

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
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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
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(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
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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
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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, GPIIP Director, GPIIP 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