%	+	15.46%	=	28.02%
PERS	22.00%	+	4.14%	=	26.14%

In order to present a balanced FY17 budget, additional resources were made available from the District’s reserves, budgeted at \$1,328,699.

The following fund transfers are proposed for FY18 for a total of \$850,021:

- Pupil Transportation \$295,000
- Community Schools \$131,940
- Food Service \$200,000
- Equipment and Textbooks \$22,566
- Recycling \$25,515
- Pool \$125,000

- Ventures \$50,000

EXPENSE BUDGET

Total general fund expenses are set to decrease by \$1,166,162 from FY17. The following significant elements presented within the FY18 budget have contributed to this overall number:

- Total salary costs decreased by \$560,773 from FY17. This includes the following:
 - Increases due to step and column movement
 - Increases in associated salary expenses (e.g., PERS, TRS, Medicare, SBS)
 - Reduction in staffing levels due to lower student enrollment, as described below
- Health insurance rates are projected to increase by 12%. This adjustment contributed to an overall increase of \$171,689 to the cost of meeting our benefits obligations to staff from FY17
- English Language Arts instructional materials were purchased in FY17 at a cost of \$263,000, which is not an expected cost for FY18
- A 10-year trend data analysis of utilities and fuel oil resulted in a \$268,242 decrease from FY17
- The remaining reduction comes from smaller dollar amounts gathered from a variety of sources

To reflect reduced student needs, the following staffing changes are being proposed:

- Reduction by 2.0 FTE Teachers due to decreasing enrollment at the elementary levels, which is expected to be achieved through attrition
- Reduction by 4.0 FTE Para Professionals due to projected decrease in number of students who need intensive special education services, as is the normal process at this point in the year

With these reductions in place, we have confidence that we can maintain the following staffing levels. The formulas noted below ensure scalability within the District, and help administration in distributing staff equitably among the schools.

Bottom Line

Historically, we would have come to you with a budget deficit of \$1,723,024; however, with our new budget process that relies upon trend data analysis and is responsive to changing needs, we present you an FY18 budget deficit of \$445,851. It should be noted that we reduced a potential FY18 budget deficit of \$1,295,872 due to savings from a mindset that has been established throughout the district related to non-personnel efficiencies, coupled with a mild winter last year. We understand that we are in the preliminary stages of our FY18 budget, and we will update the budget as information evolves.

SITKA HIGH SCHOOL / BLATCHLEY MIDDLE SCHOOL STAFFING (2017 – 2018)

<u>POSITION</u>	<u>SCHOOL ENROLLMENT</u>	<u>TARGET NUMBERS</u>	<u>NOTE</u>
Principal		1 per school	
Assistant Principal of Academics	200-300 >300	.50 per school 1 per school	
Assistant Principal of Co-Curricular Activities	High School	1 per school	
Classroom Teachers (academic and electives)	All	1:16 students	Does not include: Districtwide Specialists
Special Education Teachers	All	1:18 students	Does not include: Districtwide Specialists
Librarian	All	1 per 400 ADM	
Counselor	All	1 per 300 ADM	
Secretary/Accounting	All	1 per 200 ADM	
Registrar	High School	1 per 300 ADM	

KEET GOOSHI HEEN & BARANOF ELEMENTARY SCHOOLS STAFFING (2017 – 2018)

<u>POSITION</u>	<u>SCHOOL ENROLLMENT</u>	<u>TARGET NUMBERS</u>	<u>NOTE</u>
Principal	All	1 per school	
Classroom Teachers	K-1 2-3 4-5	1 per 18 students 1 per 20 students 1 per 24 students	Does not include: Districtwide Specialists
Elective Teachers (Music, PE)	K-1 2-5 K-2 3-5	1 PE 1 PE 1 Music 1 Music	
Special Education Teachers	All	1:15 students	Does not include: Districtwide Specialists
Reading Specialists	Title I	1 per school	
Librarian	2-5	1 per school	
Librarian Aide	PK-1	.50 per school	
Counselor	All	1 per school	
Secretary	All K enrollment	1 per 200 ADM .50 per school	

PACIFIC HIGH SCHOOL STAFFING (2017 – 2018)

<u>POSITION</u>	<u>SCHOOL ENROLLMENT</u>	<u>TARGET NUMBERS</u>	<u>NOTE</u>
Principal		1 per school	
Classroom Teachers (academic and electives)	All	1:12 students	Does not include: Districtwide Specialists
Special Education Teachers	All	1:18 students	Does not include: Districtwide Specialists
Secretary/Registrar	All	.50 per 50 ADM	

BUDGET HEARINGS / PRESENTATIONS

Prior to submitting the budget to City and Borough of Sitka, the Sitka School District will hold seven (7) public hearings and worksessions in accordance with the budget development calendar. Public comments are encouraged, and a live radio question and answer session is planned to facilitate public engagement in our budget development.

January 10, 2017: Preliminary Budget presented at School Board Meeting

January 11, 2017: School Board/Assembly Budget Worksession

January 30, 2017: Staff Budget Hearing

February 9, 2017: Community Budget Hearing

February 21, 2017: Raven Radio Budget Questions and Answers

February 28, 2017: Budget Worksession

March 2, 2017: School Board/Assembly Budget Worksession

March 28, 2017: Budget Worksession

April 18, 2017: Final Budget Hearing and Adoption

Respectfully Submitted,

Mary Wegner, Ed.D.
Superintendent

Cassee Olin, SFO
Business Manager

Organizational Section



ORGANIZATIONAL COMPONENT

Sitka is the largest city within the City and Borough of Sitka, which is a unified city-borough located on the west side of Baranof Island in the Alexander Archipelago of the Pacific Ocean. Sitka is the only town in Southeast Alaska that directly faces the Gulf of Alaska, and is located in an area known as the Inside Passage. Sitka is situated in the Tongass National Forest, which is the largest temperate rainforest in the world. Sitka is Alaska's 4th largest city by population (8,881 in the 2010 census with most recent population noted as 9,061) and the largest city by area in the United States (4,811 square miles).

The Home Rule Charter for the City and Borough of Sitka was adopted on December 2, 1971. The governing body of the municipality is a 7-member elected at-large Assembly, one of whom is elected by the citizens as Mayor. The Mayor presides over Assembly meetings and represents the Assembly at events and for official documents. A Municipal Administrator is appointed by the Assembly to be the chief administrative officer of the municipality.

The Sitka School District operates a public school system to meet the educational needs of the citizens of Sitka, as permitted by Alaska State Statutes 14.14.060 and 29.35.160. Article X of the City and Borough of Sitka's Home Rule Charter delegates the administrative responsibility of running the public education for the municipality of Sitka to a 5-member elected school board.

Sitka has a rich history that includes both a vibrant Alaska Native Tlingit culture and a Russian influence. The Tlingit people settled in Sitka's original location over 10,000 years ago, and the Russians settled Old Sitka in 1799. Sitka was the location of the Russian capital city and was Alaska's first capital city. Sitka is the location where the transfer ceremony was held when the United States purchased Alaska from Russia in 1867. Sitka is the location of Camp #1 of the Alaska Native Brotherhood.

According to the 2010 census, the majority of Sitkan's are White (65%) with Alaska Native/Native Americans making up 25% of the population. The remaining population is made up of individuals who are Asian/Pacific Islander (9%), African American (1%), and other races (2%) with 5% of the population being Hispanic/Latino American of any race.

There are 1,276 students in the Sitka School District, which serves students who live in Sitka in grades pre-kindergarten through 12th grade. The district offers educational choice by way of a homeschool program and an alternative high school. The district partners with local organizations to enhance and extend the educational opportunities offered to students. The partners include but are not limited to the Central Council Tlingit Haida Indian Tribes of Alaska's Head Start, Island Institute, Sitka Conversation Society, Sitka Fine Arts Camp, Sitka National Historic Park, Sitka Sound Science Center, and the Sitka Tribe of Alaska. The Sitka School District is the 2nd largest employer in Sitka.

MISSION

Discovering potential, nurturing growth, and inspiring lifelong curiosity.

VISION

Educating our children to realize their potential and contribute in a connected global society.

VALUES

- Children as the top priority
- Academic excellence
- High-quality staff
- Cultural understanding, respect, and equity
- Education as a community responsibility
- Holistic educational opportunities
- Preparing children to make effective life choices
- Community and global citizenship

BOARD GOALS

The Sitka School District will:

- Close the achievement gap for all demographics
- Improve the positive response rates on the School Climate and Connectedness Survey in the areas of respectful climate, school safety, and student and parent involvement

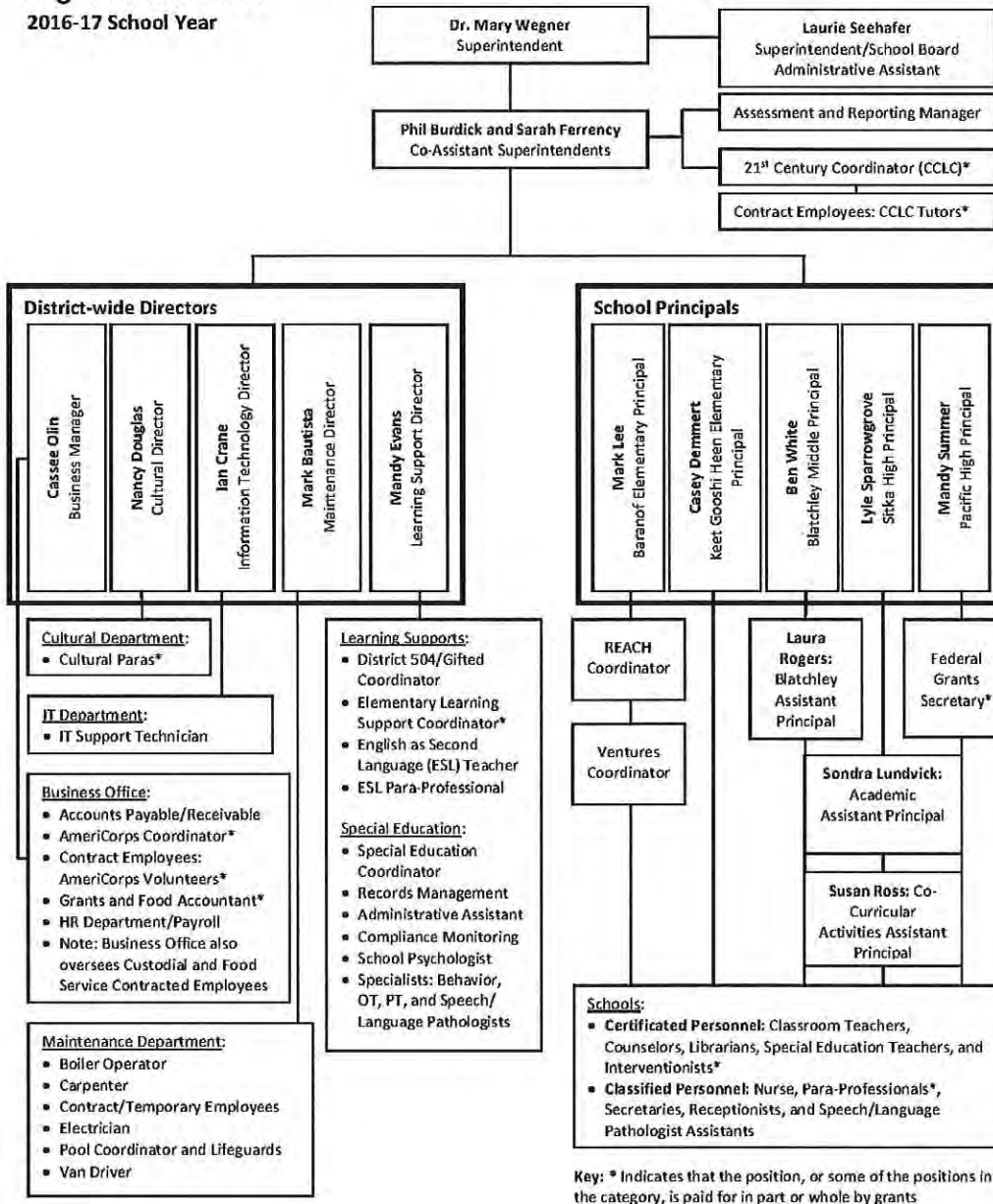
ORGANIZATIONAL CHART

Sitka, Alaska



@@kasciools.org
Sitka School District

Organization Chart 2016-17 School Year



SCHOOL ADMINISTRATION

The Sitka School District provides educational opportunities to just under 1,300 students at five schools sites in the city of Sitka. Schools range in sizes from about 40 students to over 400 students.

SCHOOL INITIATIVES

Baranof Elementary School

- Continue to build our Language Arts multi-tiered system of support, providing high-quality Tier 1 instruction along with interventions based on data and student need.
- Continue to build our Math multi-tiered system of support, providing high-quality Tier 1 instruction along with interventions based on data and student need.

Keet Gooshi Heen Elementary School

- Continue to build our Language Arts multi-tiered system of support, providing high-quality Tier 1 instruction along with interventions based on data and student need.
- Continue to build our Math multi-tiered system of support, providing high-quality Tier 1 instruction along with interventions based on data and student need.

Blatchley Middle School

- Build a greater sense of school community and connectedness among all shareholders.
- Using data to inform instructional practices.

Sitka High School

- Implement a screener/diagnostic tool to improve student achievement.
- Planning and supporting a credit recovery program.

Pacific High School

- Improve student achievement through implementation of competency-based education with a focus on multi-tiered systems of support.
- Foster student engagement through restorative practices and positive behavior intervention supports.

DEPARTMENT INITIATIVES

Business Office

- Finalize the Outcome-Based Budget Book and process
- Develop a Substitute Handbook

Cultural Department

- Increase school year culturally responsive teaching opportunities
- Continue planning and integration of culturally responsive artist and Elder/Culture Bearer residencies

Information Technology Department

- Upgrade core network equipment to provide better stability and access to all resources in a media-intense environment and leverage funding currently available through E-rate
- Upgrade backup and disaster recovery equipment to ensure the safety of all our data and leverage a free hardware upgrade promotion, as our device is reaching end of life

Learning Support Department

- Creating and implementing a culturally responsive social emotional learning plan for the district
- Creating and implementing a collaborative preschool plan

Maintenance Department

- Refine our service delivery model (roles and responsibilities) in light of a new employee
- Strategically plan to provide our current level of service to schools with decreasing budgets

Office of the Superintendent

- Implement Strategic Plan including Action Research projects and Mission Statement rebranding
- Support teachers in understanding and implementing the overarching goal of our work, which is quality Tier I instruction for every student in every classroom

School Board

- Develop a Policy Review Committee
- Enhance the New Member Orientation Process

FUND TYPES AND BASIS OF ACCOUNTING

Governmental funds are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Under the modified accrual basis, revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the District considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting.

Governmental Funds

Governmental fund operations are focused on the measurement of the sources and flow of current financial resources. This measurement is unique in that generally only current expendable financial resources are accounted for in this group. Governmental funds consist of the following fund types:

General Fund - The general District activities are recorded in the General Fund. The revenues of the General Fund are derived primarily from the City and Borough of Sitka and allocations received from the State of Alaska and the United States government. Primary expenditures in the general fund are made for student instruction, operation of plant, and administration.

The State Board of Education and Early Development adopted a revision to the Uniform Chart of Accounts and Account Code Descriptions for Public School Districts effective July 1, 2001.

Special Revenue Funds - These funds account for revenues from specific revenue sources including food sales, transportation, grants from the State of Alaska and United States government, and transfers from the General Fund designated to finance particular functions and activities.

Capital Projects Fund – This fund is used to account for the purchase of movable equipment and furnishings for new and remodeled schools. All costs associated with construction, major maintenance, remodel work, and renovations are accounted for by the City and Borough of Sitka.

Fiduciary Funds

This fund category is used to account for those assets which the District holds on behalf of others as their agent.

Student Activity Fund - The Student Activity Fund accounts for each Sitka School District school's individual activity account which sponsors student activities within the school such as athletics and student clubs.

Financial Section



Sitka School District
2018 Adopted Budget

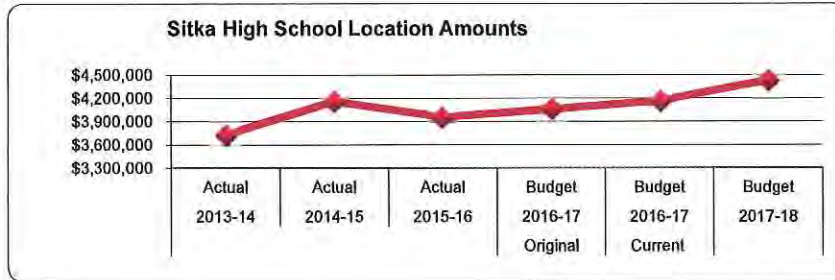
Title	2017 First Revision Budget		2018 Adopted Budget	
	First Revision Budget	% Of Budget	Original Budget	% Of Budget
City/Borough Appropriation	6,183,762	29.29%	6,183,762	30.15%
Misc Local Revenue	30,000	0.14%	30,000	0.15%
E-Rate	125,000	0.59%	135,000	0.66%
Quality Schools	44,662	0.21%	43,506	0.21%
Foundation	13,372,679	63.33%	12,811,052	62.46%
Impact Aid	30,000	0.14%	60,000	0.29%
Other Direct Fed. Rev (Secure Rural Schools)	0	0.00%	0	0.00%
Revenue Before FB Transfer	19,786,103		19,263,320	93.92%
Transfer from Pupil Transportation	0		390,000	1.90%
Transfer from Community Schools	0		131,940	0.64%
Transfer from Food Service	0		200,000	0.98%
Transfer from Equipment And Textbooks	0		22,566	0.11%
Transfer from Recycling	0		25,515	0.12%
Transfer from Pool	0		145,572	0.71%
Transfer from Ventures	0		102,918	0.50%
Transfer from Performing Arts Center	0		50,000	0.24%
Transfer from Operating Fund Reserves	1,328,699	6.29%	179,131	0.87%
Total Revenue and FB Transfer	20,810,102		20,510,962	
Expense				
Sitka High School	4,165,647	20.31%	4,429,778	21.60%
Reach	174,777	0.85%	173,030	0.84%
Blatchley Middle School	3,030,666	14.78%	3,284,994	16.02%
Keet Gooshi Heen	4,367,359	21.29%	4,405,101	21.48%
Baranof Elementary	2,641,653	12.88%	2,604,204	12.70%
Pacific High School	567,095	2.76%	601,036	2.93%
District Wide Service	1,349,880	6.58%	1,186,045	5.78%
Performing Arts Center	241,286	1.18%	207,636	1.01%
Technology	579,607	2.83%	567,566	2.77%
Special Education	1,034,533	5.04%	843,180	4.11%
School Board	56,387	0.27%	51,137	0.25%
District Office	648,282	3.16%	611,329	2.98%
Business Office	334,034	1.63%	327,462	1.60%
Maintenance	1,267,003	6.18%	1,218,464	5.94%
Total Before On Behalf	20,458,210		20,510,962	
Revenue (w/o tsfrs) vs. Expenditure	(0)		(0)	Revenue (w/o tsfrs) vs. Expenditure
Final Total Fund Balance July 1, 2016	2,100,486		2,138,137	Final Total Fund Balance July 1, 2016
Est. Total Fund Balance July 1, 2017	809,438		809,438	Est. Total Fund Balance July 1, 2017
Non-Spendable Fund Balance	(37,651)		(179,131)	Non-Spendable Fund Balance
Unassigned Fund Balance	771,787		630,307	Unassigned Fund Balance
On Behalf TRS & PERS	1,556,461		1,583,757	On Behalf TRS & PERS
Final Expense Total	22,366,563		22,094,719	

**SITKA SCHOOL DISTRICT
2017- 2018 Budget**

Fund: 100 General Fund - Expenditures
Location: 011 Sitka High School

Date: 07/01/2017

2013-14 Actual	2014-15 Actual	2015-16 Actual	Account Description	Original 2016-17 Budget	Current 2016-17 Budget	2017-18 Budget	Change	% Of Change
\$ 2,072,820	\$ 2,348,661	\$ 2,230,355	310 Certificated Salaries	\$ 2,218,119	\$ 2,221,969	\$ 2,407,346	\$ 185,377	8%
307,779	386,625	372,399	320 Non-Certificated Salaries	361,793	416,068	444,223	28,155	7%
794,657	974,593	955,387	360 Employee Benefits	1,036,457	1,080,555	1,224,412	143,857	13%
<u>3,175,256</u>	<u>3,709,879</u>	<u>3,558,141</u>	Subtotal - Personnel Services	<u>3,616,369</u>	<u>3,718,592</u>	<u>4,075,981</u>	<u>357,389</u>	<u>10%</u>
2,190	7,489	1,497	410 Professional and Technical Services	500	500	500	-	0%
8,567	127	-	420 Staff Travel	2,520	2,520	2,520	-	0%
45,360	15,180	45,120	425 Student Travel	10,500	10,500	10,500	-	0%
35,310	36,537	33,865	430 Utility Services	29,620	33,870	34,870	1,000	3%
336,505	263,982	187,404	435 Energy	275,405	275,405	185,415	(89,990)	-33%
6,673	6,474	7,996	440 Other Purchased Services	17,620	17,870	17,870	-	0%
71,730	91,261	81,094	450 Supplies, Materials and Media	77,680	79,180	74,912	(4,268)	-5%
4,320	4,720	5,110	490 Other Expenses	5,000	5,110	5,110	-	0%
40,658	22,721	33,088	510 Equipment	22,100	22,100	22,100	-	0%
<u>551,313</u>	<u>448,491</u>	<u>395,174</u>	Subtotal - Non Personnel	<u>440,945</u>	<u>447,055</u>	<u>353,797</u>	<u>(93,258)</u>	<u>-21%</u>
<u>\$ 3,726,569</u>	<u>\$ 4,158,370</u>	<u>\$ 3,953,315</u>	Location Totals	<u>\$ 4,057,314</u>	<u>\$ 4,165,647</u>	<u>\$ 4,429,778</u>	<u>\$ 264,131</u>	<u>6%</u>



**SITKA SCHOOL DISTRICT
2017-2018 Budget**

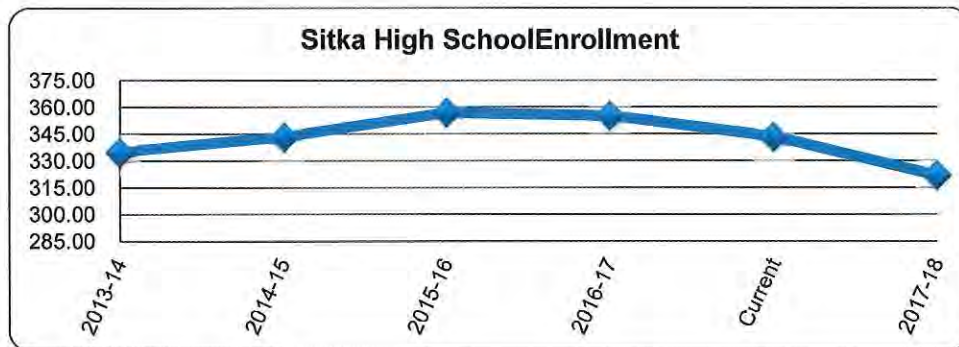
Fund: 100 General Fund - Expenditures
Location: 011 Sitka High School

Date: 07/01/2017

2013-14 Actual	2014-15 Actual	2015-16 Actual	Account Description	2016-17 Budget	Current 2016-17 Budget	2017-18 Budget
334.80	343.20	356.80	Enrollment in ADM (9-12)	355.00	343.40	321.45

FTE's Included in Current Budget

2.00	2.00	2.00	Administrator	2.00	3.00	3.00
22.00	22.00	21.00	Teacher	22.00	21.00	21.00
3.00	4.00	3.00	Special Education Teachers	3.00	3.00	3.00
1.00	1.00	1.00	Librarian	1.00	1.00	1.00
2.00	2.00	2.00	Counselors	2.00	2.00	2.00
<u>30.00</u>	<u>31.00</u>	<u>29.00</u>	Certified Subtotal	<u>30.00</u>	<u>30.00</u>	<u>30.00</u>
5.00	9.00	8.00	Paraprofessionals	7.00	9.00	9.00
3.00	3.00	3.00	Support Staff	3.00	3.00	3.00
<u>8.00</u>	<u>12.00</u>	<u>11.00</u>	Classified Subtotal	<u>10.00</u>	<u>12.00</u>	<u>12.00</u>
<u><u>38.00</u></u>	<u><u>43.00</u></u>	<u><u>40.00</u></u>	Total	<u><u>40.00</u></u>	<u><u>42.00</u></u>	<u><u>42.00</u></u>

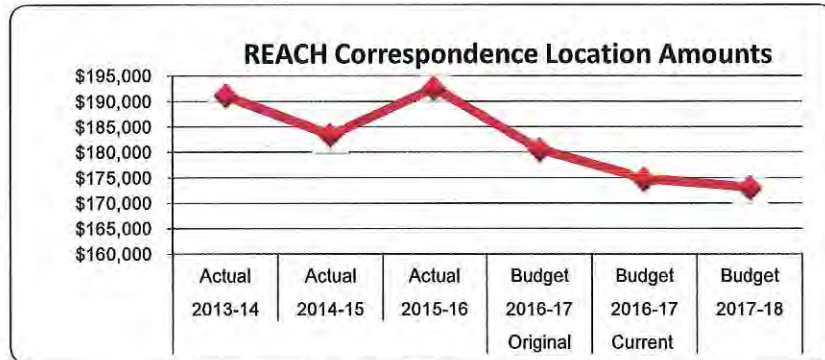


**SITKA SCHOOL DISTRICT
2017-2018 Budget**

Fund: 100 General Fund - Expenditures
Location: 140 Reach Correspondence

Date: 07/01/2017

2013-14 Actual	2014-15 Actual	2015-16 Actual	Account Description	Original 2016-17 Budget	Current 2016-17 Budget	2017-18 Budget	Change	% Of Change
\$ 90,341	\$ 81,925	\$ 83,089	310 Certificated Salaries	\$ 81,725	\$ 81,725	\$ 82,225	\$ 500	1%
6,384	7,626	7,670	320 Non-Certificated Salaries	4,501	6,138	6,507	369	6%
26,121	32,229	34,251	360 Employee Benefits	36,961	29,604	32,719	3,115	11%
<u>122,846</u>	<u>121,780</u>	<u>125,010</u>	Subtotal - Personnel Services	<u>123,187</u>	<u>117,467</u>	<u>121,451</u>	<u>3,984</u>	<u>3%</u>
41,753	45,390	50,441	410 Professional and Technical Services	25,000	25,000	25,000	-	0%
-	-	-	420 Staff Travel	-	-	-	-	#DIV/0!
-	-	-	425 Student Travel	-	-	-	-	#DIV/0!
-	-	-	430 Utility Services	-	-	-	-	#DIV/0!
-	-	-	435 Energy	-	-	-	-	#DIV/0!
1,130	417	109	440 Other Purchased Services	946	946	946	-	0%
25,383	15,773	17,044	450 Supplies, Materials and Media	31,364	30,364	24,633	(5,731)	-19%
-	-	-	490 Other Expenses	-	-	-	-	#DIV/0!
-	-	-	510 Equipment	-	1,000	1,000	-	0%
<u>68,266</u>	<u>61,580</u>	<u>67,594</u>	Subtotal - Non Personnel	<u>57,310</u>	<u>57,310</u>	<u>51,579</u>	<u>(5,731)</u>	<u>-10%</u>
<u>\$ 191,112</u>	<u>\$ 183,360</u>	<u>\$ 192,604</u>	Location Totals	<u>\$ 180,497</u>	<u>\$ 174,777</u>	<u>\$ 173,030</u>	<u>\$ (1,747)</u>	<u>-1%</u>



**SITKA SCHOOL DISTRICT
2017 - 2018 Budget**

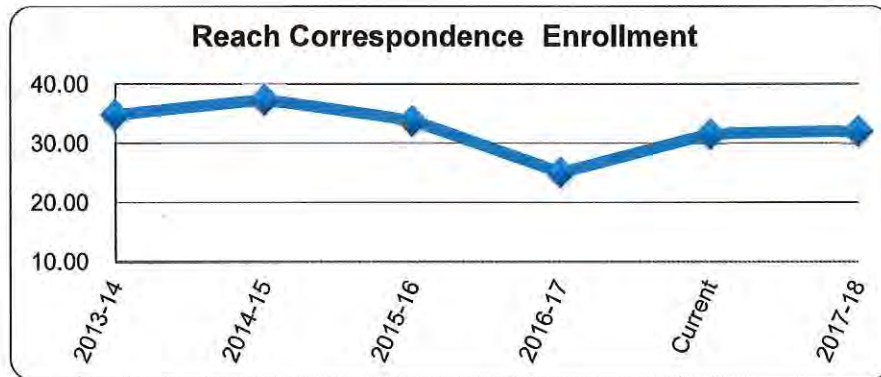
Fund: 100 General Fund - Expenditures
Location: 140 Reach Correspondence

Date: 07/01/2017

2013-14 Actual	2014-15 Actual	2015-16 Actual	Account Description	2016-17 Budget	Current 2016-17 Budget	2017-18 Budget
34.80	37.30	33.80	Enrollment in ADM (K-12)	25.00	31.55	32.05

FTE's Included In Current Budget

1.00	1.00	1.00	Teacher	1.00	1.00	1.00
<u>1.00</u>	<u>1.00</u>	<u>1.00</u>	Certified Subtotal	<u>1.00</u>	<u>1.00</u>	<u>1.00</u>
0.20	0.20	0.20	Support Staff	0.20	0.20	0.20
<u>0.20</u>	<u>0.20</u>	<u>0.20</u>	Classified Subtotal	<u>0.20</u>	<u>0.20</u>	<u>0.20</u>
<u><u>1.2</u></u>	<u><u>1.20</u></u>	<u><u>1.20</u></u>	Total	<u><u>1.20</u></u>	<u><u>1.20</u></u>	<u><u>1.20</u></u>



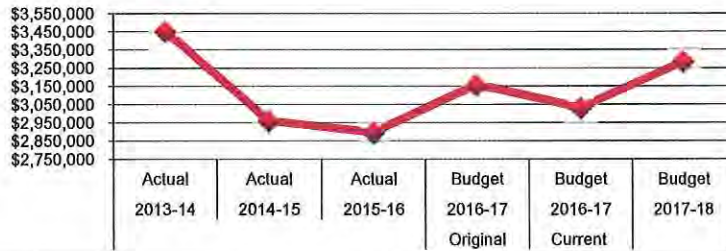
**SITKA SCHOOL DISTRICT
2017-2018 Budget**

Fund: 100 General Fund - Expenditures
Location: 111 Blatchley Middle School

Date: 07/01/2017

2013-14 Actual	2014-15 Actual	2015-16 Actual	Account Description	Original 2016-17 Budget	Current 2016-17 Budget	2017-18 Budget	Change	% Of Change
\$ 2,096,546	\$ 1,766,524	\$ 1,684,397	310 Certificated Salaries	\$ 1,748,315	\$ 1,658,243	\$ 1,758,252	\$ 100,009	6%
271,760	217,857	246,580	320 Non-Certificated Salaries	269,698	261,824	293,846	32,022	12%
810,554	728,784	728,705	360 Employee Benefits	845,489	812,254	978,506	166,252	20%
<u>3,178,860</u>	<u>2,713,165</u>	<u>2,659,682</u>	Subtotal - Personnel Services	<u>2,863,502</u>	<u>2,732,321</u>	<u>3,030,604</u>	<u>298,283</u>	<u>11%</u>
500	150	-	410 Professional and Technical Service	400	-	-	-	#DIV/0!
-	-	-	420 Staff Travel	150	-	-	-	#DIV/0!
11,140	1,200	11,130	425 Student Travel	1,300	1,300	1,300	-	0%
21,016	19,760	18,367	430 Utility Services	18,500	20,500	20,500	-	0%
173,649	162,766	145,518	435 Energy	206,300	206,300	171,300	(35,000)	-17%
6,485	12,033	10,718	440 Other Purchased Services	16,550	16,550	16,550	-	0%
62,188	48,812	50,089	450 Supplies, Materials and Media	51,145	53,695	44,740	(8,955)	-17%
-	-	-	490 Other Expenses	-	-	-	-	#DIV/0!
-	600	-	510 Equipment	-	-	-	-	#DIV/0!
<u>274,978</u>	<u>245,321</u>	<u>235,822</u>	Subtotal - Non Personnel	<u>294,345</u>	<u>298,345</u>	<u>254,390</u>	<u>(43,955)</u>	<u>-15%</u>
<u>\$ 3,453,838</u>	<u>\$ 2,958,486</u>	<u>\$ 2,895,504</u>	Location Totals	<u>\$ 3,157,847</u>	<u>\$ 3,030,666</u>	<u>\$ 3,284,994</u>	<u>\$ 254,328</u>	<u>8%</u>

Blatchley Middle School Location Amounts



**SITKA SCHOOL DISTRICT
2017- 2018 Budget**

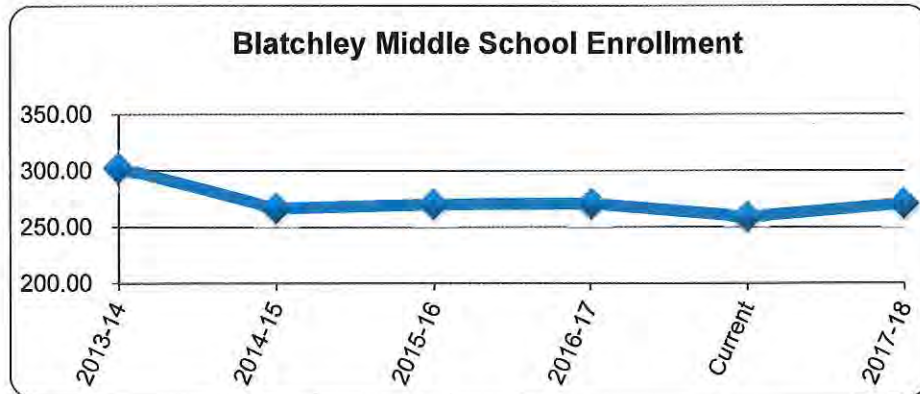
Fund: 100 General Fund - Expenditures
Location: 111 Blatchley Middle School

Date: 07/01/2017

2013-14 Actual	2014-15 Actual	2015-16 Actual	Account Description	2016-17 Budget	Current 2016-17 Budget	2017-18 Budget
302.80	266.40	269.80	Enrollment in ADM (6-8)	270.25	258.85	270.49

FTE's Included In Current Budget

2.00	1.50	1.50	Administrator	1.50	1.50	2.00
19.11	18.14	16.81	Teacher	17.81	17.81	17.00
5.00	3.50	3.00	Special Education Teacher	3.00	3.00	3.00
1.00	1.00	1.00	Librarian	1.00	1.00	1.00
1.00	1.00	0.66	Counselors	0.66	0.66	0.66
<u>28.11</u>	<u>25.14</u>	<u>22.97</u>	Certified Subtotal	<u>23.97</u>	<u>23.97</u>	<u>23.66</u>
7.00	6.00	6.00	Paraprofessionals	7.00	6.50	6.50
2.00	2.00	2.00	Support Staff	2.00	2.00	2.00
<u>9.00</u>	<u>8.00</u>	<u>8.00</u>	Classified Subtotal	<u>9.00</u>	<u>8.50</u>	<u>8.50</u>
<u><u>37.11</u></u>	<u><u>33.14</u></u>	<u><u>30.97</u></u>	Total	<u><u>32.97</u></u>	<u><u>32.47</u></u>	<u><u>32.16</u></u>

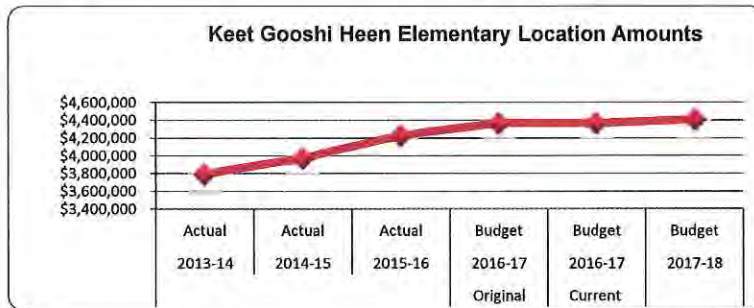


**SITKA SCHOOL DISTRICT
2017-2018 Budget**

Fund: 100 General Fund - Expenditures
Location: 300 Keet Gooshi Heen Elementary

Date: 07/01/2017

2013-14 Actual	2014-15 Actual	2015-16 Actual	Account Description	Original 2016-17 Budget	Current 2016-17 Budget	2017-18 Budget	Change	% Of Change
\$ 2,092,318	\$ 2,105,411	\$ 2,202,538	310 Certificated Salaries	\$ 2,256,578	\$ 2,228,090	\$ 2,285,958	\$ 57,868	3%
439,424	484,929	522,235	320 Non-Certificated Salaries	569,553	543,979	505,933	\$ (38,046)	-7%
993,379	1,110,476	1,276,376	360 Employee Benefits	1,425,628	1,329,430	1,391,986	\$ 62,556	5%
<u>3,525,121</u>	<u>3,700,816</u>	<u>4,001,149</u>	Subtotal - Personnel Services	<u>4,251,759</u>	<u>4,101,499</u>	<u>4,183,877</u>	<u>82,378</u>	<u>2%</u>
-	-	946	410 Professional and Technical Serv	1,000	500	1,000	500	100%
-	-	-	420 Staff Travel	-	-	-	-	#DIV/0!
2,880	2,430	2,430	425 Student Travel	1,880	2,220	1,880	(340)	-15%
20,742	23,948	23,105	430 Utility Services	20,500	20,500	20,500	-	0%
173,568	165,098	133,002	435 Energy	16,700	167,000	132,000	(35,000)	-21%
8,297	10,072	15,303	440 Other Purchased Services	13,300	12,000	13,300	1,300	11%
61,257	68,450	50,681	450 Supplies, Materials and Media	59,180	63,640	51,544	(12,096)	-19%
-	-	-	490 Other Expenses	-	-	-	-	-
195	-	682	510 Equipment	1,000	-	1,000	1,000	#DIV/0!
<u>266,939</u>	<u>269,998</u>	<u>226,149</u>	Subtotal - Non Personnel	<u>113,560</u>	<u>265,860</u>	<u>221,224</u>	<u>(44,636)</u>	<u>-17%</u>
<u>\$ 3,792,060</u>	<u>\$ 3,970,814</u>	<u>\$ 4,227,298</u>	Location Totals	<u>\$ 4,365,319</u>	<u>\$ 4,367,359</u>	<u>\$ 4,405,101</u>	<u>\$ 37,742</u>	<u>1%</u>



**SITKA SCHOOL DISTRICT
2017-2018 Budget**

Fund: 100 General Fund - Expenditures

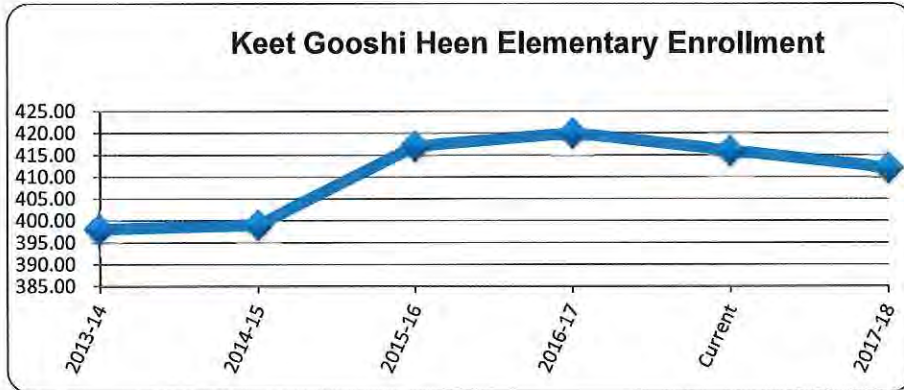
Date: 07/01/2017

Location: 300 Keet Gooshi Heen Elementary

2013-14 Actual	2014-15 Actual	2015-16 Actual	Account Description	2016-17 Budget	Current 2016-17 Budget	2017-18 Budget
398.00	399.00	417.00	Enrollment in ADM (2-5)	420.00	416.00	412.10

FTE's Included In Current Budget

1.00	1.00	1.00	Administrator	1.00	1.00	1.00
21.38	21.38	23.38	Teacher	23.38	23.38	22.60
6.00	6.00	6.00	Special Education Teacher	6.00	6.00	6.00
1.00	1.00	1.00	Librarian	1.00	1.00	1.00
1.00	1.00	1.00	Counselors	1.00	1.00	1.00
<u>30.38</u>	<u>30.38</u>	<u>32.38</u>	Certified Subtotal	<u>32.38</u>	<u>32.38</u>	<u>31.60</u>
15.00	18.00	18.00	Paraprofessionals	17.50	17.00	14.00
2.00	2.00	2.00	Support Staff	2.00	2.00	2.00
<u>17.00</u>	<u>20.00</u>	<u>20.00</u>	Classified Subtotal	<u>19.50</u>	<u>19.00</u>	<u>16.00</u>
<u><u>47.38</u></u>	<u><u>50.38</u></u>	<u><u>52.38</u></u>	Total	<u><u>51.88</u></u>	<u><u>51.38</u></u>	<u><u>47.60</u></u>

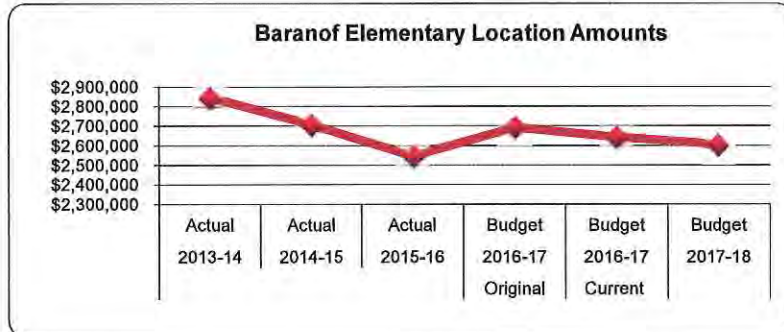


**SITKA SCHOOL DISTRICT
2017-2018 Budget**

Fund: 100 General Fund - Expenditures
Location: 333 Baranof Elementary

Date: 07/01/2017

2013-14 Actual	2014-15 Actual	2015-16 Actual	Account Description	Original 2016-17 Budget	Current 2016-17 Budget	2017-18 Budget	Change	% Of Change
\$ 1,516,300	\$ 1,427,561	\$ 1,343,991	310 Certificated Salaries	\$ 1,410,275	\$ 1,360,164	\$ 1,339,620	\$ (20,544)	-2%
369,874	358,652	312,277	320 Non-Certificated Salaries	284,459	306,315	323,930	17,615	6%
779,059	771,303	767,068	360 Employee Benefits	819,062	792,269	808,388	16,119	2%
<u>2,665,233</u>	<u>2,557,516</u>	<u>2,423,336</u>	Subtotal - Personnel Services	<u>2,513,796</u>	<u>2,458,748</u>	<u>2,471,938</u>	<u>13,190</u>	<u>1%</u>
-	250	-	410 Professional and Technical Serv	-	-	-	-	-
-	215	-	420 Staff Travel	-	-	-	-	-
2,280	2,130	2,910	425 Student Travel	1,200	2,200	1,200	-	0%
20,308	18,805	18,774	430 Utility Services	17,520	20,520	20,520	-	0%
115,792	84,120	64,889	435 Energy	114,000	114,000	70,000	(44,000)	-39%
6,419	6,261	4,739	440 Other Purchased Services	12,916	11,916	12,916	1,000	8%
35,139	34,360	26,775	450 Supplies, Materials and Media	29,009	31,009	24,370	(6,639)	-21%
-	-	-	490 Other Expenses	-	-	-	-	-
-	2,669	3,110	510 Equipment	3,260	3,260	3,260	-	0%
<u>179,938</u>	<u>148,810</u>	<u>121,197</u>	Subtotal - Non Personnel	<u>177,905</u>	<u>182,905</u>	<u>132,266</u>	<u>(49,639)</u>	<u>-27%</u>
<u>\$ 2,845,171</u>	<u>\$ 2,706,326</u>	<u>\$ 2,544,533</u>	Location Totals	<u>\$ 2,691,701</u>	<u>\$ 2,641,653</u>	<u>\$ 2,604,204</u>	<u>\$ (36,449)</u>	<u>-1%</u>



**SITKA SCHOOL DISTRICT
2017-2018 Budget**

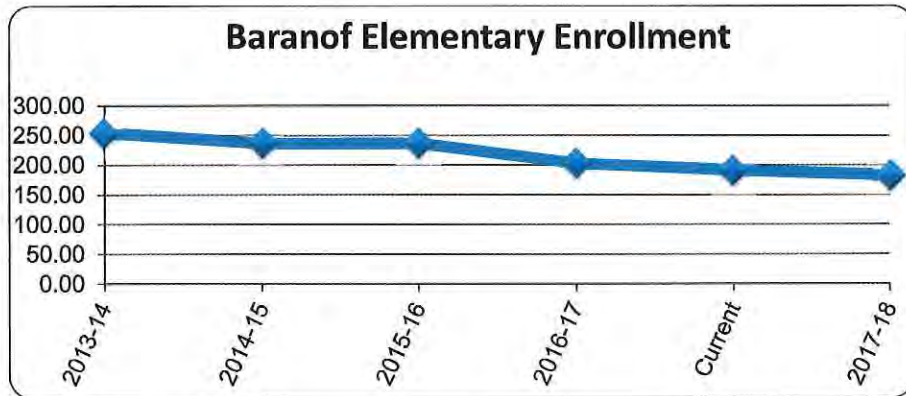
Fund: 100 General Fund - Expenditures
Location: 333 Baranof Elementary

Date: 07/01/2017

2013-14 Actual	2014-15 Actual	2015-16 Actual	Account Description	2016-17 Budget	Current 2016-17 Budget	2017-18 Budget
254.10	236.30	236.30	Enrollment in ADM (PK-1)	202.75	190.66	182.21

FTE's Included In Current Budget

1.00	1.00	1.00	Administrator	1.00	1.00	1.00
16.65	15.70	13.90	Teacher	13.90	13.90	12.60
4.00	4.50	5.00	Special Education Teacher	4.00	4.00	4.00
1.00	1.00	1.00	Counselors	1.00	1.00	1.00
<u>22.65</u>	<u>22.20</u>	<u>20.90</u>	Certified Subtotal	<u>19.90</u>	<u>19.90</u>	<u>18.60</u>
12.00	12.00	10.74	Paraprofessionals	10.84	9.50	9.50
1.50	1.50	1.50	Support Staff	1.50	1.50	1.50
<u>13.50</u>	<u>13.50</u>	<u>12.24</u>	Classified Subtotal	<u>12.34</u>	<u>11.00</u>	<u>11.00</u>
<u><u>36.15</u></u>	<u><u>35.70</u></u>	<u><u>33.14</u></u>	Total	<u><u>32.24</u></u>	<u><u>30.90</u></u>	<u><u>29.60</u></u>

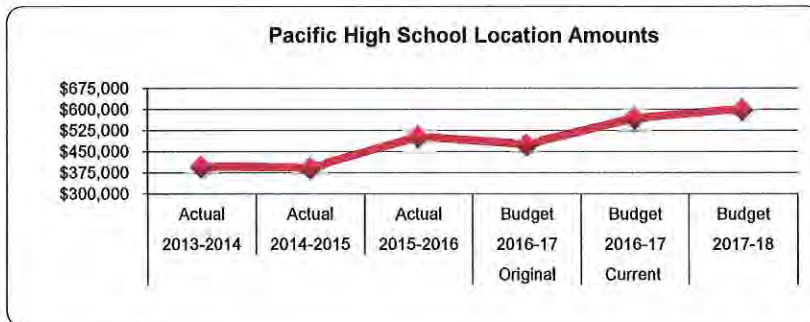


**SITKA SCHOOL DISTRICT
2017 - 2018 Budget**

Fund: 100 General Fund - Expenditures
Location: 994 Pacific High School

Date: 07/01/2017

2013-2014 Actual	2014-2015 Actual	2015-2016 Actual	Account Description	Original 2016-17 Budget	Current 2016-17 Budget	2017-18 Budget	Change	% Of Change
\$ 252,142	\$ 255,697	\$ 297,855	310 Certificated Salaries	\$ 255,812	\$ 320,539	\$ 328,144	\$ 7,605	2%
15,555	\$ 17,757	\$ 42,188	320 Non-Certificated Salaries	\$ 48,349	\$ 52,895	\$ 50,311	(2,584)	-5%
98,054	99,443	142,824	360 Employee Benefits	146,817	166,679	199,017	32,338	19%
365,751	372,897	482,867	Subtotal - Personnel Services	450,978	540,113	577,472	37,359	7%
-	210	-	410 Professional and Technical Services	100	100	100	-	0%
80	19	-	420 Staff Travel	450	450	450	-	0%
10	-	180	425 Student Travel	500	500	500	-	0%
5,361	4,487	4,761	430 Utility Services	4,500	5,500	5,240	(260)	-5%
13,385	6,329	6,401	435 Energy	6,900	6,900	7,000	100	1%
2,978	2,500	404	440 Other Purchased Services	3,834	3,834	3,834	-	0%
-	-	-	445 Insurance and Bond Premiums	-	-	-	-	#DIV/0!
9,937	5,717	8,024	450 Supplies, Materials and Media	7,698	9,698	6,440	(3,258)	-34%
-	-	-	490 Other Expenses	-	-	-	-	#DIV/0!
-	-	-	510 Equipment	-	-	-	-	#DIV/0!
31,751	19,262	19,770	Subtotal - Non Personnel	23,982	26,982	23,564	(3,418)	-13%
\$ 397,502	\$ 392,159	\$ 502,637	Location Totals	\$ 474,960	\$ 567,095	\$ 601,036	\$ 33,941	6%



**SITKA SCHOOL DISTRICT
2017-2018 Budget**

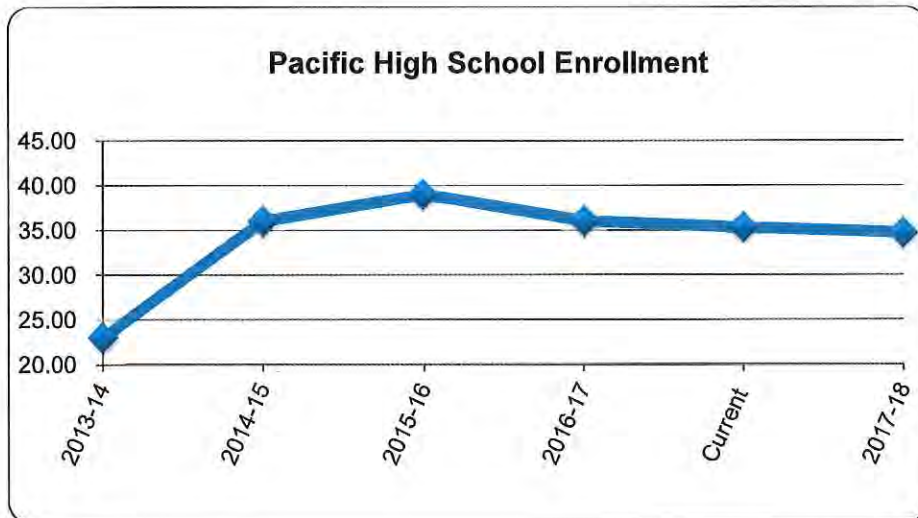
Fund: 100 General Fund - Expenditures
Location: 994 PACIFIC HIGH SCHOOL

Date: 07/01/2017

2013-14 Actual	2014-15 Actual	2015-16 Actual	Account Description	2016-17 Budget	Current 2016-17 Budget	2017-18 Budget
23.05	36.00	39.00	Enrollment in ADM (9-12)	36.00	35.30	34.70

FTE's Included In Current Budget

1.00	1.00	1.00	Administrator	1.00	1.00	1.00
2.50	2.50	2.50	Teacher	2.50	2.50	2.60
-	-	0.50	Special Education Teacher	1.00	1.00	1.00
<u>3.50</u>	<u>3.50</u>	<u>4.00</u>	Certified Subtotal	<u>4.50</u>	<u>4.50</u>	<u>4.60</u>
		0.50	Paraprofessionals			
0.50	0.50	0.50	Support Staff	0.50	0.75	0.72
<u>0.50</u>	<u>0.50</u>	<u>1.00</u>	Classified Subtotal	<u>0.50</u>	<u>0.75</u>	<u>0.72</u>
<u>4.00</u>	<u>4.00</u>	<u>5.00</u>	Total	<u>5.00</u>	<u>5.25</u>	<u>5.32</u>

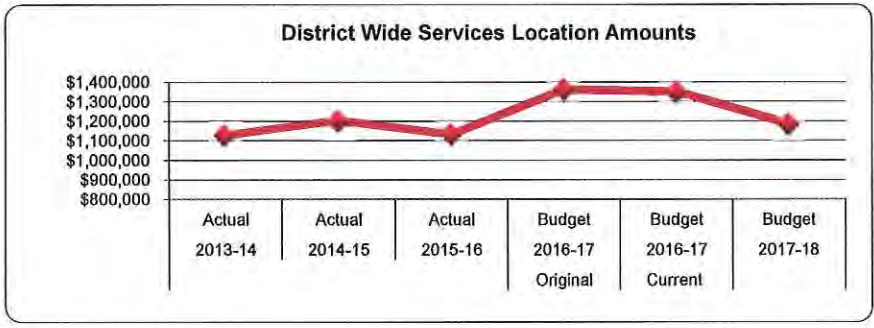


**SITKA SCHOOL DISTRICT
2017 - 2018 Budget**

Fund: 100 General Fund - Expenditures
Location: DISTRICT WIDE SERVICES

Date: 07/01/2017

2013-14 Actual	2014-15 Actual	2015-16 Actual	Account Description	Original 2016-17 Budget	Current 2016-17 Budget	2017-18 Budget	Change	% Of Change
\$ 172,602	\$ 175,605	\$ 177,332	310 Certificated Salaries	\$ 348,426	\$ 224,074	\$ 218,310	\$ (5,764)	-3%
148,999	146,878	157,710	320 Non-Certificated Salaries	163,133	162,793	174,824	\$ 12,031	7%
301,258	316,892	330,338	360 Employee Benefits	345,338	160,258	201,890	\$ 41,632	26%
<u>622,859</u>	<u>639,375</u>	<u>665,379</u>	Subtotal - Personnel Services	<u>856,897</u>	<u>547,125</u>	<u>595,024</u>	<u>47,899</u>	<u>9%</u>
158,193	119,762	99,342	410 Professional and Technical Services	129,700	135,930	135,930	-	0%
29,483	6,913	2,998	420 Staff Travel	30,350	46,650	25,650	(21,000)	-45%
1,080	1,290	1,650	425 Student Travel	2,000	3,600	3,600	-	0%
267,764	272,251	278,554	430 Utility Services	245,000	276,000	225,000	(51,000)	-18%
-	-	-	435 Energy	-	-	-	-	-
28,978	22,848	14,718	440 Other Purchased Services	20,000	20,000	20,000	-	0%
17,204	139,219	62,808	450 Supplies, Materials and Media	71,305	316,275	151,976	(164,299)	-52%
1,250	1,000	5,223	490 Other Expenses	4,325	4,300	28,865	24,565	571%
-	-	-	510 Equipment	-	-	-	-	#DIV/0!
<u>503,952</u>	<u>563,284</u>	<u>465,293</u>	Subtotal - Non Personnel	<u>502,680</u>	<u>802,755</u>	<u>591,021</u>	<u>(211,734)</u>	<u>-26%</u>
<u>\$ 1,126,811</u>	<u>\$ 1,202,659</u>	<u>\$ 1,130,672</u>	Location Totals	<u>\$ 1,359,577</u>	<u>\$ 1,349,880</u>	<u>\$ 1,186,045</u>	<u>\$ (163,835)</u>	<u>-12%</u>



**SITKA SCHOOL DISTRICT
2017 - 2018 Budget**

Fund: 100 General Fund - Expenditures
Location: **DISTRICT WIDE SERVICES**

Date: 07/01/2017

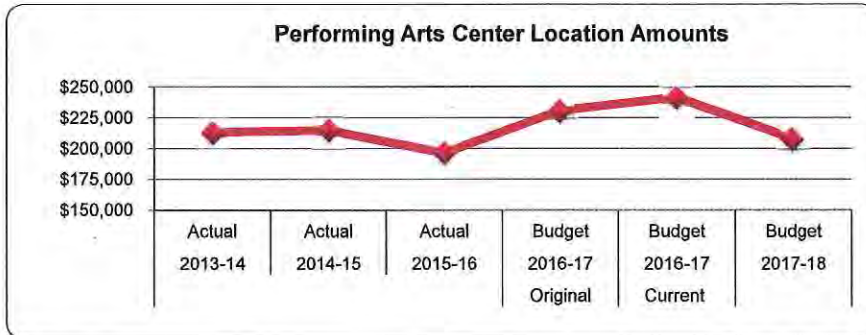
2013-14 Actual	2014-15 Actual	2015-16 Actual	Account Description	2016-17 Budget	Current 2016-17 Budget	2017-18 Budget
-	-	-	Enrollment in ADM (7-12)	-	-	-
<u>FTE's Included In Current Budget</u>						
-	-	-	Administrator/Director	-	-	-
2.00	2.00	2.00	Teacher	2.00	2.00	2.10
-	-	-	Special Education Teacher	-	-	-
-	-	-	Counselors	-	-	-
<u>2.00</u>	<u>2.00</u>	<u>2.00</u>	Certified Subtotal	<u>2.00</u>	<u>2.00</u>	<u>2.10</u>
1.00	1.00	1.00	Administrator/Director	1.00	1.00	1.00
-	-	-	Paraprofessionals	-	-	-
1.00	1.00	1.00	Support Staff	1.00	1.00	1.00
<u>1.00</u>	<u>1.00</u>	<u>1.00</u>	Classified Subtotal	<u>1.00</u>	<u>1.00</u>	<u>1.00</u>
<u><u>3.00</u></u>	<u><u>3.00</u></u>	<u><u>3.00</u></u>	Total	<u><u>3.00</u></u>	<u><u>3.00</u></u>	<u><u>3.10</u></u>

**SITKA SCHOOL DISTRICT
2017 - 2018 Budget**

Fund: 100 General Fund - Expenditures
Location: Performing Arts Center

Date: 07/01/2017

2013-14 Actual	2014-15 Actual	2015-16 Actual	Account Description	Original 2016-17 Budget	Current 2016-17 Budget	2017-18 Budget	Change	% Of Change
\$ -	\$ -	\$ -	310 Certificated Salaries	\$ -	\$ -	\$ -		
-	-	-	320 Non-Certificated Salaries	-	-	-		#DIV/0!
-	-	-	360 Employee Benefits	-	-	-		#DIV/0!
-	-	-	Subtotal - Personnel Services	-	-	-	-	#DIV/0!
99,369	102,350	103,862	410 Professional and Technical Services	104,693	112,193	112,193	-	0%
-	-	-	420 Staff Travel	-	-	-	-	
-	-	-	425 Student Travel	-	-	-	-	
14,428	15,014	14,653	430 Utility Services	9,500	15,500	15,500	-	0%
85,223	80,903	58,605	435 Energy	96,400	96,400	62,750	(33,650)	-35%
-	-	-	440 Other Purchased Services	-	-	-	-	#DIV/0!
13,976	16,171	19,025	446 Insurance	19,976	17,193	17,193	-	
-	-	-	450 Supplies, Materials and Media	-	-	-	-	#DIV/0!
-	-	-	490 Other Expenses	-	-	-	-	
-	-	-	510 Equipment	-	-	-	-	#DIV/0!
212,996	214,437	196,144	Subtotal - Non Personnel	230,569	241,286	207,636	(33,650)	-14%
<u>\$ 212,996</u>	<u>\$ 214,437</u>	<u>\$ 196,144</u>	Location Totals	<u>\$ 230,569</u>	<u>\$ 241,286</u>	<u>\$ 207,636</u>	<u>\$ (33,650)</u>	-14%



**SITKA SCHOOL DISTRICT
2017 - 2018 Budget**

Fund: 100 General Fund - Expenditures
Location: 500 Performing Arts Center

Date: 07/01/2017

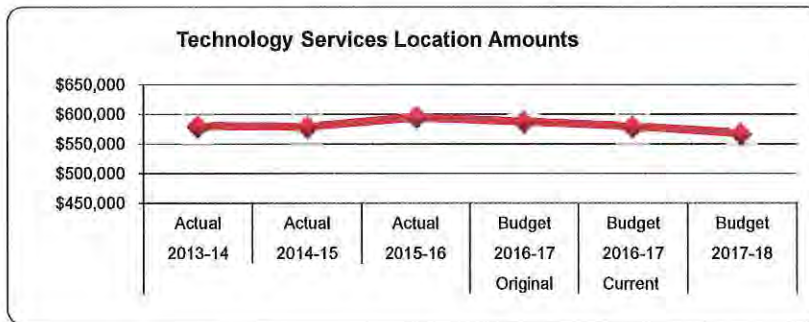
2013-14 Actual	2014-15 Actual	2015-16 Actual	Account Description	2016-17 Budget	Current 2016-17 Budget	2017-18 Budget
-	-	-	Enrollment in ADM (7-12)	-	-	-
<u>FTE's Included In Current Budget</u>						
-	-	-	Administrator	-	-	-
-	-	-	Teacher	-	-	-
-	-	-	Special Education Teacher	-	-	-
-	-	-	Counselors	-	-	-
-	-	-	Certified Subtotal	-	-	-
-	-	-	Paraprofessionals	-	-	-
-	-	-	Support Staff	-	-	-
-	-	-	Classified Subtotal	-	-	-
-	-	-	Total	-	-	-

**SITKA SCHOOL DISTRICT
2017 - 2018 Budget**

Fund: 100 General Fund - Expenditures
Location: 556 TECHNOLOGY SERVICES

Date: 07/01/2017

2013-14 Actual	2014-15 Actual	2015-16 Actual	Account Description	Original 2016-17 Budget	Current 2016-17 Budget	2017-18 Budget	Change	% Of Change
\$ -	\$ -	\$ -	310 Certificated Salaries	\$ 500	\$ 500	\$ 1,000	\$ 500	100%
113,095	132,394	150,145	320 Non-Certificated Salaries	146,113	144,039	162,075	\$ 18,036	13%
47,240	54,166	59,015	360 Employee Benefits	55,839	55,588	58,459	\$ 2,871	5%
<u>160,335</u>	<u>186,560</u>	<u>209,160</u>	Subtotal - Personnel Services	<u>202,452</u>	<u>200,127</u>	<u>221,534</u>	<u>21,407</u>	<u>11%</u>
67,326	56,537	59,631	410 Professional and Technical Services	58,600	70,500	70,500	-	0%
7,454	7,236	2,200	420 Staff Travel	4,250	4,250	4,250	-	0%
-	-	-	425 Student Travel	-	-	-	-	-
-	-	-	430 Utility Services	-	-	-	-	#DIV/0!
-	-	-	435 Energy	-	-	-	-	-
61,330	99,270	58,285	440 Other Purchased Services	61,000	50,000	50,000	-	0%
149,350	189,242	209,013	450 Supplies, Materials and Media	229,870	214,720	176,272	(38,448)	-18%
-	1,199	1,130	490 Other Expenses	2,260	2,260	2,260	-	0%
134,126	38,958	54,962	510 Equipment	28,500	37,750	42,750	5,000	13%
<u>419,585</u>	<u>392,442</u>	<u>385,221</u>	Subtotal - Non Personnel	<u>384,480</u>	<u>379,480</u>	<u>346,032</u>	<u>(33,448)</u>	<u>-9%</u>
<u>\$ 579,920</u>	<u>\$ 579,002</u>	<u>\$ 594,381</u>	Location Totals	<u>\$ 586,932</u>	<u>\$ 579,607</u>	<u>\$ 567,566</u>	<u>\$ (12,041)</u>	<u>-2%</u>



**SITKA SCHOOL DISTRICT
2017 - 2018 Budget**

Fund: 100 General Fund - Expenditures
Location: 556 TECHNOLOGY SERVICES

Date: 07/01/2017

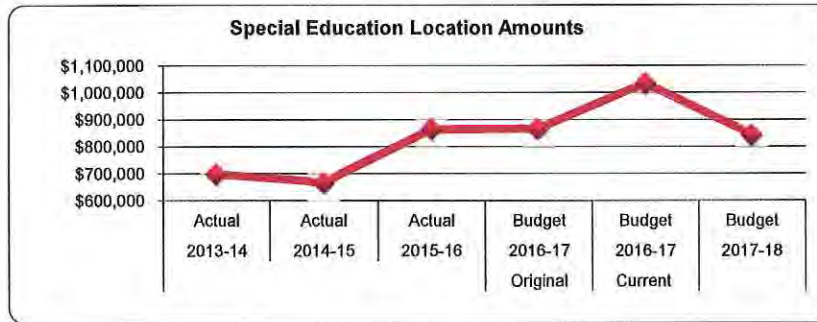
2013-14 Actual	2014-15 Actual	2015-16 Actual	Account Description	2016-17 Budget	Current 2016-17 Budget	2017-18 Budget
-	-	-	Enrollment in ADM (7-12)	-	-	-
<u>FTE's Included In Current Budget</u>						
-	-	-	Administrator	-	-	-
-	-	-	Teacher	-	-	-
-	-	-	Special Education Teacher	-	-	-
-	-	-	Counselors	-	-	-
-	-	-	Certified Subtotal	-	-	-
1.00	1.00	1.00	Administrator/Director	1.00	1.00	1.00
-	-	-	Paraprofessionals	-	-	-
1.00	1.00	1.00	Support Staff	1.00	1.00	1.00
2.00	2.00	2.00	Classified Subtotal	2.00	2.00	2.00
<u>2.00</u>	<u>2.00</u>	<u>2.00</u>	Total	<u>2.00</u>	<u>2.00</u>	<u>2.00</u>

**SITKA SCHOOL DISTRICT
2017 - 2018 Budget**

Fund: 100 General Fund - Expenditures
Location: Special Education

Date: 07/01/2017

2013-14 Actual	2014-15 Actual	2015-16 Actual	Account Description	Original 2016-17 Budget	Current 2016-17 Budget	2017-18 Budget	Change	% Of Change
\$ 245,073	\$ 247,481	\$ 317,891	310 Certificated Salaries	\$ 324,215	\$ 354,990	\$ 217,708	\$ (137,282)	-39%
43,649	44,679	77,538	320 Non-Certificated Salaries	76,110	97,571	111,527	13,956	14%
88,557	94,178	139,670	360 Employee Benefits	153,667	180,372	112,345	(68,027)	-38%
<u>377,280</u>	<u>386,338</u>	<u>534,899</u>	Subtotal - Personnel Services	<u>553,993</u>	<u>632,933</u>	<u>441,580</u>	<u>(191,353)</u>	<u>-30%</u>
254,807	222,162	226,516	410 Professional and Technical Services	228,500	262,500	262,500	-	0%
8,088	19,508	34,328	420 Staff Travel	11,500	11,500	11,500	-	0%
22,284	11,719	12,800	425 Student Travel	18,300	18,600	18,600	-	0%
-	-	-	430 Utility Services	-	-	-	-	#DIV/0!
-	-	-	435 Energy	-	-	-	-	#DIV/0!
7,616	12,107	6,049	440 Other Purchased Services	6,092	62,400	62,400	-	0%
27,395	15,701	46,830	450 Supplies, Materials and Media	46,600	46,600	46,600	-	0%
-	-	-	490 Other Expenses	-	-	-	-	#DIV/0!
-	-	1,429	510 Equipment	1,000	-	-	-	#DIV/0!
<u>320,191</u>	<u>281,197</u>	<u>327,952</u>	Subtotal - Non Personnel	<u>311,992</u>	<u>401,600</u>	<u>401,600</u>	<u>-</u>	<u>0%</u>
<u>\$ 697,471</u>	<u>\$ 667,535</u>	<u>\$ 862,850</u>	Location Totals	<u>\$ 865,985</u>	<u>\$ 1,034,533</u>	<u>\$ 843,180</u>	<u>\$ (191,353)</u>	<u>-18%</u>



**SITKA SCHOOL DISTRICT
2017 - 2018 Budget**

Fund: 100 General Fund - Expenditures
Location: Special Education

Date: 07/01/2017

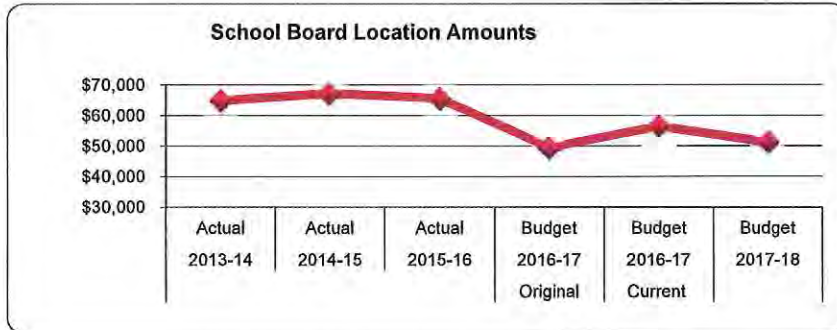
2013-14 Actual	2014-15 Actual	2015-16 Actual	Account Description	2016-17 Budget	Current 2016-17 Budget	2017-18 Budget
-	-	-	Enrollment in ADM (7-12)	-	-	-
<u>FTE's Included In Current Budget</u>						
1.00	1.00	1.00	Administrator	1.00	1.00	1.00
			Teacher	-	-	-
2.00	2.00	3.00	Special Education Teacher	4.00	4.00	4.00
-	-	-	Counselors	-	-	-
<u>3.00</u>	<u>3.00</u>	<u>4.00</u>	Certified Subtotal	<u>5.00</u>	<u>5.00</u>	<u>5.00</u>
-	-	-	Paraprofessionals	-	-	-
1.00	1.00	1.50	Support Staff	2.50	2.50	2.00
<u>1.00</u>	<u>1.00</u>	<u>1.50</u>	Classified Subtotal	<u>2.50</u>	<u>2.50</u>	<u>2.00</u>
<u>4.00</u>	<u>4.00</u>	<u>5.50</u>	Total	<u>7.50</u>	<u>7.50</u>	<u>7.00</u>

**SITKA SCHOOL DISTRICT
2017-2018 Budget**

Fund: 100 General Fund - Expenditures
Location: 511 School Board

Date: 07/01/2017

2013-14 Actual	2014-15 Actual	2015-16 Actual	Account Description	Original 2016-17 Budget	Current 2016-17 Budget	2017-18 Budget	Change	% Of Change
\$ -	\$ -	\$ -	310 Certificated Salaries	\$ -	\$ -	\$ -	\$ -	
748	1,872	1,883	320 Non-Certificated Salaries	3,000	3,000	3,000	-	0%
221	554	557	360 Employee Benefits	887	887	887	(0)	0%
<u>969</u>	<u>2,426</u>	<u>2,440</u>	Subtotal - Personnel Services	<u>3,887</u>	<u>3,887</u>	<u>3,887</u>	<u>(0)</u>	<u>0%</u>
24,381	7,124	20,662	410 Professional and Technical Services	8,000	10,000	10,000	-	0%
22,837	28,656	16,643	420 Staff Travel	12,500	20,000	20,000	-	0%
2,310	3,971	5,114	425 Student Travel	2,350	-	-	-	
-	-	-	430 Utility Services	-	-	-	-	#DIV/0!
-	-	-	435 Energy	-	-	-	-	
12,483	22,783	18,090	440 Other Purchased Services	17,750	20,000	14,750	(5,250)	-26%
1,759	2,172	2,586	450 Supplies, Materials and Media	5,000	2,500	500	(2,000)	-80%
100	-	-	490 Other Expenses	-	-	2,000	2,000	#DIV/0!
-	-	-	510 Equipment	-	-	-	-	
<u>63,870</u>	<u>64,706</u>	<u>63,094</u>	Subtotal - Non Personnel	<u>45,600</u>	<u>52,500</u>	<u>47,250</u>	<u>(5,250)</u>	<u>-10%</u>
<u>\$ 64,839</u>	<u>\$ 67,132</u>	<u>\$ 65,534</u>	Location Totals	<u>\$ 49,487</u>	<u>\$ 56,387</u>	<u>\$ 51,137</u>	<u>\$ (5,250)</u>	<u>-9%</u>



**SITKA SCHOOL DISTRICT
2017-2018 Budget**

Fund: 100 General Fund - Expenditures
Location: 511 School Board

Date: 07/01/2017

2013-14 Actual	2014-15 Actual	2015-16 Actual	Account Description	2016-17 Budget	Current 2016-17 Budget	2017-18 Budget
-	-	-	Enrollment in ADM (7-12)	-	-	-

FTE's Included In Current Budget

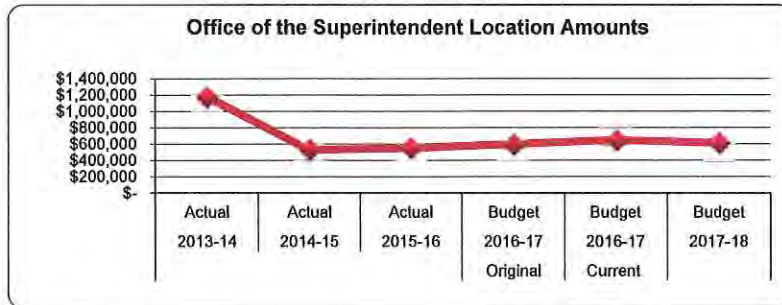
-	-	-	Administrator	-	-	-
-	-	-	Teacher	-	-	-
-	-	-	Special Education Teacher	-	-	-
-	-	-	Counselors	-	-	-
-	-	-	Certified Subtotal	-	-	-
-	-	-	Paraprofessionals	-	-	-
0.04	0.04	0.04	Support Staff	0.04	0.04	0.04
0.04	0.04	0.04	Classified Subtotal	0.04	0.04	0.04
0.04	0.04	0.04	Total	0.04	0.04	0.04

**SITKA SCHOOL DISTRICT
2017 - 2018 Budget**

Fund: 100 General Fund - Expenditures
Location: Office of the Superintendent

Date: 07/01/2017

2013-14 Actual	2014-15 Actual	2015-16 Actual	Account Description	Original 2016-17 Budget	Current 2016-17 Budget	2017-18 Budget	Change	% Of Change
\$ 247,060	\$ 226,958	\$ 234,142	310 Certificated Salaries	\$ 229,950	\$ 229,950	\$ 239,015	\$ 9,065	4%
640,030	64,445	66,322	320 Non-Certificated Salaries	66,192	103,327	109,283	5,956	6%
86,772	95,178	100,551	360 Employee Benefits	107,806	118,450	150,783	32,333	27%
<u>973,862</u>	<u>386,581</u>	<u>401,015</u>	Subtotal - Personnel Services	<u>403,948</u>	<u>451,727</u>	<u>499,081</u>	<u>47,354</u>	<u>10%</u>
81,130	24,144	25,451	410 Professional and Technical Services	59,328	63,828	29,000	(34,828)	-55%
33,439	29,823	38,751	420 Staff Travel	46,250	46,250	13,250	(33,000)	-71%
-	-	-	425 Student Travel	-	-	-	-	#DIV/0!
-	-	-	430 Utility Services	-	-	-	-	#DIV/0!
-	-	-	435 Energy	-	-	-	-	#DIV/0!
16,178	16,767	18,710	440 Other Purchased Services	30,300	30,300	14,073	(16,227)	-54%
19,437	24,695	24,695	448 Fidelity Bond Insurance	26,930	24,427	24,425	(2)	
22,860	14,891	13,128	450 Supplies, Materials and Media	8,600	8,700	8,500	(200)	-2%
29,335	28,513	24,597	490 Other Expenses	21,000	21,000	21,000	-	0%
-	-	-	510 Equipment	2,000	2,050	2,000	(50)	-2%
<u>202,379</u>	<u>138,833</u>	<u>145,332</u>	Subtotal - Non Personnel	<u>194,408</u>	<u>196,555</u>	<u>112,248</u>	<u>(84,307)</u>	<u>-43%</u>
<u>\$ 1,176,241</u>	<u>\$ 525,414</u>	<u>\$ 546,347</u>	Location Totals	<u>\$ 598,356</u>	<u>\$ 648,282</u>	<u>\$ 611,329</u>	<u>\$ (36,953)</u>	<u>-6%</u>



**SITKA SCHOOL DISTRICT
2017 - 2018 Budget**

Fund: 100 General Fund - Expenditures
Location: Office of the Superintendent

Date: 07/01/2017

2013-14 Actual	2014-15 Actual	2015-16 Actual	Account Description	2016-17 Budget	Current 2016-17 Budget	2017-18 Budget
-	-	-	Enrollment in ADM (7-12)	-	-	-

FTE's Included In Current Budget

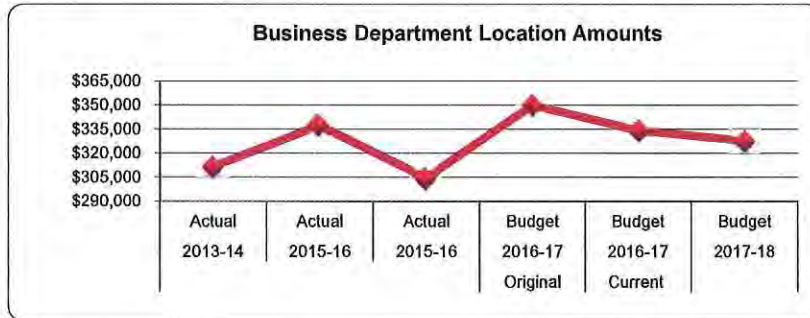
2.00	2.00	2.00	Administrator	2.00	2.00	2.00
-	-	-	Teacher	-	-	-
-	-	-	Special Education Teacher	-	-	-
-	-	-	Counselors	-	-	-
<u>2.00</u>	<u>2.00</u>	<u>2.00</u>	Certified Subtotal	<u>2.00</u>	<u>2.00</u>	<u>2.00</u>
-	-	-	Paraprofessionals	-	-	-
1.00	1.00	1.00	Support Staff	1.00	2.00	2.00
<u>1.00</u>	<u>1.00</u>	<u>1.00</u>	Classified Subtotal	<u>1.00</u>	<u>2.00</u>	<u>2.00</u>
<u>3.00</u>	<u>3.00</u>	<u>3.00</u>	Total	<u>3.00</u>	<u>4.00</u>	<u>4.00</u>

**SITKA SCHOOL DISTRICT
2017-2018 Budget**

Fund: 100 General Fund - Expenditures
Location: Business Department

Date: 07/01/2017

2013-14 Actual	2015-16 Actual	2015-16 Actual	Account Description	Original 2016-17 Budget	Current 2016-17 Budget	2017-18 Budget	Change	% Of Change
\$ -	\$ -	\$ -	310 Certificated Salaries	\$ -	\$ -	\$ -	\$ -	
215,428	224,639	202,002	320 Non-Certificated Salaries	208,079	205,375	210,895	5,520	3%
113,135	119,391	102,676	360 Employee Benefits	113,931	111,116	116,978	5,862	5%
<u>328,563</u>	<u>344,029</u>	<u>304,678</u>	Subtotal - Personnel Services	<u>322,010</u>	<u>316,491</u>	<u>327,873</u>	<u>11,382</u>	<u>4%</u>
24,098	36,058	48,345	410 Professional and Technical Services	54,000	45,000	47,000	2,000	4%
7,054	8,941	8,444	420 Staff Travel	9,000	11,000	11,046	46	0%
			425 Student Travel			-	-	
			430 Utility Services			-	-	#DIV/0!
			435 Energy			-	-	#DIV/0!
			440 Other Purchased Services			-	-	#DIV/0!
32,886	33,776	33,178	443 Liability Insurance	34,837	31,543	31,543	-	0%
			450 Supplies, Materials and Media			-	-	#DIV/0!
(81,401)	(85,619)	(90,404)	490 Other Expenses	(70,000)	(70,000)	(90,000)	(20,000)	29%
			510 Equipment			-	-	#DIV/0!
<u>(17,382)</u>	<u>(6,844)</u>	<u>(437)</u>	Subtotal - Non Personnel	<u>27,837</u>	<u>17,543</u>	<u>(411)</u>	<u>(17,954)</u>	<u>-102%</u>
<u>\$ 311,201</u>	<u>\$ 337,185</u>	<u>\$ 304,241</u>	Location Totals	<u>\$ 349,847</u>	<u>\$ 334,034</u>	<u>\$ 327,462</u>	<u>\$ (6,572)</u>	<u>-2%</u>



**SITKA SCHOOL DISTRICT
2017- 2018 Budget**

Fund: 100 General Fund - Expenditures
Location: Business Department

Date: 07/01/2017

2013-14 Actual	2014-15 Actual	2015-16 Actual	Account Description	2016-17 Budget	Current 2016-17 Budget	2017-18 Budget
-	-	-	Enrollment in ADM (7-12)	-	-	-

FTE's Included In Current Budget

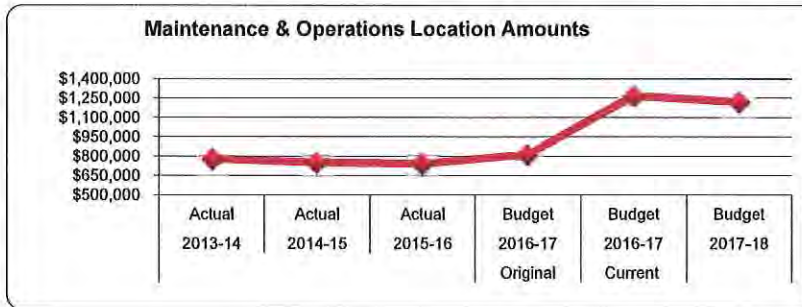
-	-	-	Administrator/Director	-	-	-
-	-	-	Teacher	-	-	-
-	-	-	Special Education Teacher	-	-	-
-	-	-	Counselors	-	-	-
-	-	-	Certified Subtotal	-	-	-
1.00	1.00	1.00	Administrator/Director	1.00	1.00	1.00
-	-	-	Paraprofessionals	-	-	-
3.00	3.00	2.50	Support Staff	2.50	2.50	2.50
4.00	4.00	3.50	Classified Subtotal	3.50	3.50	3.50
4.00	4.00	3.50	Total	3.50	3.50	3.50

**SITKA SCHOOL DISTRICT
2017 - 2018 Budget**

Fund: 100 General Fund - Expenditures
Location: 600 MAINTENANCE & OPERATIONS

Date: 07/01/2017

2013-14 Actual	2014-15 Actual	2015-16 Actual	Account Description	Original 2016-17 Budget	Current 2016-17 Budget	2017-18 Budget	Change	% Of Change
\$ -	\$ -	\$ -	310 Certificated Salaries	\$ -	\$ -	\$ -	\$ -	
355,053	332,288	327,526	320 Non-Certificated Salaries	342,458	342,156	339,447	(2,709)	-1%
153,928	164,345	178,540	360 Employee Benefits	198,889	193,047	195,580	2,533	1%
<u>508,981</u>	<u>496,633</u>	<u>506,065</u>	Subtotal - Personnel Services	<u>541,347</u>	<u>535,203</u>	<u>535,027</u>	<u>(176)</u>	<u>0%</u>
4,772	6,694	2,645	410 Professional and Technical Services	2,500	4,000	4,000	-	0%
38	1,163	5,304	420 Staff Travel	3,000	1,500	1,500	-	0%
-	-	-	425 Student Travel	-	-	-	-	
1,416	1,670	1,519	430 Utility Services	1,500	2,000	2,000	-	0%
3,155	3,370	3,093	435 Energy	9,200	9,200	4,200	(5,000)	-54%
49,276	36,352	38,998	440 Other Purchased Services	54,000	518,663	489,000	(29,663)	-6%
116,350	123,408	117,532	446 Property/Auto Insurance	123,321	118,937	118,937	-	
54,767	78,558	36,842	450 Supplies, Materials and Media	75,700	75,700	62,000	(13,700)	-18%
42	1,970	286	490 Other Expenses	1,300	1,300	1,300	-	0%
-	-	-	500 Capital Outlay	-	-	-	-	#DIV/0!
<u>37,774</u>	<u>549</u>	<u>26,803</u>	510 Equipment	<u>500</u>	<u>500</u>	<u>500</u>	<u>-</u>	<u>0%</u>
<u>267,589</u>	<u>253,734</u>	<u>233,022</u>	Subtotal - Non Personnel	<u>271,021</u>	<u>731,800</u>	<u>683,437</u>	<u>(48,363)</u>	<u>-7%</u>
<u>\$ 776,571</u>	<u>\$ 750,367</u>	<u>\$ 739,088</u>	Location Totals	<u>\$ 812,368</u>	<u>\$ 1,267,003</u>	<u>\$ 1,218,464</u>	<u>\$ (48,539)</u>	<u>-4%</u>



**SITKA SCHOOL DISTRICT
2017 - 2018 budget**

Fund: 100 General Fund - Expenditures
Location: 600 Maintenance and Operations

Date: 07/01/2017

2013-14 Actual	2015-16 Actual	2015-16 Actual	Account Description	2016-17 Budget	Current 2016-17 Budget	2017-18 Budget
-	-	-	Enrollment in ADM (7-12)	-	-	-

FTE's Included In Current Budget

-	-	-	Administrator	-	-	-
-	-	-	Teacher	-	-	-
-	-	-	Special Education Teacher	-	-	-
-	-	-	Counselors	-	-	-
-	-	-	Certified Subtotal	-	-	-
1.00	1.00	1.00	Administrator/Director	1.00	1.00	1.00
-	-	-	Instructional Aides	-	-	-
-	-	-	Support Staff	-	-	-
4.00	4.00	4.00	Maintenance Staff	4.00	4.00	4.00
5.00	5.00	5.00	Classified Subtotal	5.00	5.00	5.00
5.00	5.00	5.00	Total	5.00	5.00	5.00

Informational Section

Sitka School District
 FY18 Budget Balancing Matrix
 School Board Budget Worksession - February 28, 2017

Revenue Assumptions: Stable BSA at \$5,930, reduction of \$39,229 from the City, and no Secure Rural Schools

Expenditure Assumptions: Reduction from FY17 of 2 teachers and 4 paras to accommodate declining enrollment/15% health insurance increase

FY18 Deficit	\$ 1,295,872	* \$349,925 increase in projected deficit (from \$95,926 to \$445,851) is due to: + Projected health insurance benefit increase from 12% to 15%: \$103,201 + Staff changes due to retiring/resigning staff: Benefits (retirement, workers compensation, etc.): \$54,931 and Salary: \$107,293 + Known adjustments needed for some contracts and fixed costs: \$84,500
FY18 Transfers	\$ 850,021	
FY18 Working Deficit*	\$ 445,851	

Total SSD Budget Reserves as of Today	\$ 2,138,137	Potential Revenue Sources	Value
Min SSD Budget Reserves Needed to Operate	\$ 600,000	Estimated Secure Rural Schools	\$ 225,000
SSD Non-Spendable Budget Reserves	\$ 165,696	Potential Revenue Cuts	Value
SSD Budget Reserves to be used to Balance FY17 Budget	\$ 1,328,699	5% Cut to BSA	(\$806,222)
SSD Budget Reserves Available fro FY18 Budget	\$ 43,742	5% Cut from State Operating Budget	(\$640,552)

Note: Numbers in parens indicate a reduction in expenditures.

Variables		Version 1 - Best	Version 2	Version 3	Version 4 - Worst
Revenues	Secure Rural Schools	\$ 225,000			
	Planned FY18 City Appropriation Reduction Lessened		\$ 225,000	\$ 125,000	
	Health Insurance Renewal Actual Cost Less than 15%	\$ 42,361	\$ 42,361	\$ 33,823	\$ 58,823
	FOPA PAC Support	\$ 10,000	\$ 10,000	\$ 10,000	\$ 10,000
	Total	\$ 277,361	\$ 277,361	\$ 168,823	\$ 68,823
	Amount Left to Cut	\$ 168,490	\$ 168,490	\$ 277,028	\$ 377,028
Expenditures	Ventures is Self-Supporting	\$ (52,918)	\$ (52,918)	\$ (52,918)	\$ (52,918)
	Pool is Self-Supporting	\$ (20,572)	\$ (20,572)	\$ (20,572)	\$ (20,572)
	Pupil Transportation is Self-Supporting	\$ (95,000)	\$ (95,000)	\$ (95,000)	\$ (95,000)
	PAC is Self-Supporting over and above Operating Budget			\$ (50,000)	\$ (50,000)
	2% Supply Reducation for All Schools/Departments			\$ (22,069)	\$ (22,069)
	Reduction in Bandwidth to 125 MB			\$ (14,400)	\$ (14,400)
	Additional 2% Supply Redudction for All Schools/Depts			\$ (22,069)	\$ (22,069)
	Increase Class Size at K-1 Levels from 1:18 to 1:20				\$ (100,000)
	Total Cuts	\$ (168,490)	\$ (168,490)	\$ (277,028)	\$ (377,028)
	Out of Balance	\$ -	\$ -	\$ -	\$ -

**Sitka School District
Impact of Cuts from the State**

<u>Impact of Cut to the BSA</u>	<u>1%</u>	<u>2%</u>	<u>3%</u>	<u>4%</u>	<u>5%</u>
Reduction to BSA	\$ 59.30	\$ 118.60	\$ 177.90	\$ 237.20	\$ 296.50
New BSA Amount	\$ 5,870.70	\$ 5,811.40	\$ 5,752.10	\$ 5,692.80	\$ 5,634.00
Equivalent to	2016	2015	2014	2011	2010
Total Impact	\$ 161,244.00	\$ 322,489.00	\$ 483,733.00	\$ 644,977.00	\$ 804,862.00

<u>Impact of Cost Shifting of TRS/PERS</u>	<u>1%</u>	<u>2%</u>	<u>3%</u>	<u>4%</u>	<u>5%</u>
PERS - Base 22%	\$ 24,984.00	\$ 49,967.00	\$ 74,951.00	\$ 99,935.00	\$ 124,919.00
TRS - Base 12.56%	\$ 86,683.00	\$ 173,367.00	\$ 260,050.00	\$ 346,733.00	\$ 433,417.00
Total Impact	\$ 111,667.00	\$ 223,334.00	\$ 335,001.00	\$ 446,668.00	\$ 558,336.00



Sitka Schools provides a public school experience for our students that reflects what the community of Sitka expects, which includes but is not limited to:

- Teachers and staff committed to Sitka and to the community – 29% of our staff got their public school education in the Sitka School District
- Learning opportunities that are unique to the place where we live
- Culture integrated as a way to learn content, as well as a way to learn about local cultures
- Music instructors at all grade levels and Arts instructors at secondary schools
- Low student-teacher ratios
- Technology-rich learning environment
- Local partnerships that enrich the learning experience
- Robust Career and Technical Education program
- Educational options for families
- Abundant athletic and activity options for students
- A focus on providing quality schooling for all students
- Support for the social and emotional needs of students
- Breakfast and lunch programs in all of our schools
- Schooling that builds active, engaged, productive, and well-rounded citizens – 65% of current elected officials went to Sitka Schools



Historical Perspective of Sitka School District's Operating Budget - Revenue

	2014-15/FY15	2015-16/FY16	2016-17/FY17	2017-18/FY18
SSD Audit/Budget	\$20,139,405	\$20,258,466	\$19,786,103	\$19,004,091
City - Instructional	\$5,283,762	\$6,283,762	\$6,183,762	\$5,944,533
State	\$14,235,455	\$13,384,820	\$13,417,341	\$12,854,558
Federal	\$401,964	\$304,438	\$30,000	\$40,000
Other	\$218,224	\$285,446	\$155,000	\$165,000
City - Non-Instructional	\$433,759	\$433,759	\$433,759	\$433,759



Current Profession

Profession Preparation:

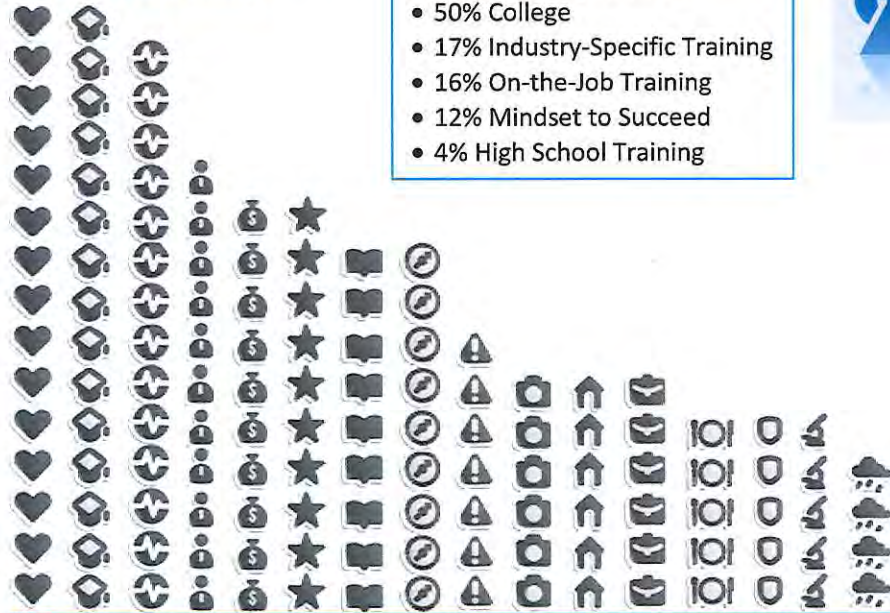
- 50% College
- 17% Industry-Specific Training
- 16% On-the-Job Training
- 12% Mindset to Succeed
- 4% High School Training

29 | Specific mentions about **TEACHERS** who had a positive impact on their life

83%

Had positive comments about the role that **Sitka Schools** played in preparing them for life:

- Prepared for College
- CTE Classes were Key
- Ready for Life
- Teachers Made the Difference
- Activities & Athletics were Key



- ♥ **Medical Field** [15 – Examples: Dental Hygienist, Pharmacy Manager, and Nurse]
- 🎓 **Student** [15 – Examples: Doctorate in Pharmacy, Masters in Engineering, and Masters of Arts in Teaching]
- ⚙️ **Science, Technology, Engineering, and Math or STEM** [14 – Examples: Land Surveyor, Engineer, and IT Technician]
- 👤 **Service Industry** [11 – Examples: Customer Service Agent, Wholesale Representative, and Grocery Manager]
- 💰 **Financial Industry** [10 – Examples: Inventory Management Specialist, Bank Fraud Analyst, and Insurance Agent]
- ★ **Other** [10 – Examples: Reporter, Parachute Packer, and Legislator]
- 📖 **Education** [9 – Examples: Teacher, Para Professional, and Adjunct Instructor]
- 🎣 **Fishing Industry** [9 – Examples: Fish and Game Technician, Fish Culturist, and Commercial Fisherman/woman]
- ⚠️ **Construction** [7 – Examples: Welder/Fabricator, Construction Recruiter, and Forklift Operator]
- 📷 **Business Owner** [6 – Examples: Professional Photographer, Café Owner, and Fitness Studio Owner]
- 🏠 **Home-based** [6 – Examples: Stay at Home Parent, Managing Grandparent's Estate, and Unemployed]
- 📧 **Office Work** [6 – Examples: Office Manager, Admissions and Occupancy Specialist, and Administrative Specialist]
- 🍷 **Hospitality** [5 – Examples: Pastry Chef, Hotel Assistant General Manager, and Cruise Line Hotel Assistant Manager]
- 👮 **Military/Law Enforcement/Government** [5 – Examples: Air Force Pilot, Alaska State Trooper, and National Park Maintenance]
- 🔬 **Researcher** [5 – Examples: Research Analyst, Research Biologist, and Research Assistant]
- 🌿 **Environmental** [4 – Examples: Innovative Program Manager at a Non-Profit Supporting Farmers in a Third World Country, Deputy Director of Arctic Policy Non-Profit, and Program Manager at Tribal Environmental Non-Profit]

Further Contact:
90% YES

Alumni Quotes about Sitka Schools

“The school district was a huge influence on me professionally and socially. Sitka had a lot of awesome opportunities and I feel like I took advantage of a least a few of them. I think the school district gave me a curiosity of the world that a lot my peers around the rest of the United States don't have.”

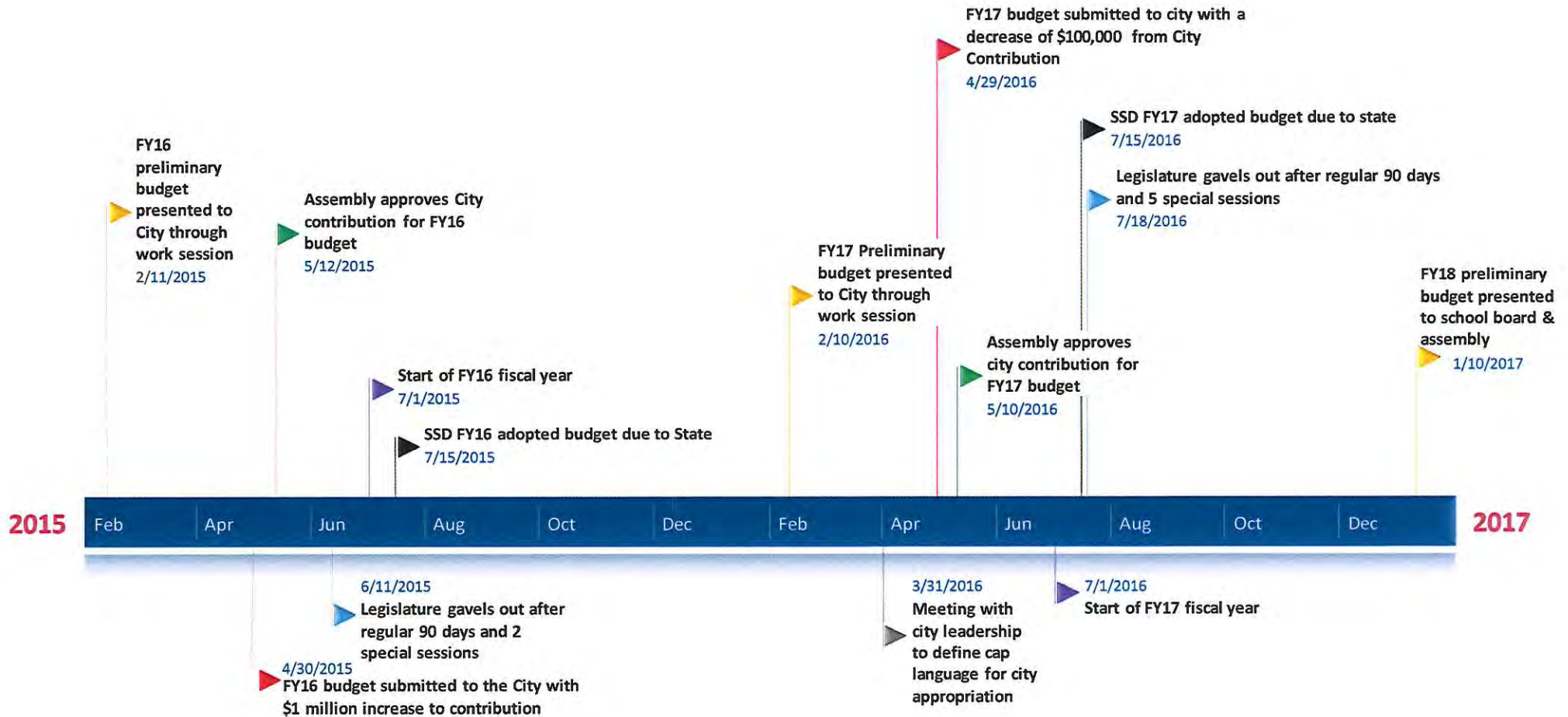
“I have a high opinion of Sitka's schools as a whole, and we we're lucky enough to have many excellent teachers.”

“Many teachers gave much more than required to provide for the success of the students.”

“I had so many wonderful teachers throughout elementary, middle, and high school!”

“I had a few teachers who inspired me. Mostly, they just got me interested in their topics of expertise or gave me very valuable life advice. I think because I was so open to any subject and had such a friendly personality, I got along with all of my teachers and I felt like they all wanted to see me succeed in life, therefore helped me as much as they could to help push me in the right direction.”

Budget Timeline



Conversation Starters Regarding an Effective and Efficient Educational Program

3-5 Year Implementation Timeline

Prioritized Ideas for Cost Savings	Impact
<p>1. Redefine Early Elementary (K – 2) programming:</p> <ul style="list-style-type: none"> a. Move 2nd grade students to Baranof Elementary b. Create instructional structures based on developmentally appropriate best practices for this age group, incorporating: <ul style="list-style-type: none"> • Grade level classrooms (of 18-22 students) for play-based and social-emotional learning in Arts, Culture, PE, Music, etc. • Block instruction in literacy and math embedded into the day, with skill-based grouping (small groups, varied in size) across grade levels, utilizing all teachers in the building for staffing small groups (average group size would be 12-14, but could be from 2-20) • Focus on skill growth over the K – 2 years, rather than only year to year c. Staffing totals would be: <ul style="list-style-type: none"> • 14 general education teachers • 3 special education teachers • 2 interventionists • 1 counselor, music teacher, and PE teacher d. School hours would remain the same for K & 1st and 2nd grade would change to 2:25 release time. (from 2:45) 	<ul style="list-style-type: none"> • 1 fewer teacher overall K-2 - over and above current planned loss of 2 fewer teachers at the 1st and 2nd grade levels due to lower enrollment • Teachers are better able to meet unique instructional needs of each child at this foundational time • 2-3 year implementation timeline
<p>2. Redesign the SHS schedule to better support students taking classes at UAS, and Mt. Edgecumbe if student desires:</p> <ul style="list-style-type: none"> a. Would provide more elective options for students at minimal cost to the district b. UAS has new options for high school students (e.g., co-sponsored classes) and potential funding for low-income students c. Would need to re-evaluate current financial procedures for students taking dual enrollment classes at UAS d. Would allow more collaboration between SHS teachers and colleagues in other institutions 	<ul style="list-style-type: none"> • Provide more options to students both within the SHS school day and beyond • More students would be able to take advantage of the dual enrollment courses, which can offer career opportunities that we do not have the capacity to offer at SHS (e.g., CNA, accounting, fisheries) • Opportunity to re-examine best practices in specific content areas (e.g., Math meeting every day), which can help to account for high student travel
<p>3. Other ideas...</p>	

In Case of Emergency - Prioritization List

Item to be Cut from Budget	Rationale	Cost Savings	Running Total
Ventures is Self-Supporting	Our primary mission is that of K-12 education, and there are other options in the community for afterschool daycare.	\$52,918	\$52,918
Pool is Self-Supporting	Since we raised pool user fees 2 years ago the Pool has become self-supporting, and thus this safety net is no longer needed. Note: The Pool does maintain its own fund balance to cover on-going maintenance costs.	\$20,572	\$78,670
Pupil Transportation is Self-Supporting	Current money provided by the state covers our pupil transportation costs at present.	\$95,000	\$173,670
PAC is Self-Supporting over and above Operating Budget	The PAC will continue to have a fund balance of approximately \$50,000, which is the remainder of the bond interest. The intent of these funds is to support equipment/repair needs for the PAC.	\$50,000	\$223,670
6% Supply Reduction for All Schools/Departments	We prefer to keep cuts as far away from student support as possible; however, this reduction would not have a devastating impact on our student instructional program.	\$66,207	\$289,877
Staffing Budget Adjustments	Actual costs of new employees is always different from the budgeted amount for new employees due to conservative estimates regarding experience and health insurance benefits.	\$50,000	\$339,877
Eliminate Additional Teaching Positions Over and Above 2 Teachers + 4 Paras Due to Lower Student Enrollment	3 Elementary Teachers - TBD 2 Secondary Teachers – TBD Note: We would have to RIF talented non-tenured teachers, as we do not have the open positions to meet this target through attrition.	\$100,000 per teacher	\$839,877

Balancing the FY18 Budget



Item to be Cut from Budget	Rationale	Cost Savings	Running Total
Ventures is Self-Supporting	Our primary mission is that of K-12 education, and there are other options in the community for afterschool daycare.	\$52,918	\$52,918
Pool is Self-Supporting	Since we raised pool user fees 2 years ago the Pool has become self-supporting, and thus this safety net is no longer needed. Note: The Pool does maintain its own fund balance to cover on-going maintenance costs.	\$20,572	\$73,490
Pupil Transportation is Self-Supporting	Current money provided by the state covers our pupil transportation costs at present.	\$95,000	\$168,490
PAC is Self-Supporting over and above Operating Budget	The PAC will continue to have a fund balance of approximately \$50,000, which is the remainder of the bond interest. The intent of these funds is to support equipment/repair needs for the PAC.	\$50,000	\$218,490
10% Supply Reduction for All Schools/Departments	We prefer to keep cuts as far away from student support as possible; however, this reduction would not have a devastating impact on our student instructional program.	\$110,345	\$328,835
Staffing Budget Adjustments	Actual costs of new employees is always different from the budgeted amount for new employees due to conservative estimates regarding experience and health insurance benefits.	\$50,000	\$378,835
FY17 Savings	<ul style="list-style-type: none"> • 10% school supply budget savings: \$29,753 • Maintenance savings: \$30,000 • DO savings: \$98,328 • Misc. savings: \$21,055 	\$179,131	\$557,966
Assumptions: <ul style="list-style-type: none"> • FY17 funding level from the City • BSA Remains at \$5,930 and no change to Basic Need, Pupil Transportation, or PERS/TRS costs • \$850,000 transferred from Enterprise funds to the Operating Budget • Impact Aid revenue increase of \$40,000 to \$60,000 • No Secure Rural Schools • 17.5% increase for health insurance renewal rate • Projected enrollment: 1,253 			
Note: The budget already includes a reduction of 2 teachers + 4 paras due to lower projected student enrollment			

**FY2018 Proposed Operating Budget
Final Budget Hearing**

Budget Balancing Worksheet

April 18, 2017

Revenues & Transfers

Budget Hearing Revenues (1253 FTE Students) with Transfers	19,852,714	
<i>Proposed Increase of Fund Transfer from Ventures</i>	52,918	
<i>Proposed Increase of Fund Transfer from Pool</i>	20,572	
<i>Proposed Increase of Fund Transfer from Pupil Transportation</i>	95,000	
<i>Proposed Transfer from Performing Arts Center</i>	50,000	
<i>Proposed Operating Fund Balance Transfer</i>	179,131	
<i>Increase to City Contribution</i>	239,229	
<i>Increase to Impact Aid</i>	20,000	
<i>Increase to Foundation per DEED calculations</i>	1,398	
Total Revenues & Transfers		20,510,962

Expenditures

Budget Hearing Employee Expenditures	16,955,941	
Budget Hearing Non-Employee Expenditures	3,715,366	
<i>10% Supply Reduction for All Schools/Departments</i>	<i>(110,345)</i>	
<i>Staffing Budget Adjustments</i>	<i>(50,000)</i>	
Total Expenditures		20,510,962
		0 <i>Budget Balanced</i>
Total On-Behalf TRS & PERS		1,583,757
<i>Total FY18 Proposed Budget</i>		<i>22,094,719</i>

Other Information:

Operating Budget Fund Balance Summary:

Fund Balance June 30, 2016 (Per First Revision)	809,438
<i>District Recommended Transfer from Fund Balance</i>	<i>(179,131)</i>
<i>Estimated Fund Balance June 30, 2017</i>	<i>630,307</i>
Min SSD Budget Reserves Needed	600,000
SSD Budget Reserves Available FY18 Emergencies/FY19 Budget	30,307

Items in **Bold** are from Original Budget, items in *Italics* are proposed changes



SITKA
SCHOOL DISTRICT
DISCOVER | NURTURE | INSPIRE

Prepare by Cassee Olin
4/27/2017



CITY AND BOROUGH OF SITKA

Legislation Details

File #: 17-095 Version: 1 Name:

Type: Item Status: AGENDA READY

File created: 5/3/2017 In control: City and Borough Assembly

On agenda: 5/23/2017 Final action:

Title: Approve a final subdivision plat for a Planned Unit Development at 1306 Halibut Point Road filed by the Sitka Community Land Trust

Sponsors:

Indexes:

Code sections:

Attachments: [SCLT PUD final subdivision plat.pdf](#)

Date	Ver.	Action By	Action	Result
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POSSIBLE MOTION

I MOVE TO approve the findings and a final subdivision plat, with conditions, for a Planned Unit Development filed by the Sitka Community Land Trust for 1306 Halibut Point Road as approved by the Planning Commission.

Note: Assembly review and approval is required for major subdivisions per Sitka General Code 21.32.180



City and Borough of Sitka

100 Lincoln Street • Sitka, Alaska 99835

Coast Guard City, USA

MEMORANDUM

To: Mayor Hunter and Members of the Assembly
Mark Gorman, Municipal Administrator

From: Michael Scarcelli, Planning and Community Development Director ^{MS}
Samantha Pierson, Planner I

Subject: Final Subdivision Plat – SCLT Subdivision

Date: May 1, 2017

Sitka Community Land Trust is requesting approval of a final plat for a planned unit development subdivision of Lot 1A of Little Critter Subdivision, also known as 1306 Halibut Point Road. The Planning Commission approved the final plat of the major subdivision during the April 18, 2017 meeting on a 3-1 vote. Preliminary approval was granted March 21, 2017 on a 3-1 vote and concept approval was granted April 19, 2016 on a 3-1 vote.

On October 3, 2006, the community voted to sell 1306, 1410, and 1414 Halibut Point Road for the purpose of affordable housing development, not subject to competitive bid. On November 24, 2015, the Assembly voted to transfer 1306 Halibut Point Road to Sitka Community Development Corporation for the purpose of promoting permanently affordable home ownership by placing affordable homes on the market. The applicants intend for this to operate as a land trust, where private owners purchase homes but the land trust maintains ownership of the land. Land is leased to homeowners on long term agreements.

The subdivision would divide a 61,958 square foot lot into 7 residential lots and an unsubdivided remainder to be used for parking and community space. The 7 residential lots range in net buildable area from 1225 square feet to 2335 square feet. These lots do not meet the R-2 multifamily residential zone's minimum square footage of 8000 square feet; however, the planned unit development process allows for design flexibility. The lots would be accessed from Halibut Point Road.

In addition to the subdivision process requirements, the developers will be required to meet CBS Public Works requirements, install a mail structure, and meet DOT standards for access and drainage. The applicants provide the required 1.5 on-site parking spaces per unit as outlined in Sitka General Code 22.20.100(G)(1), for a total of 11 spaces.

Public comment was given at the concept hearing regarding the lack of a turning lane in front of the proposed development and general traffic safety concerns. Public comment was given at the final hearing regarding potential impacts to parking at the adjacent vet clinic. Chair Spivey cast the dissenting vote at each hearing, citing a preference for higher density development of the property.

Staff recommends the following findings:

- 1) That the proposed planned unit development complies with the comprehensive plan by providing for the enhancement of the quality of life in Sitka through the development of affordable housing options; and
- 2) That the PUD would not be injurious to public health, safety, and welfare as conditioned.
- 3) That the proposal complies with procedures outlined in Titles 21 and 22 of Sitka General Code.

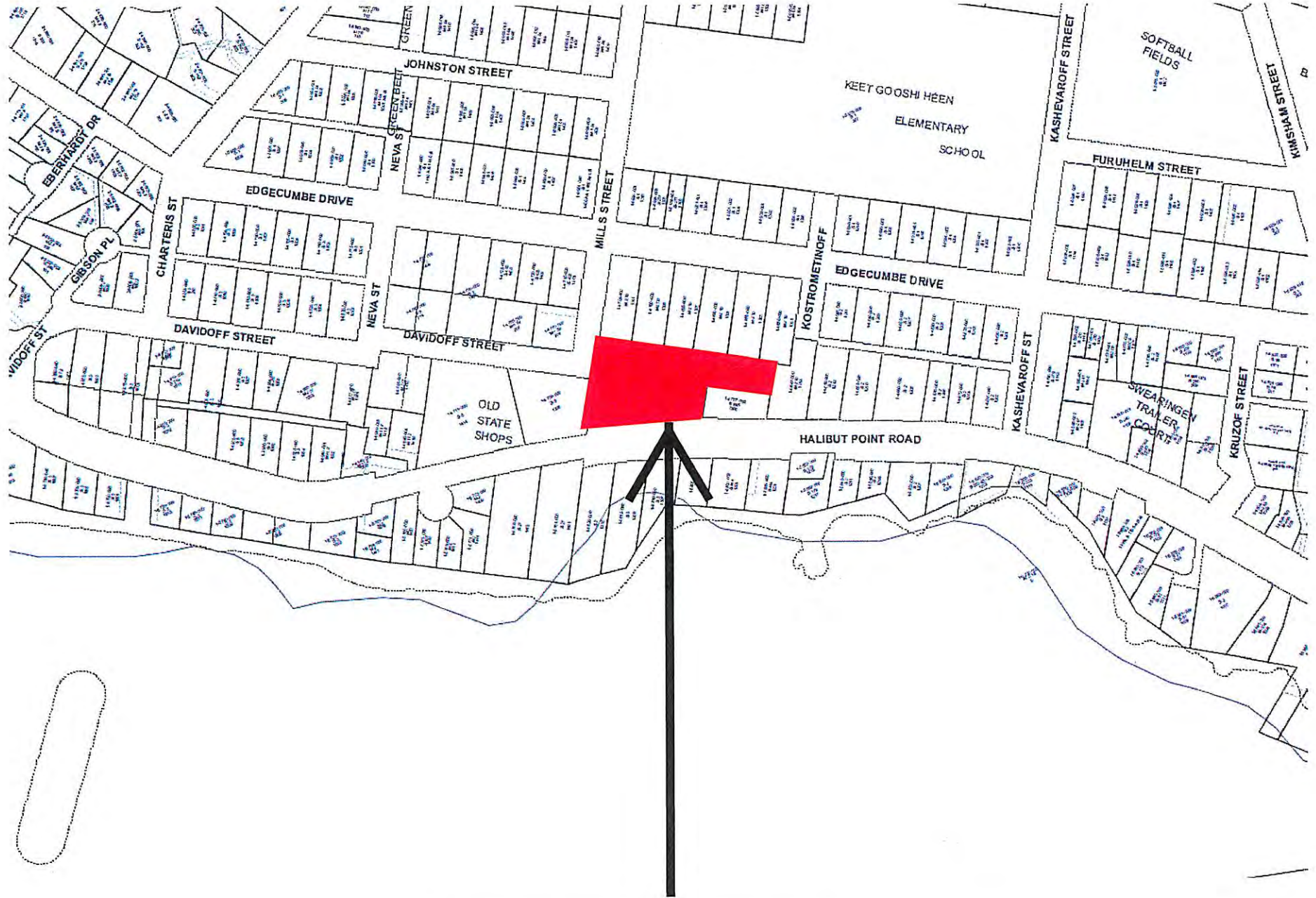
Conditions of Approval:

- 1) A complete as-built survey will be required to capture all existing utilities on the parcel (including drainage, prospective French drain, etc.).
- 2) Plat notes and development shall ensure no encroachment on city assets or existing utility easements.
- 3) Parking shall be provided on-site, off-street, in the amount of 1.5 spaces per dwelling unit.
- 4) The boundary of the building footprints are the maximum size of buildings allowed within each lot and shall act as setbacks. No variances shall be granted for deviations from plat setbacks as shown and noted on the final plat. Note: Setbacks are measured from lot lines to drip lines/eaves.
- 5) Any grading or geotechnical work performed or required on the property shall obtain any applicable permit(s) and be completed by an appropriate professional. It should be noted that there could be additional development costs associated with slope stabilization.
- 6) Installation of water and sewer mains would require engineered plans and approvals via Alaska Department of Environmental Conservation. In addition,

CBS would require a clear understanding of the ownership of new utility lines, easements, and perhaps shared user agreements.

- 7) Alaska Department of Transportation is the jurisdiction for approving driveway permits along Halibut Point Road. Applicant should consult with the DOT regarding traffic and driveway plans. All applicable DOT approvals shall be received prior to use of any driveways, parking lots, or access points.
- 8) All easement, access, and utility agreements shall be approved by Public Works and the Planning and Community Development Department prior to recording. Such agreements shall be referenced on the plat, via a note, and shall be recorded prior to Final Plat being recorded.

Recommended Action: Approve findings and the final plat with conditions of approval as approved by the Planning Commission.



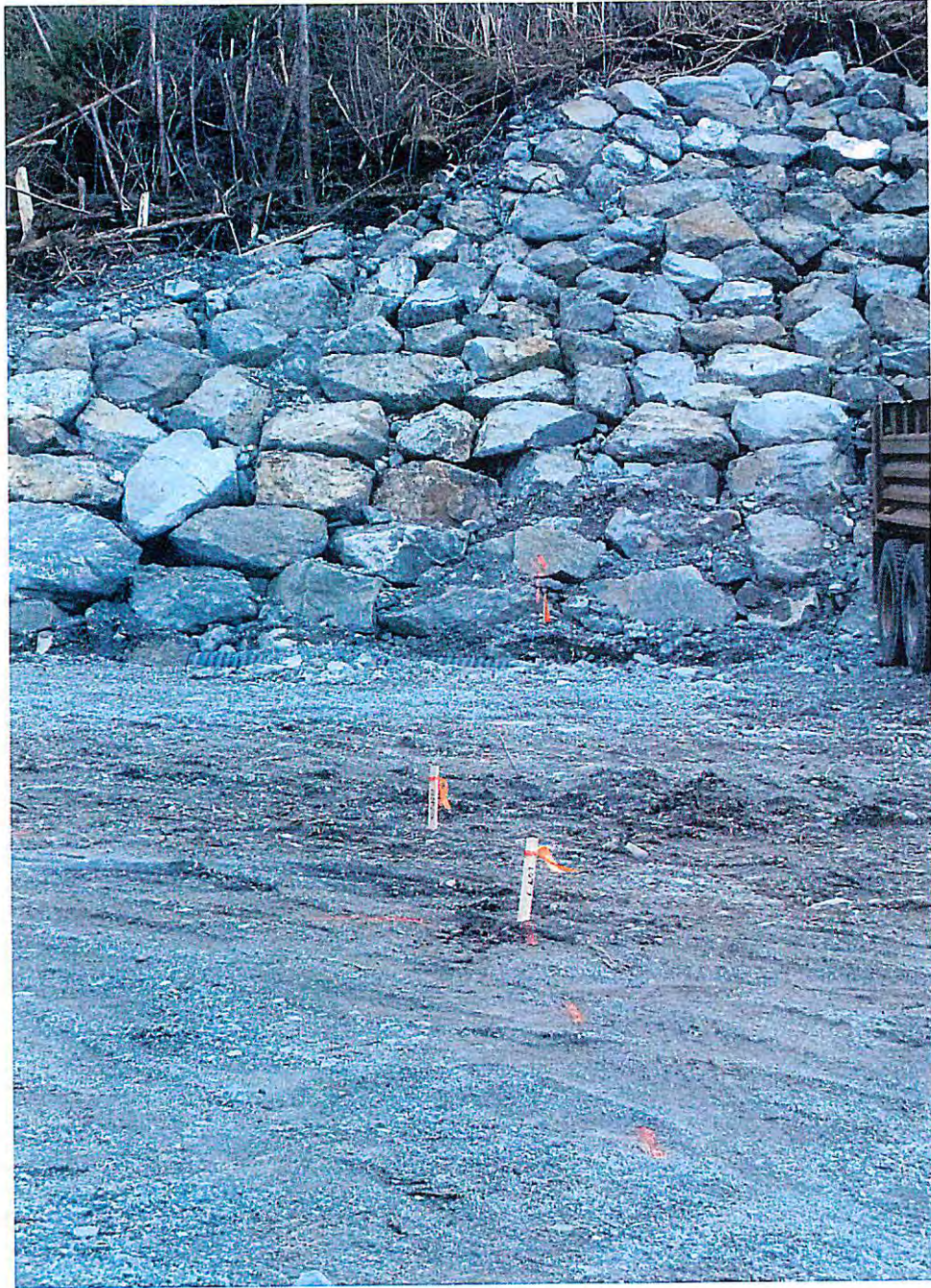
Sitka Community Land Trust
Planned Unit Development
1306 Halibut Point Road

















BY	DATE	REV.	DESCRIPTION OF CHANGE



DESIGNER: K. O'BRIEN
 CHECKED: M. JOHNSON
 DATE OF PLOTTING: 12, 2017
 SCALE: 1" = 40'
 DRAWING NAME: 01-CONCEPT
 PROJECT NO: 40038-01

SURVEYOR'S CERTIFICATE
 I HEREBY CERTIFY THAT I AM A REGISTERED SURVEYOR, A LICENSEE IN THE STATE OF ALASKA, AND THAT IN THE DRAWING ACCOMPANYING THIS SURVEY I HAVE ACCURATELY REPRESENTED THE FIELD NOTES OF THIS SURVEY, AND THAT ALL ENCLOSURES AND OTHER DETAILS ARE CORRECT ACCORDING TO SAID FIELD NOTES.

SCLT SUBDIVISION
 CLIENT: SITKA COMMUNITY LAND TRUST
 LOT 1A LITTLE CRITTER SUBD.

CITY AND BOROUGH CLERK
 DATE: _____
 MAYOR: _____
 I HEREBY CERTIFY THAT THE SUBDIVISION PLAN SHOWN HEREON HAS BEEN FOUND TO COMPLY WITH THE SUBDIVISION REGULATIONS OF THE CITY & BOROUGH OF SITKA ASSEMBLY AND THAT THE PLAN SHOWN HEREON HAS BEEN APPROVED FOR RECORDING IN THE OFFICE OF THE DISTRICT COURT, EX-OFFICIO RECORDER, SITKA, ALASKA.

CHAIRMAN, PLATTING BOARD
 DATE: _____
 I HEREBY CERTIFY THAT THE SUBDIVISION PLAN SHOWN HEREON HAS BEEN FOUND TO COMPLY WITH THE SUBDIVISION REGULATIONS OF THE CITY & BOROUGH OF SITKA PLATTING BOARD, AND THAT SAID PLAN HAS BEEN APPROVED BY THE BOARD BY PLAT REGULATION NO. 20, AND THAT THE PLAN SHOWN HEREON HAS BEEN APPROVED FOR RECORDING IN THE OFFICE OF THE DISTRICT MAGISTRATE, EX-OFFICIO RECORDER, SITKA, ALASKA.

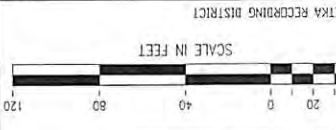
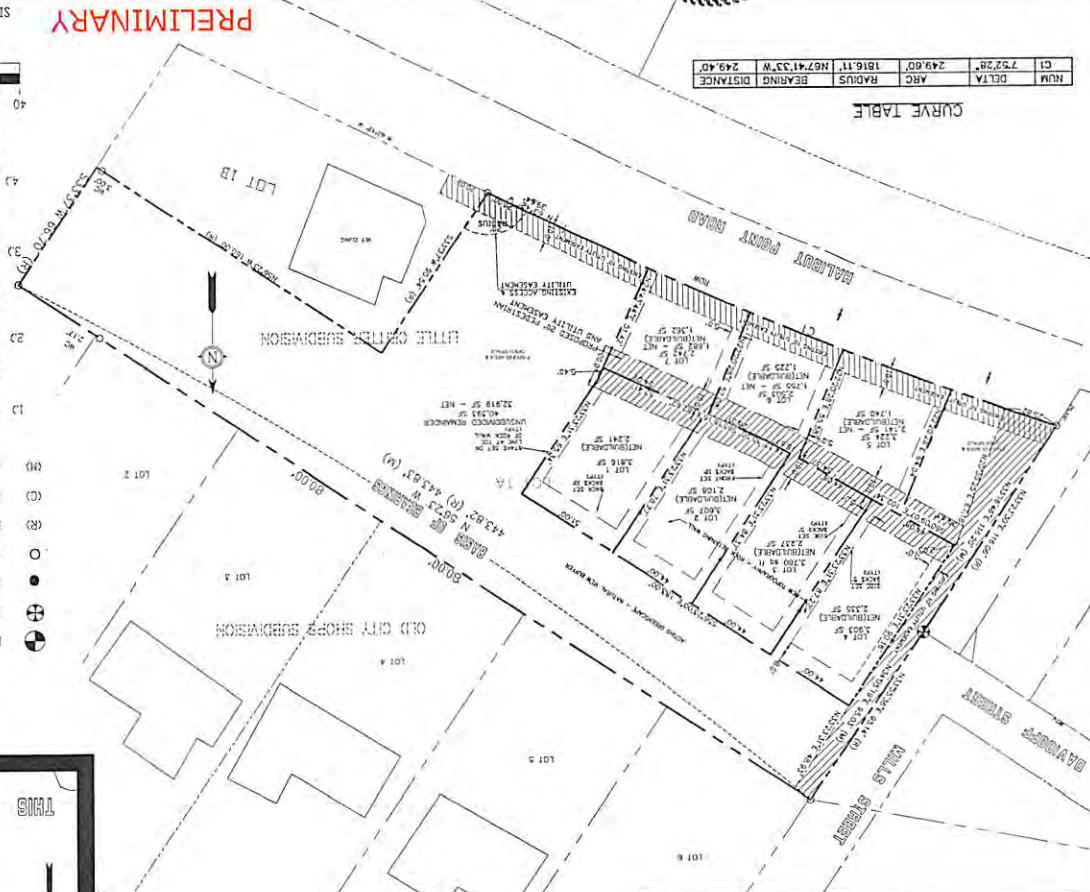
ASSESSOR, CITY AND BOROUGH OF SITKA
 DATE: _____
 I HEREBY CERTIFY THAT THE SUBDIVISION PLAN SHOWN HEREON HAS BEEN FOUND TO COMPLY WITH THE SUBDIVISION REGULATIONS OF THE CITY & BOROUGH OF SITKA, AND THAT SAID PLAN HAS BEEN APPROVED BY THE BOARD BY PLAT REGULATION NO. 20, AND THAT THE PLAN SHOWN HEREON HAS BEEN APPROVED FOR RECORDING IN THE OFFICE OF THE DISTRICT MAGISTRATE, EX-OFFICIO RECORDER, SITKA, ALASKA.

NOTARY PUBLIC IN AND FOR THE STATE OF ALASKA
 MY COMMISSION EXPIRES: _____
 HEREIN WRITTEN
 WITNESS MY HAND AND NOTARY SEAL, THE DAY AND YEAR IN THIS CERTIFICATE FIRST FREELY AND VOLUNTARILY FOR THE USES AND PURPOSES THEREIN SPECIFIED, TO ME KNOWN TO BE THE LEGAL INDIVIDUAL(S) MENTIONED AND WHO EXECUTED THE SAME, AND ACKNOWLEDGED TO ME THAT SAID INDIVIDUAL(S) SIGNED THE SAME.

NOTARY'S ACKNOWLEDGMENT
 STATE OF ALASKA
 CITY & BOROUGH OF SITKA
 I, THE UNDERSIGNED, A NOTARY PUBLIC IN AND FOR THE STATE OF ALASKA, DO HEREBY CERTIFY THAT I AM THE BENEVOLENT AND DISINTERESTED OFFICER OF THE BOARD AND DESCRIBED PUBLIC OR PRIVATE USE AS NOTED.

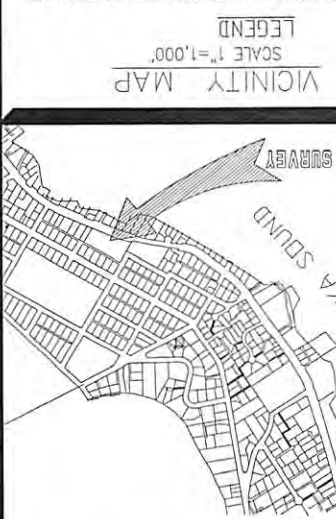
CURVE TABLE

NUM	DELTA	ARC	RADIUS	BEARING	DISTANCE
C1	7.5228°	249.60'	1816.11'	N67°41'33"W	249.40'



- NOTES**
- THE PURPOSE OF THIS PLAT IS TO SUBDIVIDE LOT 1A OF THE LITTLE CRITTER SUBDIVISION INTO 5 LOTS CREATING A PLANNED UNIT DEVELOPMENT.
 - THE MUNICIPALITY IS PARTY TO ALL EASEMENTS AND PLAT NOTES. THEY SHALL NOT BE MOODIFIED WITHOUT APPROVAL OF THE PLATTING BOARD. THERE SHALL BE NO ENCROACHMENTS ON CITY ASSETS OR EASEMENTS.
 - A MAINTENANCE AGREEMENT FOR THE PEDESTRIAN AND UTILITY EASEMENT IS FILED IN THE SITKA RECORDING DISTRICT OFFICE UNDER SERIAL NO. _____
 - CODE'S, COVENANTS AND RESTRICTIONS ARE FILED IN THE SITKA RECORDING DISTRICT OFFICE UNDER SERIAL NO. _____

- LEGEND**
 SCALE 1"=1,000'
- PRIMARY CONTROL MONUMENT RECOVERED (BRASS CAP)
 - SECONDARY MONUMENT (SET)
 - RECORDED DATA
 - COMPUTED DATA
 - MEASURED DATA



CERTIFICATE OF OWNERSHIP AND DEDICATION

THE CITY AND BOROUGH OF SITKA HEREBY CERTIFIES THAT THEY ARE THE OWNER OF THE PROPERTY SHOWN AND DESCRIBED HEREIN AND THAT THEY HEREBY ADOPT THIS PLAN OF SUBDIVISION WITH THEIR FREE CONSENT AND DEDICATE ALL STREETS, ALLEYS, WALKS, PARKS, AND OTHER OPEN SPACES TO PUBLIC OR PRIVATE USE AS NOTED.

5-29-05
DATE

[Signature]
REPRESENTATIVE
AUTHORIZED TO SIGN

NOTARY'S ACKNOWLEDGMENT

US OF AMERICA
STATE OF ALASKA
CITY & BOROUGH OF SITKA

THIS IS TO CERTIFY THAT ON THIS 24 DAY OF MAY 2005 BEFORE ME, THE UNDERSIGNED, A NOTARY PUBLIC IN AND FOR THE STATE OF ALASKA, DULY CONSIDERED AND SWORN, PERSONALLY APPEARED *Scott Prylowsky*

TO ME, KNOWN TO BE THE IDENTICAL INDIVIDUAL(S) MENTIONED AND WHO EXECUTED THE WITHIN PLAT AND HE ACKNOWLEDGED TO ME THAT HE SIGNED THE SAME FREELY AND VOLUNTARILY FOR THE USES AND PURPOSES THEREIN SPECIFIED.

WITNESS MY HAND AND NOTARY SEAL THE DAY AND YEAR IN THIS CERTIFICATE FIRST HEREBY WRITTEN

MY COMMISSION EXPIRES 4-15-07

[Signature]
NOTARY PUBLIC IN AND FOR THE STATE OF ALASKA



CERTIFICATE STATE OF ALASKA (FIRST JUDICIAL DISTRICT)

I, THE UNDERSIGNED, BEING DULY APPOINTED AND QUALIFIED, AND ASSESSOR FOR THE CITY & BOROUGH OF SITKA, HEREBY CERTIFY THAT ACCORDING TO THE RECORDS IN MY POSSESSION, THE FOLLOWING DESCRIBED PROPERTY IS CARRIED ON THE TAX RECORDS OF THE CITY & BOROUGH OF SITKA, IN THE NAME OF *City of Sitka* AND THAT ACCORDING TO THE RECORDS IN MY POSSESSION, ALL TAXES ASSESSED AGAINST SAID LANDS AND IN FAVOR OF THE CITY & BOROUGH OF SITKA ARE PAID IN FULL, THAT CURRENT TAXES FOR THE YEAR 2005 WILL BE PAID ON OR BEFORE AUGUST 31, 2005, DATED THIS 20th DAY OF MAY 2005.

[Signature]
ASSESSOR, CITY AND BOROUGH OF SITKA

CERTIFICATE OF APPROVAL BY THE BOARD

I HEREBY CERTIFY THAT THE SUBDIVISION PLAT SHOWN HEREIN HAS BEEN FOUND TO COMPLY WITH THE SUBDIVISION REGULATIONS OF THE CITY & BOROUGH OF SITKA PLATING BOARD, AND THAT SAID PLAT HAS BEEN APPROVED BY THE BOARD BY PLAT RESOLUTION NO. *2005-8* DATED *6-14-05* AND THAT THE PLAT SHOWN HEREIN HAS BEEN APPROVED FOR RECORDING IN THE OFFICE OF THE DISTRICT MAGISTRATE, EX-OFFICIO RECORDER, SITKA, ALASKA.

[Signature]
DATE 6/14/05
SECRETARY

CERTIFICATE OF APPROVAL BY THE ASSEMBLY

I HEREBY CERTIFY THAT THE SUBDIVISION PLAT SHOWN HEREIN HAS BEEN FOUND TO COMPLY WITH THE SUBDIVISION REGULATIONS OF THE CITY & BOROUGH OF SITKA ASSEMBLY AS RECORDED IN HOUSE BOOK *20* PAGE *23* DATED *5-23-05* AND THAT THE PLAT SHOWN HEREIN HAS BEEN APPROVED FOR RECORDING IN THE OFFICE OF THE DISTRICT COURT, EX-OFFICIO RECORDER, SITKA, ALASKA.

[Signature]
DATE 5-23-05
CITY AND BOROUGH CLERK - Acting Deputy Clerk



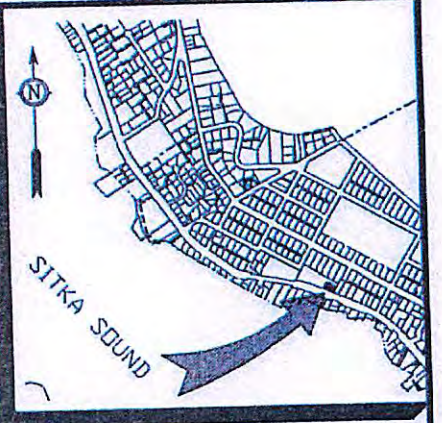
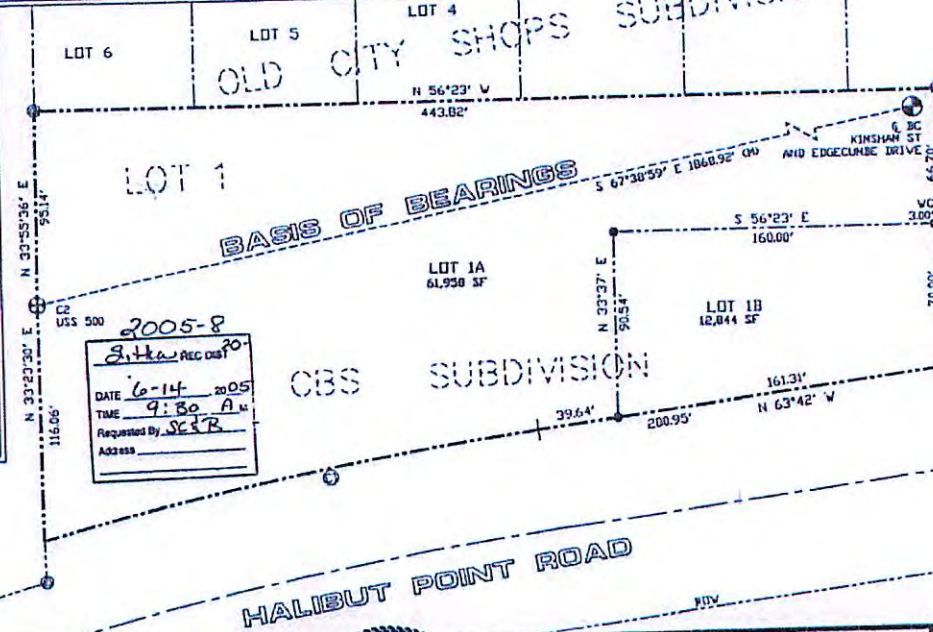
CERTIFICATE OF PAYMENT OF LOCAL IMPROVEMENT DISTRICT

I, THE UNDERSIGNED, BEING DULY APPOINTED AND QUALIFIED, AND FINANCE DIRECTOR FOR THE CITY & BOROUGH OF SITKA, DO HEREBY CERTIFY THAT, ACCORDING TO THE RECORDS OF THE CITY & BOROUGH OF SITKA, THE FOLLOWING DESCRIBED PROPERTY IS CARRIED ON THE RECORDS IN THE NAME OF *City of Sitka*

ALL OWNERS OF RECORD, AND THAT, ACCORDING TO THE RECORDS IN MY POSSESSION, ALL L.I.E.S. ASSESSED AGAINST SAID LANDS AND IN FAVOR OF THE CITY & BOROUGH OF SITKA ARE PAID IN FULL.

DATED THIS 21st DAY OF May 2005
AT SITKA, ALASKA

[Signature]
FINANCE DIRECTOR
CITY & BOROUGH OF SITKA



LEGEND

- ⊕ PRIMARY CONTROL MONUMENT RECOVERED (BRASS CAP)
- ⊗ BLIND/OLD PRIMARY BRASS CAP (RECOVERED)
- SECONDARY MONUMENT (SET)
- REBAR AND YPC (RECOVERED)
- REBAR (RECOVERED)
- ⊙ REBAR AND ALUM. CAP (RECOVERED)
- (R) RECORDED DATA
- (C) COMPUTED DATA
- (M) MEASURED DATA

CURVE DATA:

- ⊙ Δ = 7°52'29"
- ⊙ R = 1016.11'
- ⊙ L = 249.60'
- ⊙ CHD L = 249.41'
- ⊙ CHD BRG = N 67°41'25" W



O'NEILL
SURVEYING AND ENGINEERING

BOX 1849 SITKA, ALASKA 99835
PHONE: (907) 747-6700
FAX: (907) 749-7298
EMAIL: o'neill@o'neillsurvey.com

BY	DATE	REV.

RECORD 1



DESIGNED BY: *[Signature]*
DRAWN BY: *[Signature]*
CHECKED BY: *[Signature]*

SURVEYOR'S CERTIFICATE

I HEREBY CERTIFY THAT I AM A REGISTERED SURVEYOR, LICENSED IN THE STATE OF ALASKA, AND THAT IN ACCORDANCE WITH THE SURVEYOR'S ACT, I HAVE CONDUCTED THIS SURVEY UNDER MY DIRECT SUPERVISION AND THAT THIS PLAN IS A TRUE AND ACCURATE REPRESENTATION OF THE SURVEY, AND THAT ALL ENGINEERING AND OTHER WORKING TO THIS FIELD NOTES.

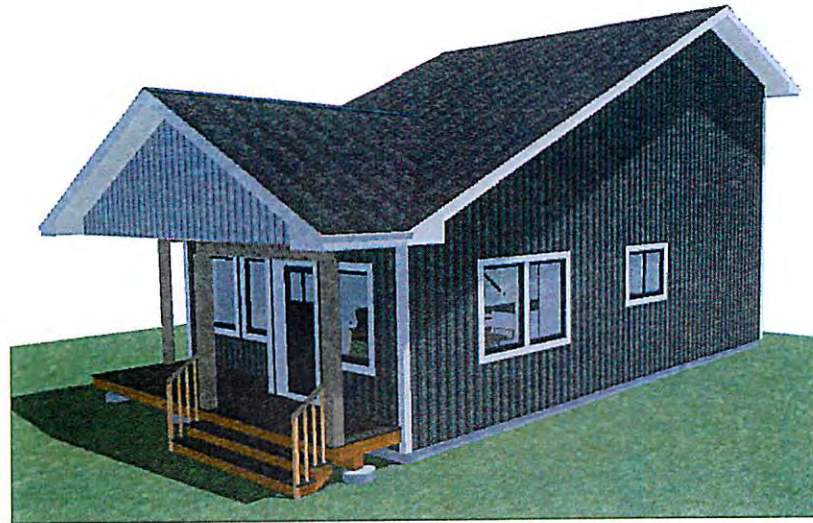
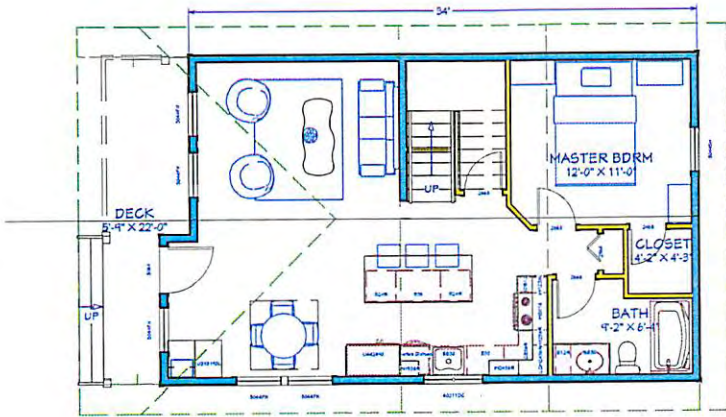
[Signature]
PATENT & MEAL, LE 634

LITTLE CRITTER SUBDIVISION

LOT 1
CBS SUBDIVISION

CLIENT: CITY AND BOROUGH OF SITKA

Sitka Community Land Trust
Planned Unit Development
1306 Halibut Point Road

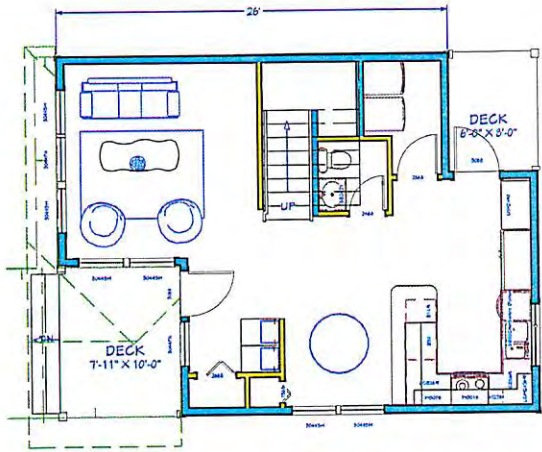


LIVING AREA
374 SQ FT

2nd Floor

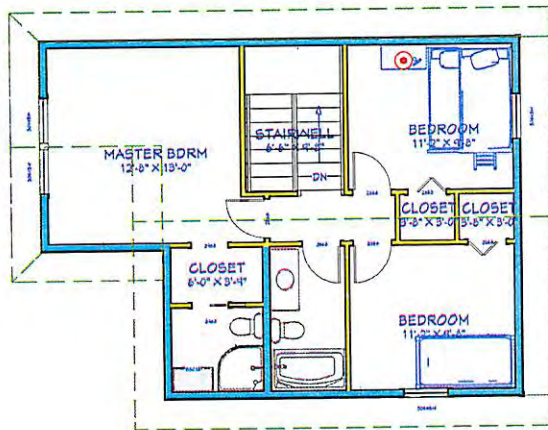


NO.		DESCRIPTION		BY	DATE
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PROJECT DESCRIPTION: CLT 3Bd					
DRAWINGS PROVIDED BY:					
DATE:		6/7/16			
SCALE:					
SHEET:					
A-1					

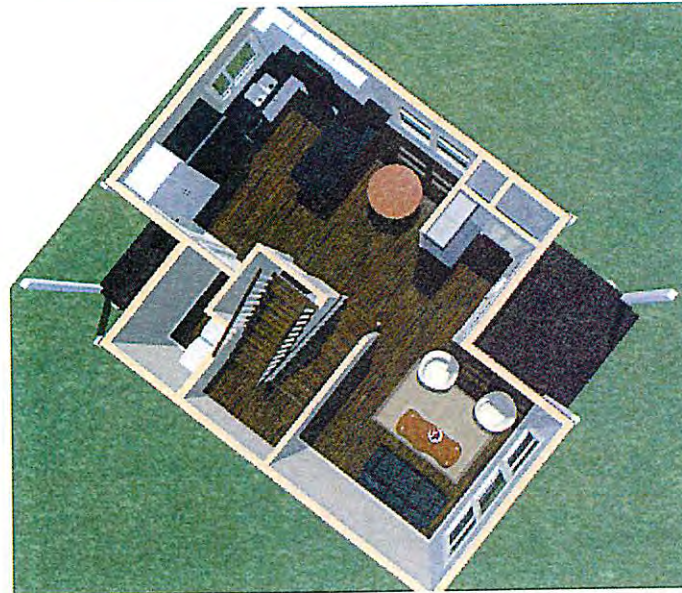
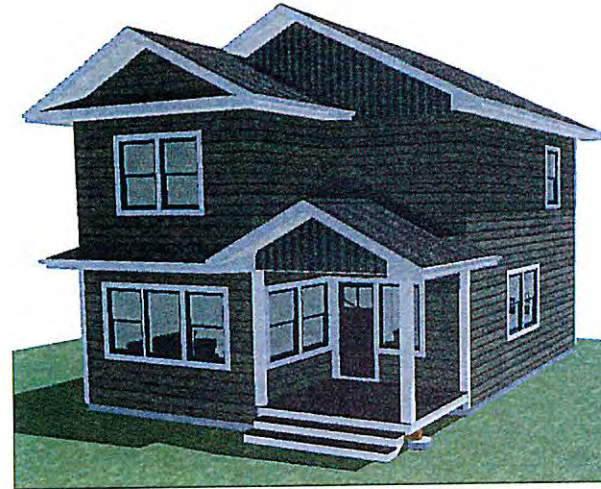


LIVING AREA
640 SQ FT

1st Floor



LIVING AREA
621 SQ FT



NO.		DESCRIPTION		BY	DATE
SHEET TITLE: SHEET TITLE					
PROJECT DESCRIPTION: CLT 3Bd					
DRAWINGS PROVIDED BY:					
DATE: 6/7/16					
SCALE:					
SHEET: A-2					

speculative at this point. No insurance agency in Sitka will currently provide difference in conditions (DIC) insurance, although a property in the vicinity of the Kramer slide was able to obtain a DIC policy. Scarcelli stated that he has not heard back from any of the lenders he contacted. Scarcelli stated that the ordinance wouldn't be the source of insurance and finance complications, but those would be more related to the hazard mapping. Staff recommend moving the ordinance forward to the Assembly and listing any concerns. Scarcelli read a memo from Assembly Liaison Kevin Knox encouraging the commission to move the ordinance forward to the Assembly.

No public comment.

Windsor stated that he thinks the ordinance has been well thought out and he's 100% behind it. Hughey stated that the ordinance is about the best we can do. Pohlman stated that she's okay moving forward.

Hughey/Parmelee moved to advance the ordinance to the Assembly with the RECOMMENDATION of approval.

Motion PASSED 3-2 with Spivey and Pohlman voting against.

G

Public hearing and consideration of a preliminary plat for a planned unit development at 1306 Halibut Point Road, submitted by Sitka Community Land Trust. The property is also known as Lot 1A of Little Critter Subdivision. The request is filed by Sitka Community Land Trust. The owner of record is the Sitka Community Development Corporation.

Scarcelli stated that the proposal has gone through several approvals and now it is coming forward for final approval before being forwarded to the Assembly for approval. Scarcelli used photos to show the lot, flagging, and the retaining wall. Scarcelli stated that the easement running between the lots have been expanded since the preliminary approval resulting from discussions between the applicant, Planning, and Public Works staff. Density is appropriate for the zone. The property will exceed parking requirements. DOT will require consultation regarding driveway and drainage. Windsor asked about the handling of property tax. Scarcelli stated that taxation of the land will depend in part on the wording of the homeowner agreement. Further, property tax is out of the purview of the Planning Commission and is a business decision of the owner. Scarcelli stated that the lessee of 725 Siginaka Way will pay property tax.

Spivey asked Hughey to recuse himself and Hughey stepped down.

Hughey spoke as the applicant and stated that the homeowners will pay property tax on the land. Hughey stated that he has been working with the vet clinic owners on parking. Hughey stated that the plat outlines the maximum buildable area and the properties will not require variances. Hughey stated that the Sitka Community Land Trust (SCLT) is working on a name for the site and are open to suggestion. Ben Kraft came forward and stated that the front three lots will fit one-bedroom or two-bedroom homes.

Scarcelli read a letter from the owners of the vet clinic, Victoria Vosburg, and Burgess Bauder, who have objections to the parking layout. Scarcelli stated that each property owner is responsible for providing the appropriate amount of parking on their own lot. Scarcelli noted that SCLT is making good faith

efforts to work with their neighbors.

Spivey stated that he has heard from numerous community members that this is not the right approach, and stated his belief that it's not the best use of the property. Parmelee stated that he believed the general consensus was that this is a good use of the property, and stated his only concern is that the property will be aesthetically pleasing. Spivey stated that there's a difference between affordable housing and affordable homeownership. Windsor thinks this is a good test model. Parmelee stated that this model is working well down south. Pohlman stated that she is ready to move forward.

Windsor/Parmelee moved to APPROVE the final plat for a planned unit development at 1306 Halibut Point Road, submitted by Sitka Community Land Trust subject to the attached conditions of approval. The property is also known as Lot 1A of Little Critter Subdivision. The request is filed by Sitka Community Land Trust. The owner of record is Sitka Community Development Corporation.

Conditions of Approval:

1. A complete as-built survey will be required to capture all existing utilities on the parcel (including drainage, prospective French drain, etc.).
2. Plat notes and development shall ensure no encroachment on city assets or existing utility easements.
3. Parking shall be provided on-site, off-street, in the amount of 1.5 spaces per dwelling unit.
4. The boundary of the building footprints are the maximum size of buildings allowed within each lot and shall act as setbacks. No variances shall be granted for deviations from plat setbacks as shown and noted on the final plat. Note: Setbacks are measured from lot lines to drip lines/eaves.
5. Any grading or geotechnical work performed or required on the property shall obtain any applicable permit(s) and be completed by an appropriate professional. It should be noted that there could be additional development costs associated with slope stabilization.
6. Installation of water and sewer mains would require engineered plans and approvals via Alaska Department of Environmental Conservation. In addition, CBS would require a clear understanding of the ownership of new utility lines, easements, and perhaps shared user agreements.
7. Alaska Department of Transportation is the jurisdiction for approving driveway permits along Halibut Point Road. Applicant should consult with the DOT regarding traffic and driveway plans. All applicable DOT approvals shall be received prior to use of any driveways, parking lots, or access points.
8. All easement, access, and utility agreements shall be approved by Public Works and the Planning and Community Development Department prior to recording. Such agreements shall be referenced on the plat, via a note, and shall be recorded prior to Final Plat being recorded.

Motion PASSED 3-1 with Spivey voting against.

H

Public hearing and consideration of a preliminary plat of a minor subdivision at 180 Price Street. The property is also known as Tract 1B Mountain View Phase II Subdivision. The request is filed by Jeremy Twaddle for Mountain View Estates. The owner of record is Mountain View Estates, LLC.

Spivey stated that he has a business relationship with the applicant but that he

owners. Scarcelli stated that the building department currently requires studies and mitigation when they deem necessary. Scarcelli stated that the draft ordinance doesn't give 100% protection to anyone. Spivey asked if there would be any notice given to adjacent owners and Scarcelli stated no. Yerkes stated that staff had lengthy discussion about notice. Yerkes stated that the waiver is between the city and the signing property owner. The waiver is not the ideal vehicle for harnessing concerns of nearby properties. Yerkes stated that existing code addresses impacts on downhill properties in regard to such concerns as drainage. Pohlman stated that drainage issues do exist in Sitka, and equations are used to determine appropriate drainage. Pohlman questioned whether these equations have been shown to be appropriate for Alaska. Yerkes stated that this ordinance is simply enabling language to give property owners a path toward development.

Windsor stated that he can't see anything to add or subtract from the ordinance. Parmelee stated that more information would be helpful but was overall supportive of the ordinance. Pohlman stated that there's nothing in this ordinance that precludes the city from helping the small handful of homeowners who were impacted by the 2015 landslides. Commissioner Parmelee asked if staff could work with property owners prior to the passage of the ordinance. Yerkes stated that code does provide for appropriate geotechnical analysis requirements, and some homeowners would be stopped without a waiver. Parmelee stated that the commission should move forward with this if staff is comfortable with it. Scarcelli stated that each staff member would have a range of views and concerns, but this ordinance is a middle of the road approach and could be one tool among many. Yerkes stated that the city has to balance laissez faire government with interventionist government. Scarcelli encouraged commissioners to raise questions. Pohlman stated that information on insurance accessibility is necessary. Windsor asked what would happen if the ordinance doesn't go through. Yerkes stated that the city must use the municipal code, but it is hard to make a determination on hypothetical scenarios. Scarcelli stated that the building department currently requires geotechnical analysis when they determine it to be necessary. There are pros and cons to each option. Spivey stated that he would like to get more information but understands the need to get something on the books. Spivey wants to know more about the impacts of waivers on property owners who receive them. Yerkes stated that the city does not make insurance decisions. Spivey asked that if this ordinance passes the city could do some homework to find insurance companies to be willing to provide coverage with waivers. Scarcelli stated that he is willing to do what he can to gather information. Yerkes questioned the helpfulness of surveying insurance companies with hypothetical scenarios. Pohlman asked if any staff have called any insurance companies. Windsor asked what the difference is going to be – if a property is high risk, the insurance company will not insure it with or without a waiver. Windsor stated that property owners should have options. Spivey stated that he is fine moving forward but he would like for further inquiry to occur into insurability.

Windsor/Parmelee moved to direct city staff to research and report on the potential impact the waiver would have on potential insurability and finance-ability.

Motion PASSED 4-0.

F

Public hearing and consideration of a preliminary plat for a planned unit

development at 1306 Halibut Point Road, submitted by Sitka Community Land Trust. The property is also known as Lot 1A of Little Critter Subdivision. The request is filed by Sitka Community Land Trust. The owner of record is the Sitka Community Development Corporation.

Scarcelli stated that the property was sold to Sitka Community Land Trust for the development of affordable housing. This is the preliminary approval hearing for the planned unit development. The plat shows maximum building footprint. The zone allows 24 units per acre, and the proposal is for 5 units per acre. Some of the lot is not buildable. DOT has requested that SCLT work with them as soon as possible on driveway and drainage permits. Parking would be provided at the rate of 1.5 spaces per dwelling unit. Staff recommend approval subject to conditions of approval.

Mim McConnell represented SCLT and introduced architect Ben Kraft. Windsor stated that he sees 9 parking spaces instead of 11, and Scarcelli clarified that Windsor was referencing a previous proposal. Parmelee asked about the area behind the proposed lots, and McConnell stated that most of it is rock wall. Parmelee stated concern for setback reductions. Scarcelli outlined setback requirements. McConnell stated that they may not build houses out to the maximum footprint. Spivey asked if SCLT is aiming for "tiny homes." McConnell stated that the homes will be small but will not be actual tiny homes. Spivey stated that he's not sure if he's comfortable with 5 and 10 foot setbacks. Parmelee stated support for small lots. Windsor called point of order.

No public comment.

Parmelee stated that he thinks small lots, reductions in setbacks, and loosening of building lot coverage percentages make sense for Sitka. Spivey stated concern with 5 and 10 foot setbacks. Parmelee stated that smaller lots can make housing more affordable.

Ben Kraft stated that the setbacks are based on cottage developments in other communities, and the planned unit development allows flexibility. Kraft stated that there will be 12-13 feet between most houses.

Parmelee/Windsor moved to APPROVE the preliminary plat for a planned unit development at 1306 Halibut Point Road, submitted by Sitka Community Land Trust subject to the attached conditions of approval. The property is also known as Lot 1A of Little Critter Subdivision. The request is filed by Sitka Community Land Trust. The owner of record is Sitka Community Development Corporation.

Conditions of Approval:

1. A complete as-built survey will be required to capture all existing utilities on the parcel (including drainage, prospective French drain, etc.).
2. Plat notes and development shall ensure no encroachment on city assets or existing utility easements.
3. Parking shall be provided on-site, off-street, in the amount of 1.5 spaces per dwelling unit.
4. The boundary of the building footprints are the maximum size of buildings allowed within each lot and shall act as setbacks. No variances shall be granted for deviations from plat setbacks as shown on the final plat. Note: Setbacks are measured from lot lines to drip lines/eaves.
5. Any grading or geotechnical work performed or required on the property

shall obtain any applicable permit(s) and be completed by an appropriate professional. It should be noted that there could be additional development costs associated with slope stabilization.

6. Installation of water and sewer mains would require engineered plans and approvals via Alaska Department of Environmental Conservation. In addition, CBS would require a clear understanding of the ownership of new utility lines, easements, and perhaps shared user agreements.

7. Alaska Department of Transportation is the jurisdiction for approving driveway permits along Halibut Point Road. Applicant should consult with the DOT regarding traffic and driveway plans. All applicable DOT approvals shall be received prior to use of any driveways, parking lots, or access points.

Motion PASSED 3-1.

Parmelee/Windsor moved to APPROVE findings that:

- a. That the proposed planned unit development complies with the comprehensive plan by providing for the enhancement of the quality of life in Sitka through the development of affordable housing options; and
- b. That the PUD would not be injurious to public health, safety, and welfare as conditioned.
- c. That the proposal complies with procedures outlined in Titles 21 and 22 of Sitka General Code.

Motion PASSED 4-0.

G

Public hearing and consideration of a conditional use permit request for a short-term rental at 1820 Edgecumbe Drive. The property is also known as Lot 12C Standerwick Subdivision. The request is filed by Zachary and Jacqueline Foss. The owners of record are Zachary and Jacqueline Foss.

Pierson described the request. The unit is on the second story of an attached garage and is inhabited by a long-term renter. The owners live in the attached primary unit. The applicants request to rent the apartment while the long-term renter is out of town. Access is from an easement and the lot is greater than the minimum square footage. No comments have been received. Staff recommend approval.

Jacqueline Foss stated that the staff report was accurate.

No public comment.

Spivey stated appreciation that this wouldn't take a unit away from the long-term rental pool.

Pohlman/Windsor moved to APPROVE findings that:

1. ...The granting of the proposed conditional use permit will not:
 - a. Be detrimental to the public health, safety, and general welfare;
 - b. Adversely affect the established character of the surrounding vicinity; nor
 - c. Be injurious to the uses, property, or improvements adjacent to, and in the vicinity of, the site upon which the proposed use is to be located, specifically, the short-term rental will operate periodically while the long-term renter travels.
2. The granting of the proposed conditional use permit is consistent and compatible with the intent of the goals, objectives, and policies of the comprehensive plan and any implementing regulation, specifically, conforms to Comprehensive Plan Section 2.6.2(K), which supports facilities to

Housing Authority. Motion PASSED 5-0.

R

Annual review of a conditional use permit granted to 115 Harvest Way, LLC for a metal welding and fabricating business at 115 Harvest Way Unit 3. The property is also known as Lot 1, Harvest Way Subdivision. The owner of record is 115 Harvest Way, LLC.

Pierson described the history of the conditional use permit.

Brian Schauwecker came forward to represent the conditional use permit. Windsor asked about fume exhaust. Schauwecker stated that exhaust went out the front. Schauwecker asked to begin summer hours in March. Bosak directed Schauwecker to submit a minor amendment to the planning office.

Parker Song/Hughey moved to APPROVE the annual review for the conditional use permit granted to 115 Harvest Way, LLC for a metal welding and fabricating business at 115 Harvest Way Unit 3. The property is also known as Lot 1, Harvest Way Subdivision. The owner of record is 115 Harvest Way, LLC. Motion PASSED 5-0.

S

Annual review of a conditional use permit granted to Delta Western for a bulk fuel facility at 5309 Halibut Point Road. The property is also known as a 1.92 acre portion of Lot 5, US Survey 3670, as shown on the property lease plat recorded as Plat 84-7. The owner of record is Samson Tug & Barge.

Pierson described the history of the conditional use permit, and clarified that the permit is for a bulk fuel facility.

Kirk Payne came forward to represent Delta Western. Bosak stated that the conditional use permit process involved rigorous comment.

Windsor/Hughey moved to APPROVE the annual review of the conditional use permit granted to Delta Western for a bulk fuel facility at 5309 Halibut Point Road. The property is also known as a 1.92 acre portion of Lot 5, US Survey 3670, as shown on the property lease plat recorded as Plat 84 7. The owner of record is Samson Tug & Barge. Motion PASSED 5-0.

M

Public hearing and consideration of a concept plan for a planned unit development at 1306 Halibut Point Road, submitted by Sitka Community Land Trust. The property is also known as Lot 1A of Little Critter Subdivision. The request is filed by Sitka Community Land Trust. The owner of record is the Sitka Community Development Corporation.

Hughey recused himself to speak as the applicant.

Scarcelli described the history of the property and the details of the request. The proposal not only includes homes, but trails and a terrace garden. Scarcelli suggested that the applicant consult with Alaska DOT in regard to driveway permits. The proposal offers an excess of parking. Staff recommends approval of the concept plan.

Randy Hughey represented Sitka Community Land Trust. Hughey stated that the vet clinic uses some of this lot for parking, and the SCLT will work with the clinic. Bosak stated that parking is contained to the lot. Hughey stated that he sent a packet to DOT and had 3 conversations with DOT workers. Hughey stated that he and DOT had discussed the possibility of decreasing the speed

limit. Hughey stated that SCLT is aware of the DEC report, and they will dig as little as possible. Hughey stated that SCLT is intentionally creating community, and will select applicants accordingly. Spivey asked about the design. Hughey stated that people like single family houses, and SCLT wants to maintain green space. Spivey asked why not do higher density, as with condo units. Hughey stated that the board believes this is what Sitkans want. Parker Song stated that she believes Sitka needs both small homes and condos. Windsor stated that the SCLT conducted a survey of renters who wish to buy, and this data informed the makeup of the planned units. This property will operate as a land trust, wherein the purchaser only buys the building.

Windsor/Parker Song moved to APPROVE the concept plan for a planned unit development at 1306 Halibut Point Road, submitted by Sitka Community Land Trust. The property is also known as Lot 1A of Little Critter Subdivision. The request is filed by Sitka Community Land Trust. The owner of record is the Sitka Community Development Corporation. Motion PASSED 3-1. Spivey voted against.

V. PLANNING DIRECTOR'S REPORT

Bosak stated that the May 3 meeting will be at the Senior Center. Parker Song stated that she will be out of town for the May 3 meeting. Bosak stated that the first chapters of the land use plan will be included in the May 3 packet.

VI. PUBLIC BUSINESS FROM THE FLOOR

VII. ADJOURNMENT

Windsor/Parker Song moved to ADJOURN at 10 PM. Motion PASSED 5-0.

ATTEST: _____
Samantha Pierson, Planner I



City and Borough of Sitka

100 Lincoln Street • Sitka, Alaska 99835

Coast Guard City, USA

Planning and Community Development Department

P 16-04 Final Plat Planned Unit Development at 1306 Halibut Point Road

Case No: P 16-04
Proposal: Final Plat Planned Unit Development at 1306 Halibut Point Road
Applicant: Sitka Community Land Trust
Owner: Sitka Community Development Corporation
Location: 1306 Halibut Point Road
Legal Description: Lot 1A Little Critter Subdivision
Zone: R-2 – Multifamily residential district.
Size: approx. 61,958 square feet
Parcel ID: 1-4707-001
Existing Use: Vacant
Adjacent Use: Residential, Mixed Use (Vet Clinic and Residence)
Utilities: City Utilities Available
Access: HPR

KEY POINTS AND CONCERNS: The following points are the considerations that the code requires in review of a Planned Unit Development:

- Is there sufficient light, air, and open space?
 - (e.g. is lot size ok, are setbacks adequate)?
- Is the density of the project (building coverage to lot size ratio) sufficient?
- Does the proposal fit with surrounding land uses?
 - Impact to northern properties view shed?
- Is traffic circulation (driveways, parking, and sidewalks) appropriate?
- Is this orderly, well arranged and planned development?
 - Does the proposal meet all the needs required in a subdivision plat?
- Any other negative impacts to the public's health, safety, and welfare?
 - Landslide risk?
 - Traffic impacts?
 - Property value impacts?
- If there are any negative impacts identified, are they able to be mitigated?
 - If so, can those mitigation measures be conditions of approval?
- The City Assembly has approved the concept of this PUD and by ordinance sold the property for the purposes of affordable housing. The questions for the Planning Commission is to review this proposal pursuant to the existing PUD code.
- **Key Update:** middle easement and property lines amended to better protect utilities, access, maintenance, and also solve property tax issues as well as guarantee setbacks in those areas will be honored.

RECOMMENDATION: Approve the final plat for the SCLT Subdivision subject to the conditions of approval.

Providing for today...preparing for tomorrow

ATTACHMENTS

Attachment A: Vicinity Map
Attachment B: Aerial Vicinity Map
Attachment C: Zoning Map
Attachment D: Parcel Pictures
Attachment E: Existing Plat
Attachment F: Proposed Final Plat
Attachment G: Proposed Homes

Attachment H: Supplemental Info
Attachment I: Proposed Agreements
Attachment J: Application
Attachment K: Flood Zone Map
Attachment L: Mailing List
Attachment M: Proof of Payment
Attachment N: Warranty Deed

BACKGROUND

On October 3, 2006, the community voted to sell 1306, 1410, and 1414 Halibut Point Road for the purpose of affordable housing development, not subject to competitive bid.¹ On November 24, 2015, the Assembly voted to transfer 1306 Halibut Point Road to Sitka Community Development Corporation for the purpose of promoting permanently affordable home ownership by placing affordable homes on the market. Future expansion of the project to include the additional parcels are subject to “clear demonstration ... that they are able to use such parcels consistent with the October 3, 2006 vote” pursuant to Ordinance 2015-56. At that time the City Assembly was able to review the essence of the concept plan that was later approved by the Planning Commission.

The concept had been approved by the City Assembly and the Planning Commission.² While the proposal does add a seventh dwelling unit, staff feels this level of flexibility is envisioned in the Planned Unit Development regulations (see below). Staff had previously wanted an additional concept review for aspects of the proposal that have since been removed. Overall, staff feels the preliminary plat is the proper stage in the process for this.

PROJECT DESCRIPTION

The applicant has proposed 7 lots as follows in a R-2 multifamily residential zoning district³:

1. Lot 1: 3,506 sf.
2. Lot 2: 3,343 sf.
3. Lot 3: 3,512 sf.
4. Lot 4: 3,639 sf.
5. Lot 5: 2,890 sf (2,357 net sf).

¹ Ordinance 2015-56

² Planning Commission Approved Concept Plat at April 19, 2016 meeting. (Concept plans were included in the ordinance passed by the City Assembly although it was not a per se concept plan approval)

³ These square footages will differ due to amendment by applicant that staff have not seen a final draft, but have reviewed the concept in general; staff support the modification.

6. Lot 6: 2,218 sf (1,755 net sf)
7. Lot 7: 2,412 sf (1,897 net sf).

The applicant proposes two driveway access points. The first is located at the SE corner of the property adjacent to the vet clinic. This is the prime access for Phase I. Although not shown, as part of their larger concept, the project does envision a second driveway access on the NW portion of the property. However, these additional access points are not necessary or intrinsic to this portion of the project. In other words, this phase can operate alone, as designed, regardless of whether other phases occur.

For parking, applying existing parking code requires 2 spaces per dwelling unit; however, SGC Section 22.20.100(G)(1) requires only 1.5 spaces per dwelling unit for buildings with 5 or more units. It is staff's opinion that this type of development is most similar to that parking requirement due to its compact nature, small building size, location along highly walkable areas near the downtown corridors, and proximity to multi-modal transportation choices and bus stops. Therefore, staff recommends 1.5 spaces per dwelling unit for a total of 11 parking spaces on site for the 7 dwelling units. The areas provided for parking and open space would be sufficient to allow parking, ingress, and egress. Parking is conditioned to provide 1.5 spaces per dwelling unit.

The proposal also includes open space, walkways, and onsite lockable storage. Most importantly, it requests flexibility of specific choice of a range of single-family detached floorplans with a range of lot coverage to meet market demand.

Staff have requested details of lot coverage and setback distances. (Staff notes the plat is scaled, but dealing with rulers and a small plat does not produce efficient or accurate calculations on those details). Staff suggests the addition of those details.

ANALYSIS

Project/Site: The property is largely flat, and is currently ready for redevelopment with some preliminary grading and retaining work that has occurred. The lot has direct access from Halibut Point Road.

Lot size: Table 22.20-1 requires 8,000 s.f. for the first two units, and 1,000 s.f. for additional units. For 7 units, that would be 13,000 s.f. and the applicant has provided 21,928 s.f. In addition, code limits maximum unit density at 24 units per acre and the applicant has provided in their final plan 5 dwelling units per acre.

PUD Requirements CBS 21.28.010 General provisions for planned unit developments (PUD).

It is the intent of the city and borough to encourage **imaginative and innovative design** in the application of subdivision and improvement standards for subdivision developments proposed as planned unit cluster development projects, commercial centers, industrial parks, and shopping centers. Planned unit development proposals shall be subject to requirements of all existing city and borough ordinances, ***except as modified by this chapter*** to create development qualities different from those that result from conventional design. Projects developed under the provisions of this chapter should:

- A. ***Encourage the enhancement*** and conservation of lands which have scenic, environmental, cultural, and historical significance;
- B. ***Enable the development of property other than by the strict application*** of subdivision standards in order to allow for mixed uses and mixed densities, and provide a greater level of design features and site amenities;
- C. ***Provide for more efficient use of land***, resulting in better coordinated networks of utilities and safer networks of streets, promoting greater opportunities for public and private recreational open space, and resulting in lower construction and maintenance costs to the general public;
- D. ***Encourage harmonious and coordinated development of the site***, considering the natural features, community facilities, pedestrian and vehicular circulation in conformance with overall transportation plans, and the land use relationship with surrounding properties and the general community.

Departure from the subdivision regulations and standards requires demonstration that adequate provisions will be made for sufficient light and air, that the density of development is compatible with surrounding land uses, that pedestrian and vehicular traffic circulation systems are safe and efficient, that the development will progress in orderly phases, and that the public health, safety, and general welfare will be protected.⁴

Procedure: Planned Unit Developments shall follow the same process for major subdivision review and shall include approval by both Planning Commission Assembly and follow section 21.32.⁵ In includes Planning Commission review and approval of the concept, preliminary, and final plats, with additional review and action on the final plat by the Assembly.⁶

Traffic: Residential lots may result in higher traffic utilization than an undeveloped lot. Public comment during the land sale process raised concerns for traffic congestion and the absence of a turning lane in front of the proposed subdivision. A decreased speed limit and the addition of a turning lane could help to mitigate these concerns. As Halibut Point Road is state-owned, these issues are under the jurisdiction of Alaska DOT. Some comments about the limits on allowable driveways by the Alaska DOT have been received.

⁴ Section 21.28.010 (emphasis added)

⁵ Section 21.28.040—Procedure.

⁶ Section 21.32.010—General Outline of Procedure for Major Plat Approval.

Parking: As discussed above, code requires 1.5 per unit for multifamily buildings and staff feels this proposal is similar to that.⁷ Proposed parking areas appears sufficient.

Noise: Minimal concerns for noise beyond the construction period.

Public Health or Safety: There is some concern about landslide risk due to previous events. All grading and retaining wall work would require a building permit review.

This site previously had soil contamination. The Alaska DEC considers the clean-up to be closed, but advance DEC approval is required to transport soil or groundwater off-site.

Habitat: No concerns.

Property Value or Neighborhood Harmony: The proposed PUD lots are smaller than surrounding residential lots. Neighbors commented on the small sizes of the proposed lots during the land sale process, pointing out that neighboring lots must be a minimum of 8,000 square feet. The proposed lots are approximately 2218 to 3639 square feet each. The Municipal Assessor expressed the professional opinion that this development would not be detrimental to surrounding property values, as the local market has high demand.

City Utilities: Ordinance 2015-56, which authorized the land sale, stated that final platting should “ensure no encroachment on city assets or existing utility easements.” Public Works Engineer Dan Tadic stated that the applicant has proactively worked with staff to address utilities, and stated that a complete as-built survey will be required to capture all existing utilities on the parcel. Utilities and easements should be included on the final plat.

Additional comments from CBS

Chris Duguay, Building Official, and Dan Tadic, Municipal Engineer, reiterated the importance of clarifying and identifying any and all utilities within easements (including, but not limited to the storm water culvert and prospective french drain).

Comprehensive Plan:

The proposal is consistent with the Comprehensive Plan section 2.1.23, which states, “The City and Borough of Sitka will conduct its affairs and will use its resources, powers, and programs to seek, facilitate, maintain, and improve adequate, safe, and affordable housing.” This proposal seeks to develop an undeveloped parcel into affordable homes available for purchase. This project would make

⁷ Section 22.20.100(G)(1)

homeownership available to Sitkans who may not be able to afford other homes on the traditional real estate market.

Other Main Points for Consideration:

Purpose for Affordable Housing: The City Assembly specifically identified the purpose of the ordinance transferring ownership of this parcel to SCDC/SCLT ... “makes this parcel of CBS land available for an affordable home project” and “ensures this parcel remains available for affordable housing.”

Future Phases: All future use of lots 1410 and 1416 Halibut Point Road are speculative until the Assembly grants the sale based upon “clear demonstration ... that they are able to use such parcels consistent with the October 3, 2006 vote” pursuant to Ordinance 2015-56. Overall, this proposal appears to be able to operate as a self-sufficient development without the need for additional property. All access, utilities, and parking will be able to be met. In addition, future phases will be able to seamlessly integrate with this phase, should later phases of development occur.

FINDINGS:

Staff recommends the following findings:

- 1) That the proposed planned unit development complies with the comprehensive plan by providing for the enhancement of the quality of life in Sitka through the development of affordable housing options; and
- 2) That the PUD would not be injurious to public health, safety, and welfare as conditioned.
- 3) That the proposal complies with procedures outlined in Titles 21 and 22 of Sitka General Code.

RECOMMENDATION

It is recommended that the Planning Commission adopt the staff analysis and move to approve the final plat for the planned unit development at 1306 Halibut Point Road, filed by Sitka Community Land Trust.

RECOMMENDED MOTION

Move to approve the final plat for a planned unit development at 1306 Halibut Point Road, submitted by Sitka Community Land Trust subject to the attached conditions of approval. The property is also known as Lot 1A of Little Critter Subdivision. The request is filed by Sitka Community Land Trust. The owner of record is Sitka Community Development Corporation.

Conditions of Approval:

1. A complete as-built survey will be required to capture all existing utilities on the parcel (including drainage, prospective French drain, etc.).
2. Plat notes and development shall ensure no encroachment on city assets or existing utility easements.
3. Parking shall be provided on-site, off-street, in the amount of 1.5 spaces per dwelling unit.
4. The boundary of the building footprints are the maximum size of buildings allowed within each lot and shall act as setbacks. No variances shall be granted for deviations from plat setbacks as shown and **noted** on the final plat. Note: Setbacks are measured from lot lines to drip lines/eaves.
5. Any grading or geotechnical work performed or required on the property shall obtain any applicable permit(s) and be completed by an appropriate professional. It should be noted that there could be additional development costs associated with slope stabilization.
6. Installation of water and sewer mains would require engineered plans and approvals via Alaska Department of Environmental Conservation. In addition, CBS would require a clear understanding of the ownership of new utility lines, easements, and perhaps shared user agreements.
7. Alaska Department of Transportation is the jurisdiction for approving driveway permits along Halibut Point Road. Applicant should consult with the DOT regarding traffic and driveway plans. All applicable DOT approvals shall be received prior to *use* of any driveways, parking lots, or access points.
8. All easement, access, and utility agreements shall be approved by Public Works and the Planning and Community Development Department prior to recording. Such agreements shall be referenced on the plat, via a note, and shall be recorded prior to Final Plat being recorded.

Samantha Pierson

From: Victoria Vosburg <baldeaglevet@gmail.com>
Sent: Tuesday, April 11, 2017 4:58 PM
To: Planning Department
Subject: 1306 Halibut Point Road

Dear Planning Commission Members,

This email is in reference to Evening Business Item G, 1306 Halibut Point Rd.

I would like to begin by stating that I fully support the idea of affordable housing and believe it is imperative that this next phase be a success.

Parking is a key issue for the affordable housing residents and our established veterinary businesses, Pet's Choice Veterinary Hospital and Sitka Veterinary Clinic. The SCLT has made a commitment to provide shared parking for the veterinary clinics as well as continue the access easement to our property. I do not feel that the current design allows for an adequate number of spaces. If parking were allowed on Halibut Point Road, this issue would be manageable. However, since there are no spaces for overflow, it is important to get things right with the design the first time.

One suggestion has been for veterinary clients to park at the north end of the Old City Shops. Because so many of our patients are sick or injured, we do not feel that this is an acceptable solution.

We ask that the planning commission carefully consider the parking issue before approving this design.

Victoria Vosburg, DVM
Burgess Bauder, DVM

--

Victoria Vosburg, DVM
Pet's Choice Veterinary Hospital
Alaska Raptor Center Consulting Veterinarian
Sitka Mountain Rescue/Sitka Volunteer Fire Department Incident Management Team
Audubon Christmas Bird Count Coordinator

Samantha Pierson

From: Heidemann, Marie E (DOT) <marie.heidemann@alaska.gov>
Sent: Friday, March 17, 2017 12:47 PM
To: Samantha Pierson
Cc: Haynes, Emily R (DOT); Stevens, Mike A (DOT); Epstein, David B (DOT)
Subject: RE: Planning Commission Packet - March 21

Samantha,

DOT&PF Southcoast Region has no objection to the plat approval for Halibut Point Road Planned Unit Development (P 16-04), but please do remind the applicant that before construction begins driveway permits and calculations showing no impact to our drainage infrastructure will be required. It is advised to submit these permit requests and plan sets as early as possible to avoid project delays.

Thank you,

Marie Heidemann
Transportation Planner
ADOT&PF
465-1775

From: Samantha Pierson [mailto:samantha.pierson@cityofsitka.org]
Sent: Friday, March 17, 2017 12:02 PM
To: Bryan Bertacchi; Chris Duguay; Dan Tadic; David Longtin; Jeff Ankerfelt; KCAW; Maegan Bosak; Heidemann, Marie E (DOT); Mark Buggins; Mark Gorman; Michael Harmon; Michael Scarcelli; O'Neill Engineering; Pat Swedeen; Reuben Yerkes; Robin Koutchak; Ruth Joens; Sara Peterson; Sue - Sentinel; Wendy Lawrence
Subject: Planning Commission Packet - March 21

Good afternoon,

The March 21st Planning Commission packet is now available for download at <https://sitka.legistar.com/Calendar.aspx>.

Sam

Samantha Pierson
Planner I
City and Borough of Sitka
100 Lincoln Street
Sitka, AK 99835
(907) 747-1814

Samantha Pierson

From: Aleeta Bauder <a.l.bauder@att.net>
Sent: Monday, April 11, 2016 12:15 PM
To: Planning Department
Subject: April 19 2016 M P 16-04

April 19, 2016 M P 16-04 Sitka Community Land Trust
1306 HPR

From: Aleeta Bauder 1309 HPR

My comments and concerns are as follows:

I live directly across the street from lot 12 in this planned development. I believe in the 'Land Trust' concept, however, there **is not a turn lane** in this area and it is **dangerous** to turn into properties when crossing the oncoming lane. Traffic gets backed up while waiting to turn. Cars slow down or stop to turn and often get rear ended. There are many fender-benders in this area. My fence has been plowed into and crushed 3 times in the past several years. Also getting onto HPR is difficult during morning rush, at lunch hour and evening rush hour.

I have expressed my concerns to Randy Hughey, that I would like to see Mills Street punched through into the project area as a way to alleviate 'some' of the traffic problems.

Thank you for your service and attention to this matter ~ Aleeta Bauder

Samantha Pierson

From: Heidemann, Marie E (DOT) <marie.heidemann@alaska.gov>
Sent: Friday, April 15, 2016 11:41 AM
To: Samantha Pierson
Cc: Haynes, Emily R (DOT); Epstein, David B (DOT); Stevens, Mike A (DOT)
Subject: RE: New development on Halibut Point Road

Samantha,

Please accept these comments from ADOT&PF Southcoast Region:

- The development will require a driveway or approach road permit. As HPR is an arterial, only one access point would be allowed unless we can be convinced of an extenuating circumstance requiring more than one. The speed here is 30 mph and therefore the required sight distance is 200 ft.
- Site drains to DOT ROW, needs to show no adverse impact to DOT drainage structures

Thanks for the opportunity to comment.

Marie Heidemann
Transportation Planner
Southcoast Region, ADOT&PF
465-1775

From: Samantha Pierson [mailto:samantha.pierson@cityofsitka.org]
Sent: Thursday, April 14, 2016 9:07 AM
To: Heidemann, Marie E (DOT)
Cc: Haynes, Emily R (DOT); Epstein, David B (DOT)
Subject: RE: New development on Halibut Point Road

Marie,

I have attached the supporting documents for this proposal.

Sam

Samantha Pierson
Planner I
City and Borough of Sitka
100 Lincoln Street
Sitka, AK 99835
(907) 747-1814



CITY AND BOROUGH OF SITKA
 PLANNING AND COMMUNITY DEVELOPMENT DEPARTMENT
 GENERAL APPLICATION FORM

1. Request projects at least **FOURTEEN (14)** days in advance of next meeting date.
2. Review guidelines and procedural information.
3. Fill form out **completely**. No request will be considered without a completed form.
4. Submit all supporting documents and proof of payment.

APPLICATION FOR: VARIANCE CONDITIONAL USE
 ZONING AMENDMENT PLAT

BRIEF DESCRIPTION OF REQUEST: to create a Planned Unit Development
on the Old City shops property

PROPERTY INFORMATION:

CURRENT ZONING: R-2 PROPOSED ZONING (if applicable): _____
 CURRENT LAND USE(S): vacant* PROPOSED LAND USES (if changing): cottage neighborhood
 *devoted by referendum to affordable housing

APPLICANT INFORMATION:

PROPERTY OWNER: Sitka Community Land Trust
 PROPERTY OWNER ADDRESS: PO Box 6161
 STREET ADDRESS OF PROPERTY: 1306 HPR
 APPLICANT'S NAME: Randy Hughey
 MAILING ADDRESS: 220 Lakeview Dr., Sitka
 EMAIL ADDRESS: randyushughey@gmail.com DAYTIME PHONE: 738-2999

PROPERTY LEGAL DESCRIPTION:

TAX ID: 14707001 LOT: 1306 BLOCK: _____ TRACT: _____
 SUBDIVISION: Crit US SURVEY: _____

OFFICE USE ONLY			
COMPLETED APPLICATION		SITE PLAN	
NARRATIVE		CURRENT PLAT	
FEE		PARKING PLAN	

REQUIRED SUPPLEMENTAL INFORMATION:

- Completed application form
- Narrative
- Site Plan showing all existing and proposed structures with dimensions and location of utilities
- Proof of filing fee payment
- Proof of ownership
- Copy of current plat
- Topographic information (If Pertinent to Application)
- Landscape Plan (If Pertinent to Application)
- Drainage and Utility Plan (If Pertinent to Application)
- Parking Plan (For Conditional Use Permit)
- Floor Plan (For Conditional Use Permit)
- Three (3) copies of concept plat (For Plat)
- Plat Certificate from a title company (For Plat)

CERTIFICATION:

I hereby certify that I am the owner of the property described above and that I desire a planning action in conformance with Sitka General Code and hereby state that all of the above statements are true. I certify that this application meets SCG requirements to the best of my knowledge, belief, and professional ability. I acknowledge that payment of the review fee is non-refundable, is to cover costs associated with the processing of this application, and does not ensure approval of the request. I understand that public notice will be mailed to neighboring property owners and published in the Daily Sitka Sentinel. I further authorize municipal staff to access the property to conduct site visits as necessary.



Owner



Date

Applicant (If different than owner)

Date

February 21, 2017 Planning Commission Meeting

Sitka Community Land Trust
Old City Shops Cottage Neighborhood
Conceptual Plans Narrative

The enclosed neighborhood designs represent significant changes from the plans which were approved in 2016. As such, we decided it best to present them to the Planning Commission again.

Specifically:

- There are seven houses rather than six in this plat
- We are asking for approval of 1.5 parking spaces per home (11 spaces for 7 houses)
- We have arranged the parking to provide more spaces nearer houses
- This parking arrangement will require a temporary 40' parking access easement
- The plat indicates a proposed land sale or lease for parking at the Vet clinic

The packet includes some home designs. Please view these as conceptual only. We are working to refine the designs for balance between affordability, livability, and visual appeal.

The plat revisions have been done by Ben Kraft of NorthWind Architects.

Narrative for Planning Application Form

March 21, 2016

The Old City Shops property has been devoted to affordable housing by referendum. The first of three parcels making up the property, lot 1306, has been acquired by the Sitka Community Land Trust (SCLT) via ordinance 2015-56. It is the intention of SCLT to develop a 'cottage neighborhood' as per the concept described in the 5 page document attached.

Funding to install utilities, deal with water issues, and grade the site prior to construction of the houses is pending. The City Public Works and Water departments have been consulted on the conceptual design.

It is the hope of the Sitka Community Land Trust that the 'dirt work' on this site can be begun in the summer of 2016 and actual home construction can begin in the fall.

Randy Hughey, President, SCLT

Sitka Community Land Trust
Planned Unit Development
1306 Halibut Point Road

CITY AND BOROUGH OF SITKA

ORDINANCE NO. 2015-56

AN ORDINANCE OF THE CITY AND BOROUGH OF SITKA (CBS) AUTHORIZING THE TRANSFER/SALE OF A PORTION OF CITY AND BOROUGH OF SITKA'S "OLD CITY SHOPS" PROPERTY LOCATED AT 1306 HALIBUT POINT ROAD FOR AN AFFORDABLE HOUSING PROJECT THAT IS NOT SUBJECT TO COMPETITIVE BID AND IS AVAILABLE TO ALL REGARDLESS OF ETHNICITY TO THE SITKA COMMUNITY DEVELOPMENT CORPORATION (SCDC)

1. **CLASSIFICATION.** This ordinance is not of a permanent nature and is not intended to become a part of the Sitka General Code.

2. **SEVERABILITY.** If any provision of this ordinance or any application to any person or circumstance is held invalid, the remainder of this ordinance and application to any person or circumstances shall not be affected.

3. **PURPOSE.** On October 3, 2006 a majority of qualified voters of the municipality authorized the disposal of the "Old City Shops" property located at 1306, 1410 and 1414 Halibut Point Road for an affordable housing project without being subject to competitive bid, as previously required by Ordinance 2000-1584, and that will be available to all regardless of ethnicity. Sitka Community Development Corporation will gain ownership of Parcel 1306, along with durable affordability controls over the resale of any home built on that land, ensuring that the subsidized homes remain affordable for generations to come. Sitka has made both a social priority of promoting affordable home ownership and a fiscal priority of protecting the public's investment in affordable housing.

This ordinance authorizes and specifies the terms of the land transfer/sale; and 1) makes this parcel of CBS land available for an affordable home project; and, 2) ensures this parcel remains available for affordable housing in the future. The Municipality and the Sitka Community Development Corporation are cooperating in this pilot project. Parcels 1410 and 1414 will be transferred/sold by similar ordinance to SCDC at a future date, pending clear demonstration by SCDC that they are able to use such parcels consistent with the October 3, 2006 vote.

4. **ENACTMENT.** NOW, THEREFORE, BE IT ENACTED by the Assembly of the City and Borough of Sitka that:


- A. The transfer/sale of the "Old City Shops" property located at 1306, Halibut Point Road to SCDC is hereby authorized.
- B. This transfer/sale will allow for a cooperative project that results in promoting permanently affordable home ownership by placing affordable homes on the market as proposed by the grantee Sitka Community Development Corporation. Therefore sale by noncompetitive bid is found to be appropriate, as was authorized by vote of the citizens in 2006.
- C. The sale price is \$1.00 for Parcel 1306. This price reflects that the Municipality significantly benefits through other means in this transaction.

- D. SCDC acknowledges that prior use of this parcel resulted in chemical contamination of the soil, and a 2008 study, adopted by the State of Alaska, Division of Spill Prevention and Response Contaminated Sites Program found, absent any newly discovered evidence in the future, the property was cleared for redevelopment. SCDC is fully informed of this report and assumes the cost of any further testing, if necessary, and assumes all risk associated with said contamination history of this parcel.
- E. Upon payment of purchase price the administrator is authorized to execute documents necessary to convey Parcel 1306 subject to final platting of the lot to ensure no encroachment on city assets or existing utility easements.
- F. The Buyer is responsible for all recording fees and costs.
- G. It is the intent of both parties that Parcels 1410 and 1414 will be similarly sold/transferred at a future date, pending clear demonstration by SCDC that they will be able to use Parcels 1410 and 1414 in a way consistent with the October 3, 2006 vote.

5. **EFFECTIVE DATE.** This ordinance shall become effective on the day after the date of its passage.

PASSED, APPROVED, AND ADOPTED by the Assembly of the City and Borough of Sitka, Alaska this 24th day of November, 2015.


Matthew Hunter, Deputy Mayor

ATTEST: 
Sara Peterson, CMC
Municipal Clerk

1st reading 11/10/15
2nd reading 11/24/15

Parcel ID: 14635000
BRUCE/SEPTEMBER HORTON
HORTON, SEPTEMBER, M.
P.O. BOX 2491
SITKA AK 99835-2491

Parcel ID: 14640000
EDMON/ADORA DUMAG
DUMAG, EDMON/ADORA
1404 JOHNSTON ST
SITKA AK 99835

Parcel ID: 14645000
RICHARD RICHTER
RICHTER, RICHARD, W.
1211 EDGE CUMBE DR
SITKA AK 99835

Parcel ID: 14647000
VICTORIA HAY
HAY, VICTORIA
P.O. BOX 416
SITKA AK 99835-0416

Parcel ID: 14650000
PATRICIA WHITE
WHITE, PATRICIA, D.
117 GRANITE CREEK DR
SITKA AK 99835

Parcel ID: 14655000
LEE/CHRISTINA KRAUSE
KRAUSE, LEE, E./CHRISTINA, C.
P.O. BOX 1150
SITKA AK 99835-1150

Parcel ID: 14660000
LEE/TINA KRAUSE
KRAUSE, LEE/TINA
P.O. BOX 1150
SITKA AK 99835-1150

Parcel ID: 14680000
ROBERT WOOLSEY
WOOLSEY, JR., ROBERT, B.
1301 EDGE CUMBE DR
SITKA AK 99835

Parcel ID: 14685000
HENRY/DEBORAH OWEN
OWEN, HENRY, M./DEBORAH, J.
775 SE B STREET
MADRAS OR 97741-9710

Parcel ID: 14690000
GARY/TAMARA PERENSOVICH
PERENSOVICH, GARY, L./TAMARA, L.
1305 EDGE CUMBE DR
SITKA AK 99835

Parcel ID: 14695000
AUSTIN/KATHLEEN INMAN
INMAN, AUSTIN/KATHLEEN
1307 EDGE CUMBE DR, #A
SITKA AK 99835

Parcel ID: 14700000
JURCZAK SHEA REVOCABLE TRUST
JURCZAK SHEA REV. TRUST
1309 EDGE CUMBE DR.-UP
SITKA AK 99835

Parcel ID: 14705000
SCHAUWECKER FAMILY TRUST
SCHAUWECKER, GERALD, L./SHERON,
A.
1310 EDGE CUMBE DR.
SITKA AK 99835

Parcel ID: 14707001
SITKA COMMUNITY DEVELOPMENT
CORP.
SITKA COMMUNITY DEVELOPMENT
CORP.
P.O. BOX 6461
SITKA AK 99835-6461

Parcel ID: 14707002
R. BURGESS/VICT BAUDER/VOSBURG
BAUDER, BURGESS & VOSBURG,
VICTORIA
1300 HALIBUT POINT RD
SITKA AK 99835

Parcel ID: 14709000
CITY & BOROUGH OF SITKA
OLD CITY SHOPS
C/O OF SITKA
100 LINCOLN ST
SITKA AK 99835

Parcel ID: 14711000
CITY & BOROUGH OF SITKA
OLD STATE SHOPS
C/O OF SITKA
100 LINCOLN ST
SITKA AK 99835

Parcel ID: 14715000
WILLIAM/CARIN ADICKES
ADICKES, WILLIAM, F./CARIN, S.
1401 EDGE CUMBE DR
SITKA AK 99835

Parcel ID: 14720000
MATTHEW/JULIEAN STROEMER
STROEMER, MATTHEW/JULIEANNE
1403 EDGE CUMBE DR
SITKA AK 99835

Parcel ID: 14725000
HARVEY/DORA NEWPORT
NEWPORT, HARVEY, E./DORA, P.
1405 EDGE CUMBE DRIVE.
SITKA AK 99835

Parcel ID: 14730000
PERRY/MARY BROCHAT
BROCHAT, PERRY/THORSEN-
BROCHAT, MARY
1407 EDGE CUMBE DR
SITKA AK 99835

Parcel ID: 14765000
RENA SNYDER
SNYDER, RENA, H.
207 MILLS ST
SITKA AK 99835

Parcel ID: 14770000
SAUL/ALICE SCHOENENBERGER
SCHOENENBERGER, SAUL/ALICE
209 MILLS ST
SITKA AK 99835

Parcel ID: 15760000
DEE LONGENBAUGH REVOCABLE
TRUST
C/O BETSY LONGENBAUGH
DEE LONGENBAUGH REVOCABLE
TRUST
319 B ST

Parcel ID: 15761000
DEE LONGENBAUGH REVOCABLE
TRUST
C/O BETSY LONGENBAUGH
DEE LONGENBAUGH REVOCABLE
TRUST
319 B ST

Parcel ID: 15773000
ROY/DORIS BAILEY
BAILEY, DORIS, M.
P.O. BOX 953
SITKA AK 99835-0953

Parcel ID: 15800000
TIMOTHY/CHERYL LOBDELL
LOBDELL, TIMOTHY & CHERYL
225 LAKEVIEW DR
SITKA AK 99835

Parcel ID: 15805000
J.L. RENTALS, LLC
J.L. RENTALS, LLC
112 SAND DOLLAR DR
SITKA AK 99835

Parcel ID: 15810000
JOAN/CHRIS GIANOTTI
GIANOTTI, JOAN & CHRIS
3831 KILLEWICH ST
JUNEAU AK 99801

Parcel ID: 15815000
ALEETA BAUDER
BAUDER, ALEETA, L.
1309 HALIBUT POINT RD
SITKA AK 99835

Parcel ID: 15820000
RICHARD/VICTORI BAUDER/VOSBURG
BAUDER, BURGESS/VOSBURG,
VICTORIA
1300 HALIBUT POINT RD
SITKA AK 99835-0002

Parcel ID: 15850000
CANDI BARGER
BARGER, CANDI, C.
P.O. BOX 365
SITKA AK 99835-0365

Parcel ID: 15840000
JON SHENNETT
SHENNETT, JON, M.
P.O. BOX 1106
SITKA AK 99835-1106

Parcel ID: 15852000
CANDACE BARGER
BARGER, CANDACE, C.
P.O. BOX 365
SITKA AK 99835-0365

Parcel ID: 15845000
KERMIT WHITEMORE
WHITEMORE, KERMIT
P.O. BOX 264
SITKA AK 99835-0264

Parcel ID: 15855000
KAREN GRUSSENDORF REVOCABLE
TRUST
GRUSSENDORF, KAREN, S.
1221 HALIBUT POINT RD
SITKA AK 99835

Assembly Mailing
April 28, 2017

Parcel ID: 14645000
RICHARD RICHTER
RICHTER, RICHARD, W.
1211 EDGE CUMBE DR
SITKA AK 99835

Parcel ID: 14647000
VICTORIA HAY
HAY, VICTORIA
P.O. BOX 416
SITKA AK 99835-0416

Parcel ID: 14650000
PATRICIA WHITE
WHITE, PATRICIA, D.
117 GRANITE CREEK RD
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Parcel ID: 14690000
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Parcel ID: 14695000
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INMAN, AUSTIN/KATHLEEN
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SITKA AK 99835

Parcel ID: 14700000
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P&Z Mailing
April 7, 2017

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P.O. BOX 416
SITKA AK 99835-0416

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Parcel ID: 15773000
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BAILEY, DORIS, M.
P.O. BOX 953
SITKA AK 99835-0953

Parcel ID: 15800000
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LOBDELL, TIMOTHY & CHERYL
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SITKA AK 99835

Parcel ID: 15805000
J.L. RENTALS, LLC
J.L. RENTALS, LLC
112 SAND DOLLAR DR
SITKA AK 99835

Parcel ID: 15810000
JOAN/CHRIS GIANOTTI
GIANOTTI, JOAN & CHRIS
3831 KILLEWICH ST
JUNEAU AK 99801

Parcel ID: 15815000
ALEETA BAUDER
BAUDER, ALEETA, L.
1309 HALIBUT POINT RD
SITKA AK 99835

Parcel ID: 15820000
RICHARD/VICTORI BAUDER/VOSBURG
BAUDER, BURGESS/VOSBURG,
VICTORIA
1300 HALIBUT POINT RD
SITKA AK 99835

Parcel ID: 15850000
CANDI BARGER
BARGER, CANDI, C.
P.O. BOX 365
SITKA AK 99835-0365

Parcel ID: 15840000
JON SHENNETT
SHENNETT, JON, M.
P.O. BOX 1106
SITKA AK 99835-1106

Parcel ID: 15852000
CANDACE BARGER
BARGER, CANDACE, C.
P.O. BOX 365
SITKA AK 99835-0365

Parcel ID: 15845000
KERMIT WHITTEMORE
WHITTEMORE, KERMIT
P.O. BOX 264
SITKA AK 99835-0264

Parcel ID: 15855000
KAREN GRUSSENDORF REVOCABLE
TRUST
GRUSSENDORF, KAREN, S.
1221 HALIBUT POINT RD
SITKA AK 99835

P&Z Mailing
March 10, 2017

Parcel ID: 14635000
BRUCE/SEPTEMBER HORTON
HORTON, SEPTEMBER, M.
P.O. BOX 2491
SITKA AK 99835-2491

Parcel ID: 14640000
EDMON/ADORA DUMAG
DUMAG, EDMON/ADORA
1404 JOHNSTON ST
SITKA AK 99835

Parcel ID: 14645000
RICHARD RICHTER
RICHTER, RICHARD, W.
1211 EDGE CUMBE DR
SITKA AK 99835

Parcel ID: 14647000
VICTORIA HAY
HAY, VICTORIA
P.O. BOX 416
SITKA AK 99835-0416

Parcel ID: 14650000
PATRICIA WHITE
WHITE, PATRICIA, D.
117 GRANITE CREEK RD
SITKA AK 99835

Parcel ID: 14655000
LEE/CHRISTINA KRAUSE
KRAUSE, LEE, E./CHRISTINA, C.
P.O. BOX 1150
SITKA AK 99835-1150

Parcel ID: 14660000
LEE/TINA KRAUSE
KRAUSE, LEE/TINA
P.O. BOX 1150
SITKA AK 99835-1150

Parcel ID: 14680000
ROBERT WOOLSEY
WOOLSEY, JR., ROBERT, B.
1301 EDGE CUMBE DR
SITKA AK 99835

Parcel ID: 14685000
HENRY/DEBORAH OWEN
OWEN, HENRY, M./DEBORAH, J.
775 SE B STREET
MADRAS OR 97741-9710

Parcel ID: 14690000
GARY/TAMARA PERENSOVICH
PERENSOVICH, GARY, L./TAMARA, L.
1305 EDGE CUMBE DR
SITKA AK 99835

Parcel ID: 14695000
AUSTIN/KATHLEEN INMAN
INMAN, AUSTIN/KATHLEEN
1307 EDGE CUMBE DR, #A
SITKA AK 99835

Parcel ID: 14700000
PETER/MARGARET JURCZAK/SHEA
JURCZAK, PETER/SHEA, MARGARET
1309 EDGE CUMBE DR.-UP
SITKA AK 99835

Parcel ID: 14705000
SCHAUWECKER FAMILY TRUST
SCHAUWECKER, GERALD, L./SHERON,
A.
1310 EDGE CUMBE DR.
SITKA AK 99835

Parcel ID: 14707001
SITKA COMMUNITY DEVELOPMENT
CORP.
SITKA COMMUNITY DEVELOPMENT
CORP.
P.O. BOX 6461
SITKA AK 99835-6461

Parcel ID: 14707002
R. BURGESS/VICT BAUDER/VOSBURG
BAUDER, BURGESS & VOSBURG,
VICTORIA
1300 HALIBUT POINT RD
SITKA AK 99835

Parcel ID: 14709000
CITY & BOROUGH OF SITKA
OLD CITY SHOPS
C/B OF SITKA
100 LINCOLN ST
SITKA AK 99835

Parcel ID: 14711000
CITY & BOROUGH OF SITKA
OLD STATE SHOPS
C/B OF SITKA
100 LINCOLN ST
SITKA AK 99835

Parcel ID: 14715000
WILLIAM/CARIN ADICKES
ADICKES, WILLIAM, F./CARIN, S.
1401 EDGE CUMBE DR
SITKA AK 99835

Parcel ID: 14720000
MATTHEW/JULIEAN STROEMER
STROEMER, MATTHEW/JULIEANNE
1403 EDGE CUMBE DR
SITKA AK 99835

Parcel ID: 14725000
HARVEY/DORA NEWPORT
NEWPORT, HARVEY, E./DORA, P.
1405 EDGE CUMBE DRIVE.
SITKA AK 99835

Parcel ID: 14730000
PERRY/MARY BROSCHEAT
BROSCHEAT, PERRY/THORSEN-
BROSCHEAT, MARY
1407 EDGE CUMBE DR
SITKA AK 99835

Parcel ID: 14765000
RENA SNYDER
SNYDER, RENA, II.
207 MILLS ST
SITKA AK 99835

Parcel ID: 14770000
SAUL/ALICE SCHOENENBERGER
SCHOENENBERGER, SAUL/ALICE
209 MILLS ST
SITKA AK 99835

Parcel ID: 15760000
DEE LONGENBAUGH REVOCABLE
TRUST
DEE LONGENBAUGH REVOCABLE
TRUST
808 DIXON ST
JUNEAU AK 99801

Parcel ID: 15761000
DEE LONGENBAUGH REVOCABLE
TRUST
DEE LONGENBAUGH REVOCABLE
TRUST
808 DIXON ST
JUNEAU AK 99801

Parcel ID: 15773000
ROY/DORIS BAILEY
BAILEY, DORIS, M.
P.O. BOX 953
SITKA AK 99835-0953

Parcel ID: 15800000
RANCE DAILEY
DAILEY, RANCE, J.
5924 HOGAN DR
WEED CA 96094-9214

Parcel ID: 15805000
J.L. RENTALS, LLC
J.L. RENTALS, LLC
112 SAND DOLLAR DR
SITKA AK 99835

Parcel ID: 15810000
JOAN/CHRIS GIANOTTI
GIANOTTI, JOAN & CHRIS
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Parcel ID: 15815000
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SITKA AK 99835

Parcel ID: 15820000
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BAUDER, BURGESS/~~VOSBURG~~,
VICTORIA
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BARGER, CANDACE, C.
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SITKA AK 99835-0365

Parcel ID: 15845000
KERMIT WHITTEMORE
WHITTEMORE, KERMIT
P.O. BOX 264
SITKA AK 99835-0264

Parcel ID: 15855000
KAREN GRUSSENDORF REVOCABLE
TRUST
GRUSSENDORF, KAREN, S.
1221 HALIBUT POINT RD
SITKA AK 99835

P&Z Mailing
February 15, 2017



CITY AND BOROUGH OF SITKA

Legislation Details

File #: 17-094 Version: 1 Name:

Type: Item Status: AGENDA READY

File created: 5/3/2017 In control: City and Borough Assembly

On agenda: 5/23/2017 Final action:

Title: Accept the insurance settlement of approximately \$248,000 for the Administration Building at the Gary Paxton Industrial Park

Sponsors:

Indexes:

Code sections:

Attachments: [insurance settlement.pdf](#)

Date	Ver.	Action By	Action	Result
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POSSIBLE MOTION

I MOVE TO accept the insurance settlement of approximately \$248,000 for the Administration Building at the Gary Paxton Industrial Park.



Tuesday, May 2, 2017

MEMORANDUM

To: Mark Gorman – CBS Administrator
From: Garry White, Director
Subject: GPIIP Administration Building Insurance Settlement

Introduction

The Gary Paxton Industrial Park (GPIIP) Board of Directors met on April 20, 2017 and approved the following motion:

MOTION: M/S **Finkenbinder/Bevan** moved to put ~\$248,000 of the insurance settlement from Administration Building damage into the GPIIP enterprise fund.

ACTION: Yeas: **Horan, Bevan, Wagner, Finkenbinder**
Nays: **None**
Motion passed 4/0 on a roll call vote

The GPIIP Board had the following discussion with CBS staff regarding the building and insurance settlement.

Mr. Harmon gave a report of the damage on the Administration Building during the August 2015 landslide. The CBS's insurance company is offering the CBS a settlement rather than spending funds to repair the building. A local contracting firm estimated the cost of repairs to the building. The building was valued at \$0 by a professional appraisal firm in 2014. The land was valued at \$233,000.

- Mr. Horan mentioned the reason the building is not financially viable for the GPIIP is that the annual rent generally did not make up the cost to operate the building. Leasing the building has resulted in negative cash flow to the CBS. Perhaps an owner with a single purpose would be a better fit.
- Mr. Gorman stated CBS policy is that the building cannot be occupied until landslide hazard mitigation has taken place.
- Mr. White asked if the board was interested in getting the cash or keeping the building.
- Mr. White stated the building has many issues, but there are people in the community that have expressed interest in purchasing it.

- The Board discussed different projects, including using the funds to improve the marine services industries at the GPIIP.

Action

Assembly approval to accept the insurance settlement for the Administration Building located at the Gary Paxton Industrial Park.

MEMORANDUM

To: Garry White, GPIIP Director and GPIIP Board

From: CBS Public Works, Engineering Department

Reviewed: CBS Finance and Administration Departments

Date: April 17, 2017

Subject: GPIIP Administration Building Repairs/Insurance Settlement Status

Background:

The Gary Paxton Industrial Park (GPIIP) Administration Building was damaged August 18, 2015 by a landslide. The landslide crossed Sawmill Creek Road and impacted the south half of the west side of the building (front) and flowed into the building through a downstairs ventilation louver, inundating at least a third of the ground floor level. The upper level exterior metal stair near the southwest corner was destroyed. Mud and debris broke windows, doors, and damaged siding on the southwest end. Interior ceiling tiles and power poles on the upper floor were damaged. Mud and debris was removed from the building and grounds during the initial clean up effort. The building also has Asbestos Containing Materials (ACM) in the floor tile, mastic, and the sheet rock mud, some of which were compromised by the slide debris and subsequent clean-up activities.

Should a building repair project be undertaken, State of Alaska, Department of Military and Veterans Affairs, Division of Homeland Security and Emergency Management funding would cover the \$100,000 deductible and insurance would cover the remainder of the repairs required to restore the building and grounds to pre-landslide condition.

Staff prepared bid documents to complete repairs to the Administration Building and worked with the insurance adjuster to determine the estimated cost of the repairs. Given the cost of construction in Sitka, Staff negotiated with the insurance adjuster to allow for a cost estimate to be prepared by a local contractor using the bid documents. As anticipated, the local cost estimate for the project was higher than the one prepared by the insurance adjuster. The two estimates have been reconciled with one another to reach a final cost estimate.

Analysis:

The Gary Paxton Industrial Park Debris Flow Analysis report, dated November 18, 2016, prepared by Shannon & Wilson, Inc, indicates the GPIIP Administration Building is still located in a moderate landslide risk area. A repair project would restore the GPIIP Administration Building to its pre-landslide condition at no cost to CBS. However, since the GPIIP Administration Building is old and has many needs in addition to repairing the landslide damage (including ACM) and since it is located in an unmitigated landslide hazard area, consideration as to the benefit to CBS of repairing the building must be given.

The GPIP Administration Building was recently valued at \$0 and costs approximately \$40,000 annually to operate with little to no revenue potential due to the landslide risk. Given that the building was valued at \$0 before the landslide, it stands to reason that the value of the building will not increase above that level after a repair project is completed. The building also has additional capital needs beyond restoration to pre-landslide condition. For example, a recent leak in the sprinkler system will require additional costly repairs.

In lieu of completing the repair project, the insurance will pay a cash settlement of approximately \$248,000 (net) for the estimated cost of repairs after deducting depreciation for materials, \$100,000 deductible, and crediting some loss in lease revenue. In this scenario, the building would not be repaired to its pre-landslide condition and CBS would forfeit any possible State assistance funds on the project. Should a cash settlement offer be accepted, the funds could be used for any need that may arise; landslide mitigation, shoreline stabilization or further development of a marine haul out ramp for example.

It appears that the building will be offered for purchase via a Request for Proposals process. Private entities will be able to complete building repairs and any desired renovations/remodels or required landslide mitigation significantly cheaper than the CBS when you consider Davis Bacon wage requirements for public contracts.

Staff seeks GPIP Board concurrence with acceptance of a cash settlement of approximately \$248,000 (net) in lieu of completing repairs and direction on where the funds should be deposited. This matter will be presented to the Assembly in May.

Fiscal Note:

Staff recommends accepting the insurance settlement in lieu of completing building repairs. Should the GPIP Board agree with this recommendation, Staff seeks GPIP Board direction on where the funds should be allocated for Assembly consideration.

Recommendation:

Approve accepting the insurance settlement of approximately \$248,000.



CITY AND BOROUGH OF SITKA

Legislation Details

File #: 17-096 Version: 1 Name:
Type: Item Status: AGENDA READY
File created: 5/3/2017 In control: City and Borough Assembly
On agenda: 5/23/2017 Final action:
Title: Discussion/Direction/Decision on the selection of an Interim Administrator(s)
Sponsors:
Indexes:
Code sections:
Attachments: [Acting Administrator\(s\).pdf](#)

Date	Ver.	Action By	Action	Result
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Discussion / Direction / Decision on the selection of an Acting Administrator(s).

Home Rule Charter of the City and Borough of Sitka

Section 4.03 Acting Municipal Administrator

If the administrator is absent from the municipality or is unable to perform his/her duties; if the assembly suspends the administrator; or if a vacancy in the office of the administrator, the assembly may appoint an acting administrator to serve until the administrator returns, until his disability or suspension cease, or until another administrator is appointed. The assembly shall replace the acting administrator with a permanent administrator within a reasonable time, and in no case may he/she serve as acting administrator for more than one year.

POSSIBLE MOTIONS

I MOVE TO appoint _____ as “Acting” Municipal Administrator from June 16, 2017 until the first day of employment of a newly appointed Municipal Administrator.

OR

I MOVE TO appoint _____, _____, and _____ to serve in the role of “Acting” Municipal Administrators, on a rotational basis, beginning June 16, 2017 and ending upon the first day of employment of a newly appointed Municipal Administrator. The schedule of their appointments will be developed by the Mayor, Municipal Clerk, and the appointees and presented to the Assembly.

OR

I MOVE TO _____.