



CITY AND BOROUGH OF SITKA

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

Meeting Agenda

City and Borough Assembly

Mayor Gary Paxton
Deputy Mayor Steven Eisenbeisz,
Vice Deputy Mayor Kevin Mosher,
Kevin Knox, Dr. Richard Wein, Valorie Nelson, Thor Christianson

Municipal Administrator: John Leach
Municipal Attorney: Brian Hanson
Municipal Clerk: Sara Peterson

Tuesday, April 14, 2020

6:00 PM

Assembly Chambers

REGULAR MEETING

I. CALL TO ORDER

II. FLAG SALUTE

III. ROLL CALL

IV. CORRESPONDENCE/AGENDA CHANGES

[20-090](#) Reminders, Calendars, and General Correspondence

Attachments: [01 Reminders and Calendars](#)

[02 2019 Short-term Rental Report and Attachments](#)

[03 PW Assembly Update 3 March Final 4.6.20](#)

V. CEREMONIAL MATTERS

None.

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

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** [20-081](#) Approve the minutes of the March 5, 10, 13, 16, and 24 Assembly meetings
Attachments: [Consent and Minutes](#)
- B** [20-082](#) Approve the Health Needs and Human Services Commission 2020 goals
Attachments: [01 Motion and Memo Health Needs](#)
[02 HN 031220 draft minutes](#)
- C** [20-083](#) Approve a liquor license renewal application for SOE, LLC dba Little Tokyo at 315 Lincoln Street Suite 112
Attachments: [01 Motion and Memos Little Tokyo](#)
[02 Little Tokyo Renewal Application](#)
- D** [20-084](#) Approve a liquor license renewal application for SOE, LLC dba Asian Palace at 327 Seward Square #1
Attachments: [01 Motion and Memos Asian Palace](#)
[02 Asian Palace Renewal Application](#)

X. BOARD, COMMISSION, COMMITTEE APPOINTMENTS

- E** [20-085](#) Reappoint Anne Pollnow to a three-year term on the Historic Preservation Commission in the category of At-Large
Attachments: [Motion and Pollnow Application HPC](#)
- F** [20-086](#) Reappoint Shannon Freitas to a three-year term on the Local Emergency Planning Committee in Category 2 (Law Enforcement, Civil Defense, Fire Fighting, First Aid, Local Environmental/Hospital, and Transportation Personnel)
Attachments: [Motion and Freitas Application LEPC](#)
- G** [20-087](#) Reappoint Mike Johnson to a two-year term on the Gary Paxton Industrial Park Board
Attachments: [Motion and Johnson Application GPIIP](#)

XI. UNFINISHED BUSINESS:

- H [ORD 20-11](#) Temporarily amending Title 15 "Public Utilities" of the Sitka General Code by modifying Chapter 15.01 "Electric Utility Policies", Section 15.01.020 "Electrical Rates" which will temporarily extend the lower seasonal electric rate from April to June in 2020 only

Attachments: [01 Motion Ord 2020-11](#)

[02 Memo Ord 2020-11](#)

[03 Ord 2020-11](#)

XII. **NEW BUSINESS:**

New Business First Reading

- I [ORD 20-12](#) Making supplemental appropriations for Fiscal Year 2020 (Office of Inspector General Anti-Kickback Liability Settlement)

Attachments: [Motion Ord 2020-12](#)

[Ord 2020-12](#)

- J [ORD 20-13](#) Amending Title 4 "Revenue and Finance" of the Sitka General code by adding Chapter 4.10 "Alaska Remote Seller Sales Tax"

Attachments: [01 Motion Ord 2020-13](#)

[02 Memo Ord 2020-13](#)

[03 Ord 2020-13](#)

[04 Res 2019-27 Signed.](#)

[05 Attachment A Intergovernmental Agreement \(2\)](#)

[06 FAQ June 2019 from AML](#)

[07 AML September 2019 Public Informational Release](#)

- K [ORD 20-14](#) An Emergency Ordinance of the City and Borough of Sitka requiring all people arriving in Sitka, without exception unless determined a critical healthcare worker, to self-quarantine for 14 days before working for critical workforce infrastructure businesses and requiring such businesses to submit a protection plan to the City and Borough of Sitka that must be approved by the Municipal Administrator (possible executive session)

Attachments: [01 Motion Ord 2020-14](#)

[02 Ord 2020-14 revised clerical edits](#)

[03 SOA Health Mandate 10](#)

[04 SOA Health Mandate 11](#)

[05 SOA Health Mandate 12](#)

- L** [ORD 20-15](#) An Emergency Ordinance of the City and Borough of Sitka extending the real property tax assessment appeal deadline for tax year 2020 from April 15 until June 15
Attachments: [Motion Ord 2020-15](#)
[Ord 2020-15](#)
- M** [ORD 20-16](#) An Emergency Ordinance of the City and Borough of Sitka extending the sales tax filing and remittance deadlines for first quarter 2020 from April 30 until June 30 and waiving any penalties and interest during the extension
Attachments: [Motion Ord 2020-16](#)
[Ord 2020-16](#)

Additional New Business Items

- N** [RES 20-08](#) Extending the order for people in the City and Borough of Sitka to hunker down related to COVID-19
Attachments: [Motion and Res 2020-08](#)
- O** [RES 20-07](#) Authorizing the Municipal Administrator to apply for and execute a grant with the Economic Development Administration (EDA) for up to \$3,000,000 to support the Critical Secondary Water Source Project and the Northern Southeast Regional Aquaculture Association
Attachments: [Motion Memo and Res 2020-07](#)
- P** [20-088](#) Approve hire offer for Scott Elder as Utility Director
Attachments: [Motion and Memo Utility Director](#)
- Q** [20-091](#) Discussion / Direction on No Name Mountain and Granite Creek Master Plan
Attachments: [Discussion Direction No Name Mtn](#)
- R** [20-089](#) Discussion / Direction on options available to reduce the economic impacts on citizens / businesses related to the COVID-19 pandemic
Attachments: [Discussion Direction Economic Impacts](#)
- S** [20-093](#) Discussion on rescheduling the April 21 evaluations of the Municipal Administrator and Municipal Attorney
Attachments: [Discussion Direction rescheduling evals](#)

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. Regular Assembly meetings are livestreamed through the City's website, aired live on KCAW FM 104.7, and broadcast live on local television channel 11. To receive Assembly agenda notifications, sign up with GovDelivery on the City website.

*Sara Peterson, MMC, Municipal Clerk
Publish: April 10*



CITY AND BOROUGH OF SITKA

Legislation Details

File #: 20-090 **Version:** 1 **Name:**
Type: Item **Status:** AGENDA READY
File created: 4/10/2020 **In control:** City and Borough Assembly
On agenda: 4/14/2020 **Final action:**
Title: Reminders, Calendars, and General Correspondence
Sponsors:
Indexes:
Code sections:
Attachments: [01 Reminders and Calendars](#)
[02 2019 Short-term Rental Report and Attachments](#)
[03 PW Assembly Update 3 March Final 4.6.20](#)

Date	Ver.	Action By	Action	Result
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REMINDERS

<u>DATE</u>	<u>EVENT</u>	<u>TIME</u>
Tuesday, April 14	Regular Meeting	6:00 PM
Tuesday, April 21	Special Meeting <i>Evaluations for Attorney and Administrator</i>	5:30 PM
Tuesday, April 28	Regular Meeting	6:00 PM



Assembly Calendar

[2019](#) [Jan](#) [Feb](#) [Mar](#) [Apr](#) [May](#) [Jun](#) [Jul](#) [Aug](#) [Sep](#) [Oct](#) [Nov](#) [Dec](#) [2021](#)

April 2020

Sunday		Monday	Tuesday	Wednesday		Thursday	Friday	Saturday	
29	<u>Mar</u>	30	31	1	<u>Apr</u>	2	3	4	
Nelson Christianson		Nelson Christianson 6:30pm Special School Board Meeting - Liaison Mosher	Nelson Christianson	6:00pm <u>School Board - Liaison Mosher</u> 7:00pm <u>Planning Commission - Liaison Mosher</u> (Knox attending)		6:00pm <u>Special Budget Meeting: all funds and final changes</u>			
5		6	7	8		9	10	11	
		6:00pm School Board budget meeting - Liaison Mosher		6:00pm <u>Library Commission - Liaison Christianson</u> 5:00pm <u>Tree & Landscape - Liaison Wein</u> 6:00pm <u>Historic Preservation - Liaison Mosher</u> 6:00pm <u>Port & Harbors Commission - Liaison Knox</u>		12:00pm <u>LEPC - Liaison Nelson</u> ~CANCELLED 1:30pm <u>Health Needs & Human Services - Liaison Wein</u> 6:00pm <u>School Board budget work session - Liaison Mosher</u> 6:00pm <u>Special Budget Meeting</u>			
12		13	14	15		16	17	18	
			12:00pm <u>Parks & Recreation - Liaison Knox</u> 6:00pm <u>Regular Assembly Mtg</u>	7:00pm <u>Planning Commission - Liaison Mosher</u>			Knox	Knox Nelson	
19		20	21	22		23	24	25	
Nelson		Nelson		Nelson Knox 5:30pm <u>Special Meeting: Evaluations - Attorney and Administrator</u> 6:00pm <u>Police and Fire - Liaison Nelson</u> 6:00pm <u>School Board budget meeting - Liaison Mosher</u>		Nelson Knox		Nelson Knox	
26		27	28	29		30	1	<u>May</u>	
Nelson Knox		Nelson Knox		6:00pm <u>Regular Assembly Mtg</u>				2	

Assembly Calendar

[2019](#) [Jan](#) [Feb](#) [Mar](#) [Apr](#) [May](#) [Jun](#) [Jul](#) [Aug](#) [Sep](#) [Oct](#) [Nov](#) [Dec](#) [2021](#)

May 2020

Sunday	Monday	Tuesday	Wednesday	Thursday	Friday	Saturday
26 Apr	27	28	29	30	1 May	2
Nelson Knox	Nelson Knox	6:00pm Regular Assembly Mtg				
3	4	5	6	7	8	9
	6:00pm Board of Equalization		6:00pm Library Commission - Liaison Christianson 6:00pm School Board - Liaison Mosher 7:00pm Planning Commission - Liaison Mosher (Knox attending)			
10	11	12	13	14	15	16
		12:00pm Parks & Recreation - Liaison Knox 6:00pm Regular Assembly Mtg	5:00pm Tree & Landscape - Liaison Wein 6:00pm Historic Preservation - Liaison Mosher 6:00pm Port & Harbors Commission - Liaison Knox	12:00pm LEPC - Liaison Nelson 1:30pm Health Needs & Human Services - Liaison Wein		
17	18	19	20	21	22	23
			7:00pm Planning Commission - Liaison Mosher			
24	25	26	27	28	29	30
		6:00pm Regular Assembly Mtg	6:00pm Police and Fire - Liaison Nelson			
31	1 Jun	2	3	4	5	6
			6:00pm Library Commission - Liaison Christianson 7:00pm Planning Commission - Liaison Mosher			

2019 Annual Short-term Rental Report

City and Borough of Sitka

Planning and Community Development Department

March 18, 2020

Prepared for Chair Spivey and Members of the Planning Commission

Copy provided to: Mayor Paxton and Assembly Members

John Leach, Municipal Administrator

Report Sections

I. Permit Holder Data

A. Financial Data

B. Property Data

C. Marketing Platforms

II. Known Comments, Feedback, and Concerns

A. Permit Holder Feedback and Comments

B. Community Survey Results

III. Direction of Staff

IV. Attachments

Please note the following:

This report only covers short-term rentals or bed and breakfast establishments that operate through the conditional use permit process. This report does not have information about short-term rentals that are operated as a right within the Central Business District, Commercial 1 District, Commercial 2 District, Waterfront District, General Island District, and/or Recreational District.

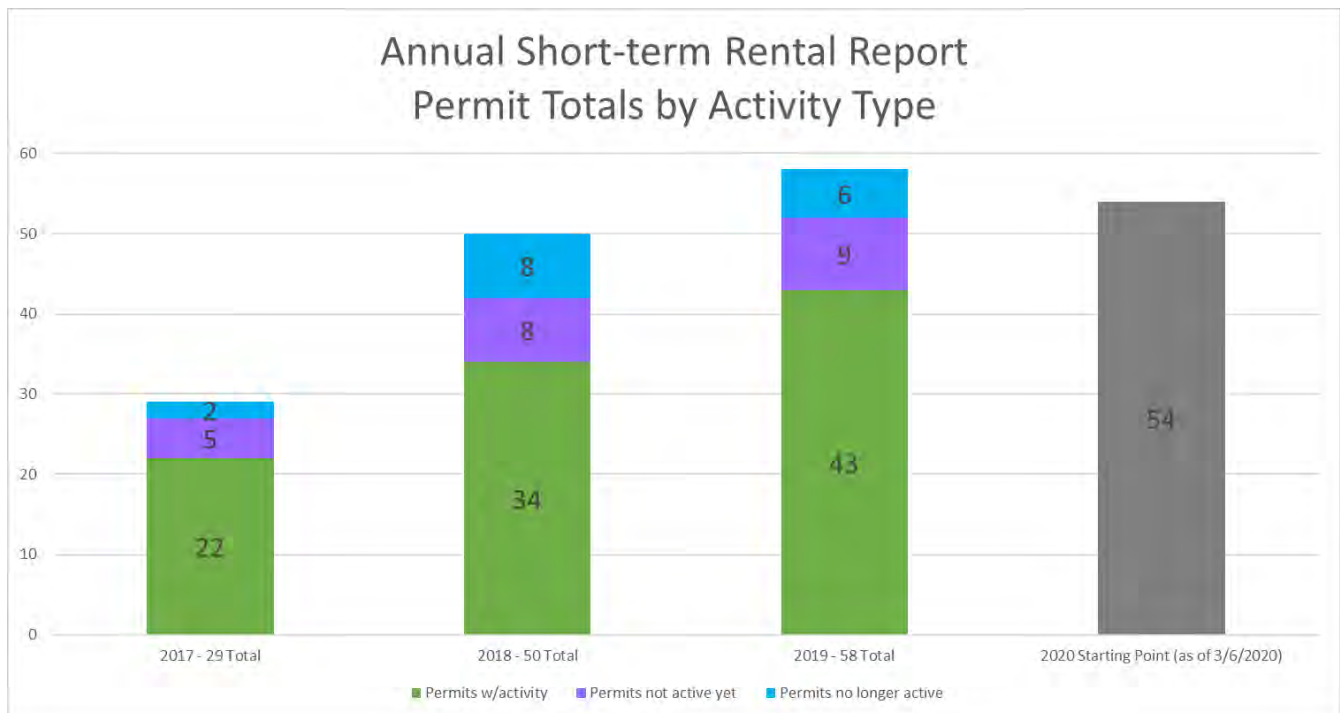
The term “short-term rental” or STR, will also be used to describe bed and breakfast establishments permitted through the conditional use permit (CUP) process.

I. Permit Holder Data

A. Financial Data

Permit Data	2017	2018	2019
Total Permits	29	50	58
Active permits in use	22	34	43
Active permits not yet used	5	8	9
No longer active permits	2	8	6
Rental Data			
Total nights rented	1155	2928	3190
Average nights rented per CUP	53	86	74
Minimum nights rented	2	2	2
Maximum nights rented	146	446	259
Financial Data			
Total bed tax remitted	\$ 14,979.78	\$ 27,950.30	\$ 39,137.55
Total implied revenue	\$ 249,663.00	\$ 465,838.33	\$ 652,292.50
Average bed tax remitted per CUP	\$ 680.90	\$ 822.07	\$ 910.18
Average implied revenue per CUP	\$ 11,348.32	\$ 13,701.13	\$ 15,169.59
Minimum bed tax remitted	\$ 12.50	\$ -	\$ 14.40
Maximum bed tax remitted	\$ 2,434.29	\$ 3,107.72	\$ 3,776.19

Summary: The Commission approved 14 new CUPs for STRs in 2019, while 6 became inactive in that time. This means that new approvals outpaced “natural decline” of permit holders at an approximate 2:1 ratio. Of the permits approved in 2019, 7 became active within the calendar year. The remaining have not yet begun operation, but are still within the activation period wherein the permit can be utilized.



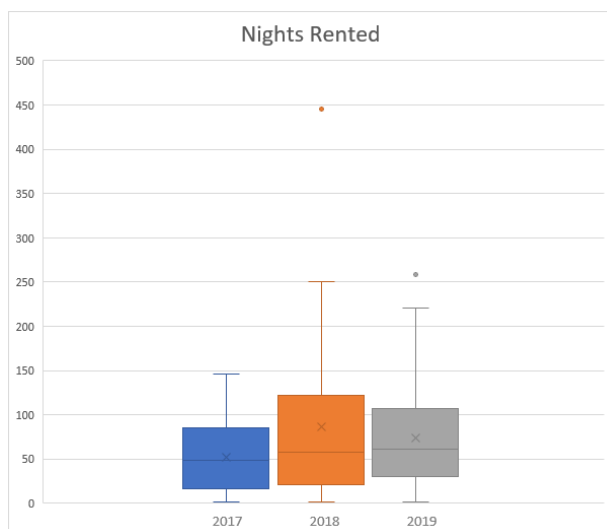
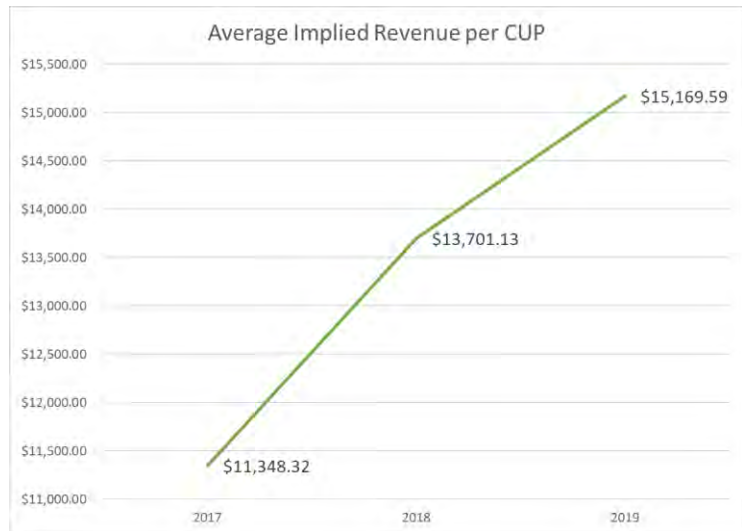
These permits, as well as the 4 permits approved in 2020 to date were included in the “2020 Starting Point as of 3/6/2020” in the graph above.

As Sitka’s bed tax on short-term rentals is 6%, and the average bed tax remitted was \$910.18; this means that the average revenue for permit holders was approximately \$15,169.59. For the 43 active users that reported in 2019, this is a significant revenue source that could substantially offset housing expenses. If the total bed tax remitted from these permits was \$39,137.55, this means that the total revenue from short-term rentals was approximately \$652,292.50; a sizable revenue stream that was not otherwise captured at hotels, lodges, or short-term rentals/bed and breakfast establishments in other zoning districts.

The average implied revenue per CUP has increased year-on-year since the data was aggregated in 2017.

In the case of short-term rentals, revenue is a fairly simple equation – the nightly price of a rental multiplied by the nights rented. Therefore, understanding the trend of why average revenue is rising should be a function of understanding trends in rental price and nights rented.

Nightly price was derived from the bed tax remitted. The below box and whisker plots depict the distributions of bed tax remitted and rental nights. The shaded boxes indicate the middle two quartiles of each data set, with the average indicated with an “x”. The “whiskers” denote the range in the bottom and upper quartiles. Dots outside the box and whiskers show statistical outliers, which skew the average.

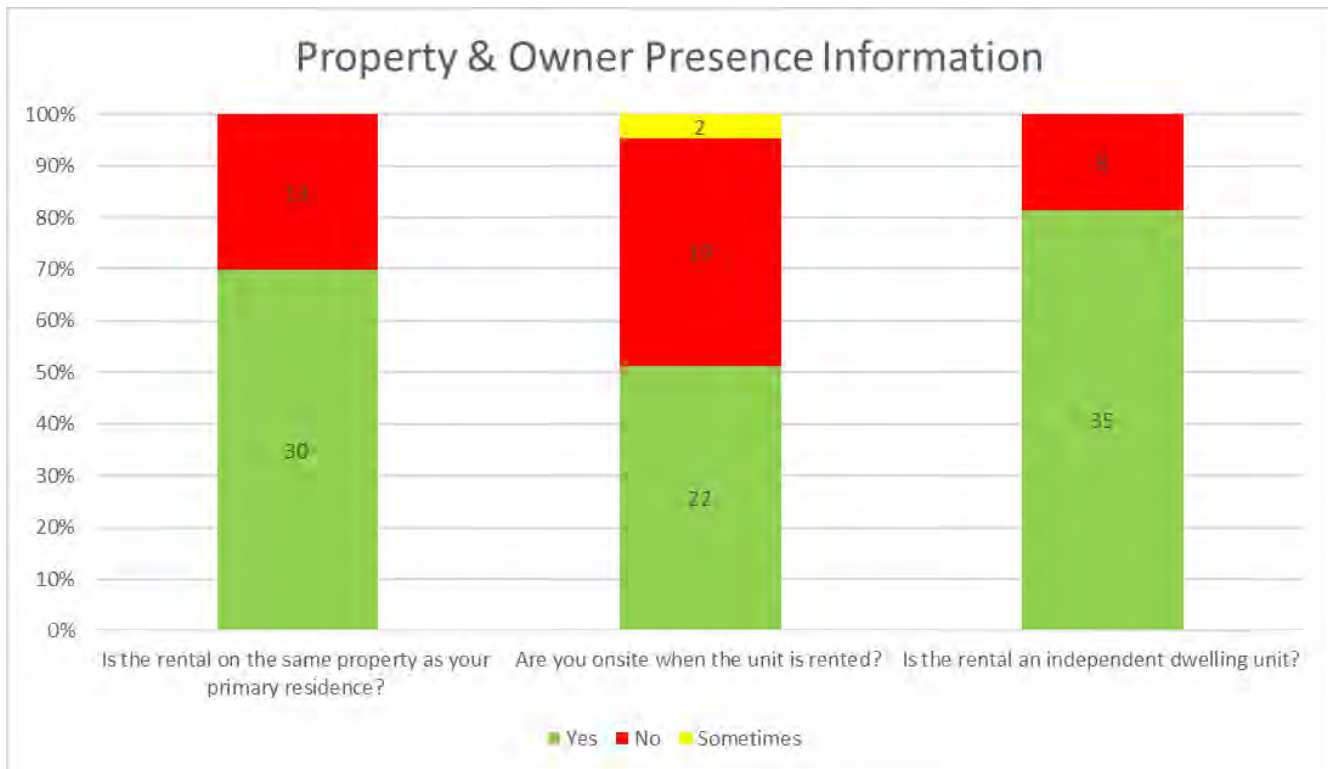


The presence of four outliers in the nightly price for 2019 are indicative that outliers are more likely the cause of the substantial increase in revenue per CUP in 2019; the middle quartiles are actually in a narrower band of distribution than previous years, which would imply a tightening of prices in the

middle ranges. It appears that more high-price or “luxury” type short-term rentals are present in the 2019 responses, resulting in an increase in average revenue per CUP. The maximum reported bed tax amount for 2019 was \$3,776.19 which would imply total revenue of \$62,936.50. While there is a broad range of revenues being made per CUP, it is still evident that permit issuance has the potential to be very valuable to current and potential permit holders.

B. Property Data

In an attempt to answer the question, “to what extent are short-term rentals decreasing the available pool of long-term rentals?” staff included some questions about the property and owner presence during rental periods in this year’s report.



70% of active permit holders responded that the rental was on the same property as their primary residence, and there was about a 50/50 split between permit holders being onsite during rental periods. 80% of the rental units were reported as independent dwelling units.

Of the 13 respondents who stated that the rental was not on the same property as their primary residence, 12 of those rentals were described as independent dwelling units. It would stand to reason that if the property is not a primary residence and is an independent dwelling unit, it would have limited use outside of long-term rental were it not for the short-term rental option.

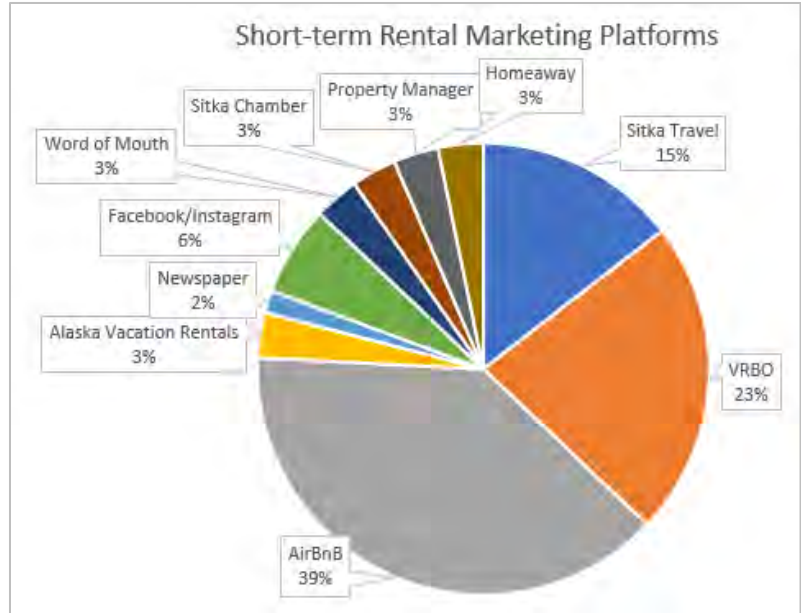
It is more challenging to make this determination within the pool of those who claim the rental is part of their primary residence; among this group, 23 are reported as independent dwelling units. The choices to utilize a dwelling unit within one’s primary resident include guest space, hobby space, or just additional living area; we cannot definitively say these short-term rentals detract from the long-term rental pool.

C. Marketing Platforms

Another new addition to the 2019 report was a question to permit holders the marketing platforms used. Staff felt this was helpful information to assist in monitoring short-term rental activity as well as understanding how many short-term rentals are professionally managed.

Most respondents listed multiple marketing platforms, such as using multiple websites, or a manager as well as a private listing site (such as Airbnb, VRBO, or HomeAway).

Airbnb was far and away the most popular marketing platform, followed by VRBO.



30% of those with active permits stated that they were using professional services such as Sitka Travel and Alaska Vacation Rentals, or unnamed property managers.

II. **Known Feedback, Comments, and Concerns**

A. Permit Holder Feedback and Comments

Permit holders reported some of the feedback that is to be expected in running a lodging business; difficulty in communicating to renters, managing reservations, cleaning, etc. Three permits that were active or eligible for activity in 2019 have indicated that they plan to discontinue use in 2020. Some requested more modernized methods of communication and payment such as a desire to make bed tax payments online. Two permit holders expressed gratitude for the ability to run short-term rentals, as they felt it made a significant contribution to their income.

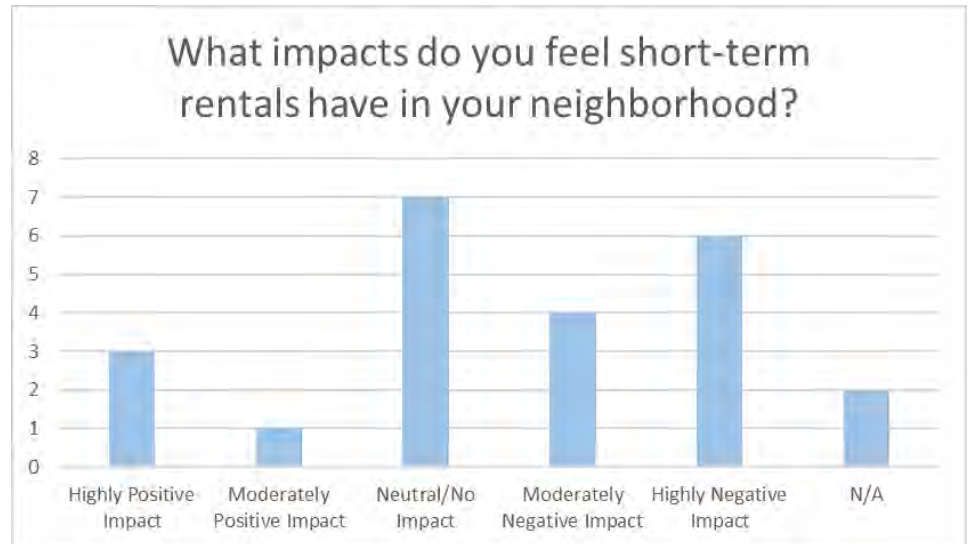
B. Community Survey Results

This year, staff also wanted to survey the larger community to gauge attitudes towards short-term rentals. 23 individuals responded to the survey. Of those, approximately 74% were aware of short-term rental activity in their neighborhood, and approximately 70% felt there should be limitations on short-term rentals.

Common themes in the open comment/feedback/suggestion section:

- Short-term rentals take the place of long-term housing
- Short-term rentals increase housing costs
- Short-term rentals should be better managed to minimize impact to the neighborhoods they are in
- Spacing/distribution of short-term rentals matters
- CBS/Planning Commission should study short-term rentals and limit their growth
- Short-term rentals provide less expensive lodging alternatives and revenue to the city
- Short-term rentals provide income to property owners to offset cost of living
- The market should be able to regulate itself

For those who felt there should be limitations on short-term rentals, 30% were in favor of limitations based on housing type, 40% were in favor of limitations based on location, 60% were in favor of limitations based on neighborhood concentration or density, and 60% were in favor of limitations based on a total, city-wide cap. It's notable that 15% of respondents answered that no limitations were needed.



III. Direction of Staff

Given the reported information, Staff would like to hear feedback from the Commissioners about their thoughts and feedback on the status of short-term rentals operating through the conditional use permit process.

A report done by 2nd Address notes highlights short-term rental laws in major cities, this report is attached for your reference. A popular provision being utilized is that the host must be the primary residence of the rental unit. This is the case in New York City, LA, Washington D.C., Boston, and Denver. Many have instituted city permitting, registration, and bed tax regulations that are already in effect for Sitka.

Staff would like direction from the Commission on two questions:

1. Is the Commission interested in pursuing code changes to further regulate and/or limit the issuance of new conditional use permits for short-term rentals?
2. If yes, what particular changes is the Commission interested in pursuing:
 - a. Owner vs. non-owner occupied units
 - b. Densities within neighborhoods
 - c. Overall city-wide cap
 - d. Transferability of the permit
 - e. Other

IV. Attachments

2nd Address Report

Short-Term Rental Distribution Maps

Rental Statistics from the Department of Labor

COMPARED:

Short-Term Rental Laws Across the Country

Categories



City	Summary Apartments For Rent / Company Announcements / Data & Trends / Host Guides / Industry Insights	Take Effect	Fine	STR License Fee	Additional Cost
New York	<ol style="list-style-type: none"> Can't rent out entire apartment (hosts must be present) Can't advertise an apartment Up to 2 paying guests 	May 2011	\$1,000 - \$7,500 (illegal advertising of apartments)	N/A	<ol style="list-style-type: none"> Sales and use tax Hotel room occupancy tax
San Francisco	<ol style="list-style-type: none"> Must register as a business and as a short-term rental Hosts must be permanent residents Up to 90 nights a year without hosts No income-restricted affordable housing 	Feb. 2015	≥ \$484 (per day)	\$250	<ol style="list-style-type: none"> Transient occupancy tax Business personal property tax
Los Angeles	<ol style="list-style-type: none"> Must obtain licenses Must be primary residence Up to 120 days a year 	July 2019	≥ \$500 (per day)	\$89	Transient occupancy tax
Washington DC	<ol style="list-style-type: none"> Must obtain license, additional "vacation rental" endorsement for renting out an entire unit Must be primary residence Up to 90 nights a year without hosts 	Oct 2019	\$500 - \$6,000 (per violation)	TBD	Transient lodging tax
Chicago	<ol style="list-style-type: none"> Short-term rental platforms must obtain license Hosts with 1 home-share unit register through the rental platform Hosts with ≥ 1 home-share unit must obtain license from city of Chicago Vacation rental must obtain license 	March 2017 (host registration)	\$1,500 - \$3,000 (per day)	\$0 - \$250	Hotel accommodation tax
Boston	<ol style="list-style-type: none"> Must obtain license Must be primary residence or an secondary unit at their primary residence No income-restricted units 	Jan. 2019	\$100 - \$300 (per day)	\$25 - \$200	Same tax as hotel
Seattle	<ol style="list-style-type: none"> Short-term rental platforms must obtain license Hosts must register as a business and as a short-term rental Up to 2 units If operate 2 units, one must be primary residence 	Sep. 2019	\$500 - \$1,000 (per violation)	\$75	<ol style="list-style-type: none"> Retail sales tax Lodging tax Business and occupation tax

Data source: Municipal Codes



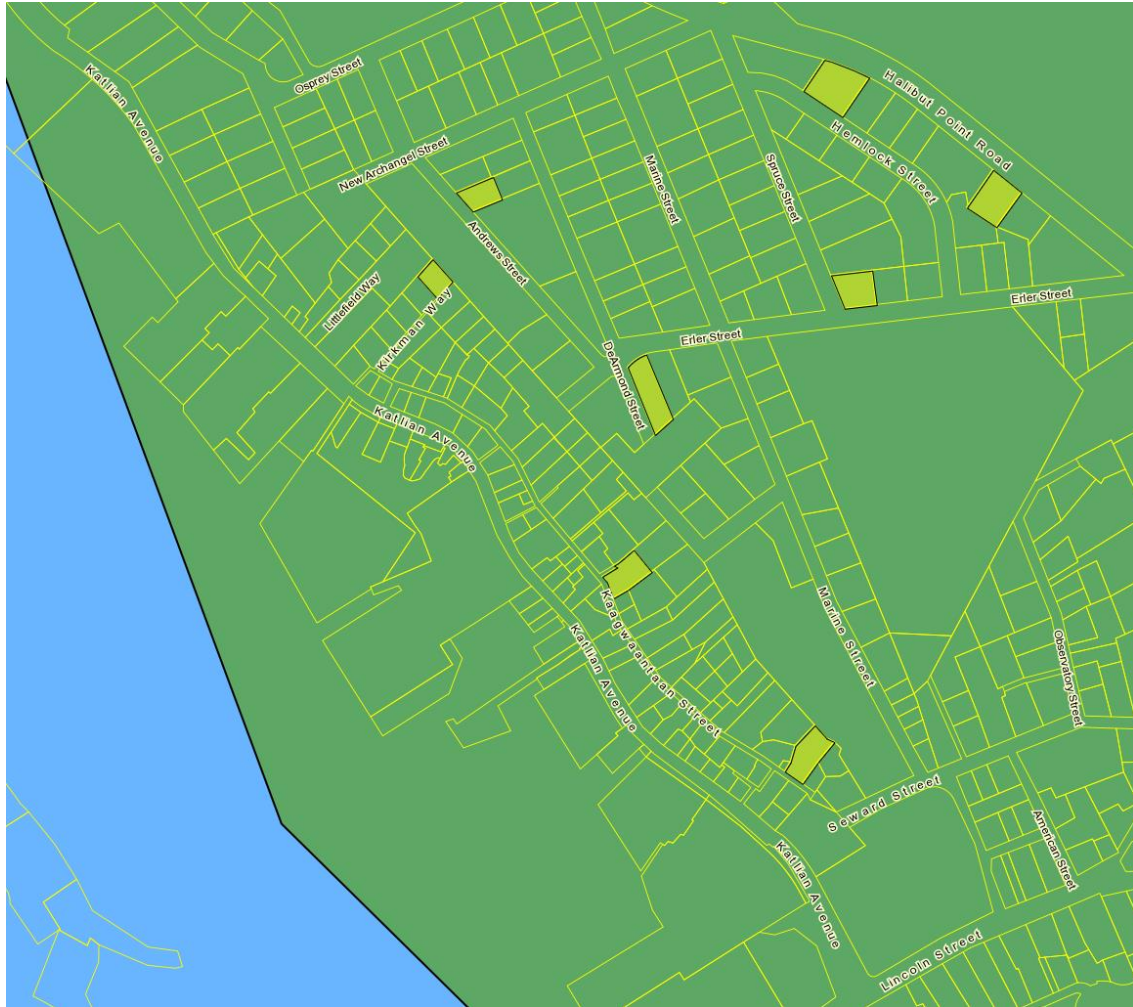
Quick links to short-term rental laws in each city:

Citywide view of short-term rental distribution



Includes “active” and “not yet active” permits included in 2019 Annual Short-term Rental Report

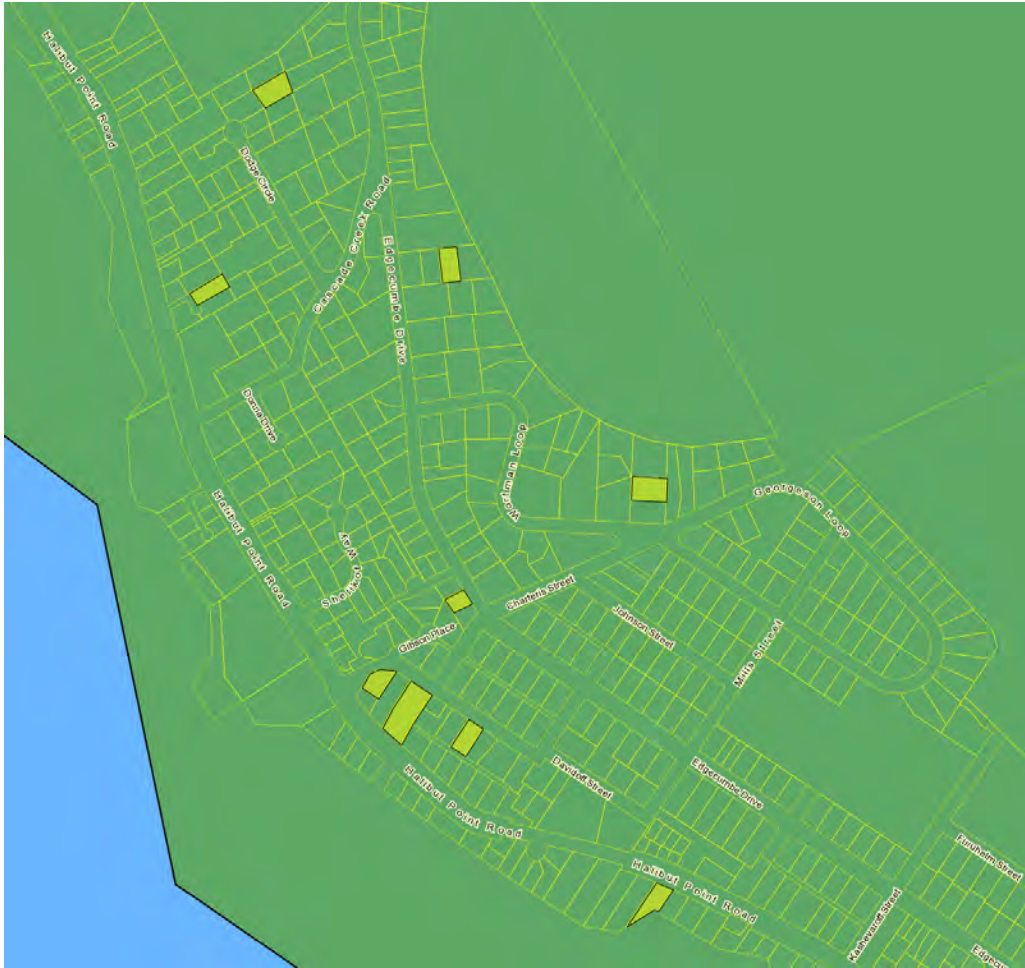
Downtown: West of Swan Lake
& Katlian/Kaagwaantaan



Downtown: Sawmill Creek to
Lincoln Street



Edgecumbe Drive &
Connectors: Charteris,
Davidoff, Dodge Circle



Nicole/Kincroft Neighborhood



Alaska's Rental Market

2019 survey finds increased vacancy, some slightly lower rents

By **ROB KREIGER**

Rents fell slightly in 2019 and vacancies rose, according to our annual survey of Alaska landlords. The increase in vacancies continues a three-year trend that has pushed the overall vacancy rate to a 10-year high of 8.6 percent.

Rental costs and the broader housing market remained mostly stable throughout Alaska's recession (see the August 2018 issue of *Trends*), but the continued rise in vacancy suggests the state's weak economy is hurting the rental market.

Recession still leaving its mark

The state's recent recession began in late 2015, but the steady increase in vacancy rates didn't begin until after 2016, when Alaska's job losses accelerated. Over the next couple of years, vacancies rose in most areas, and in some cases sharply.

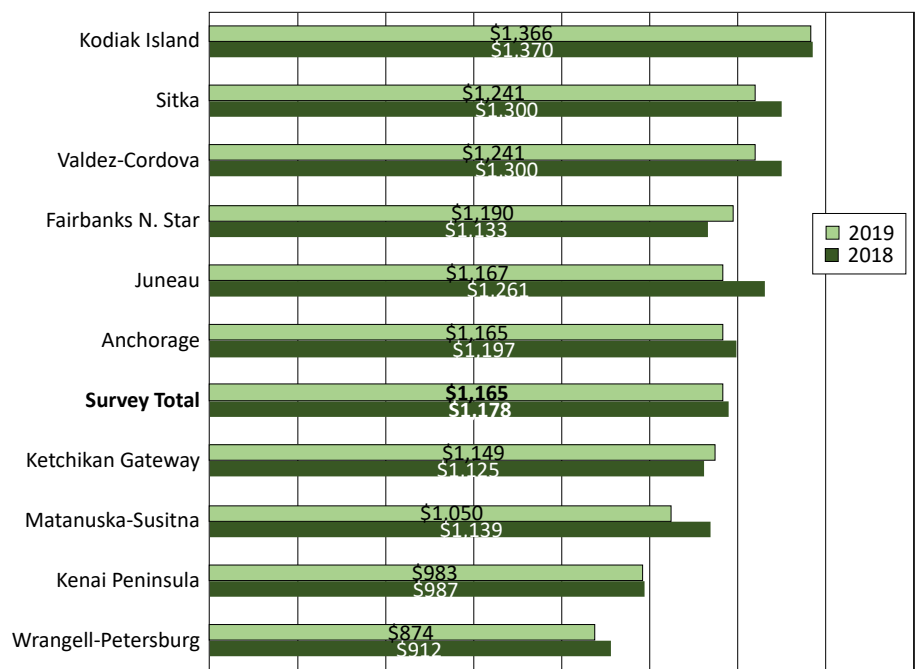
Despite modest job growth in recent months, the continued rise in vacancy and Alaska's ongoing net migration losses suggest workers have continued to leave the state for opportunities elsewhere. (For an in-depth look at how the strength or weakness of the American economy can affect Alaska's migration patterns, see the article on page 10.)

Rents up and down by area, but remain close to 2018 overall

Overall, median adjusted rent fell \$13 from 2018, or

1 Most Rents Down, Kodiak's Still Highest

MEDIAN ADJUSTED RENT,* ALL UNIT TYPES, 2018 AND 2019



*Adjusted rent includes the cost of all utilities. See the sidebar on the next page for more details.

Source: Alaska Department of Labor and Workforce Development, Research and Analysis Section and Alaska Housing Finance Corporation

1.1 percent, with a variety of ups and downs by area. Adjusted rent is the rent paid to the landlord plus the cost of all typical utilities. (See Exhibit 1 and the sidebar on the next page.)

Kodiak's rents were highest in 2019, as they were in 2018, while Wrangell and Petersburg rents remained lowest. Only Wrangell, Petersburg, and Kenai rents were below \$1,000 a month.

Rent dropped the most in the Matanuska-Susitna Borough and Juneau, by 7.8 percent and 7.5 percent, respectively. Rent rose by 5 percent in Fairbanks and 2.1 percent in Ketchikan.

Fairbanks' survey results were unusual this year in that rents went up, making the area more expensive than Juneau and Anchorage, but its vacancy rate increased significantly at the same time. Higher rents are typically driven by low vacancy rates.

It isn't clear what's driving Fairbanks' rise in rent, especially given the higher vacancy rate, but new or different types of housing entering the market at higher rents as well as higher utility costs are likely factors.

Kodiak's two-bedroom apartment rent is highest

Two-bedroom apartments are the most common rental units in all areas. Kodiak's adjusted two-bedroom apartment rent remained highest in 2019 at \$1,371 per month, followed by Juneau at \$1,352. Wrangell and Petersburg were lowest at \$861, followed by Kenai at \$1,015. (See Exhibit 2.)

Renting a house costs the most in Anchorage

Three-bedroom homes are the most common size for house rentals, and they were the most expensive in Anchorage at \$2,011 per month. Kodiak was second at \$1,961. (See Exhibit 3.)

About the data

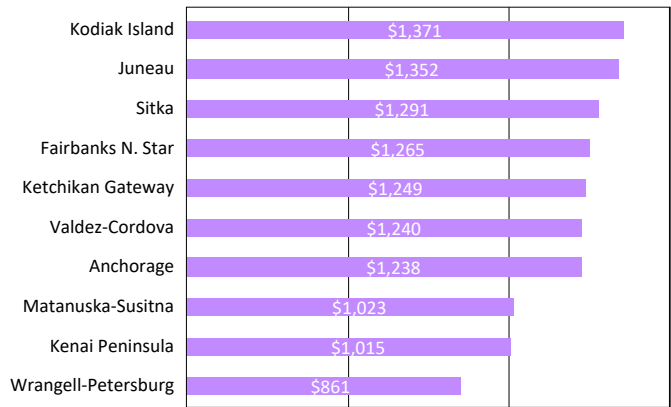
For more than 25 years, the Alaska Department of Labor and Workforce Development's Research and Analysis Section has partnered with the Alaska Housing Finance Corporation to conduct a survey every March of rental housing costs and vacancies in selected parts of Alaska.

Unless otherwise specified, rents quoted here are "adjusted rent," meaning rent if all utilities were included. Because the types and costs of utilities included in contract rent — the amount paid to the landlord each month — can vary considerably by area, using adjusted rent makes units comparable.

This survey doesn't include income-restricted units or other rentals not available to the public.

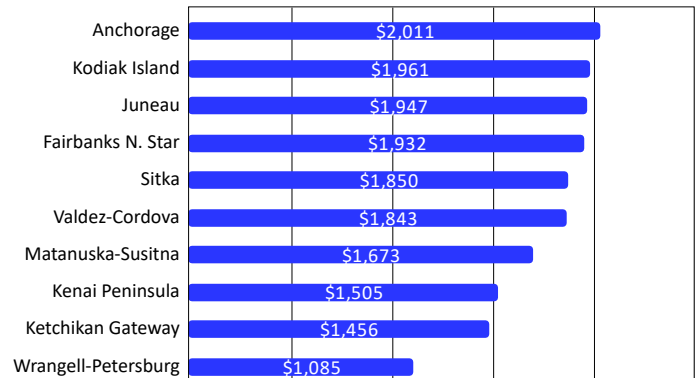
2 Kodiak Apartments Cost the Most

MEDIAN ADJUSTED RENTS, 2-BEDROOM, MAR 2019



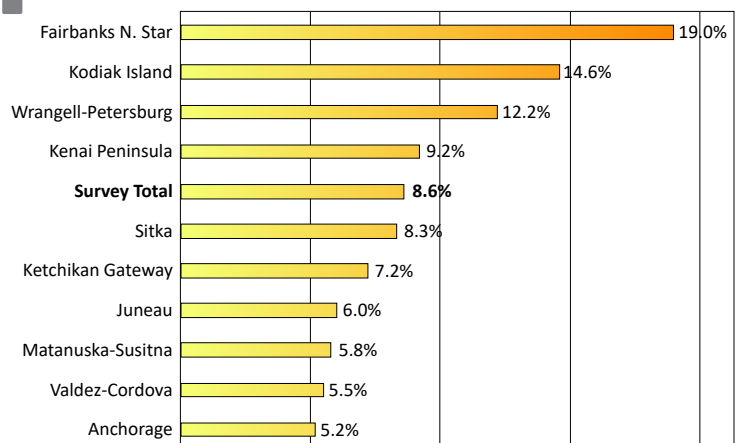
3 House Rent Highest in Anchorage

MEDIAN ADJUSTED RENTS, 3-BEDROOM, MAR 2019



4 High Vacancy in Fairbanks, Kodiak

VACANCY RATES BY AREA, ALL UNIT TYPES, MAR 2019

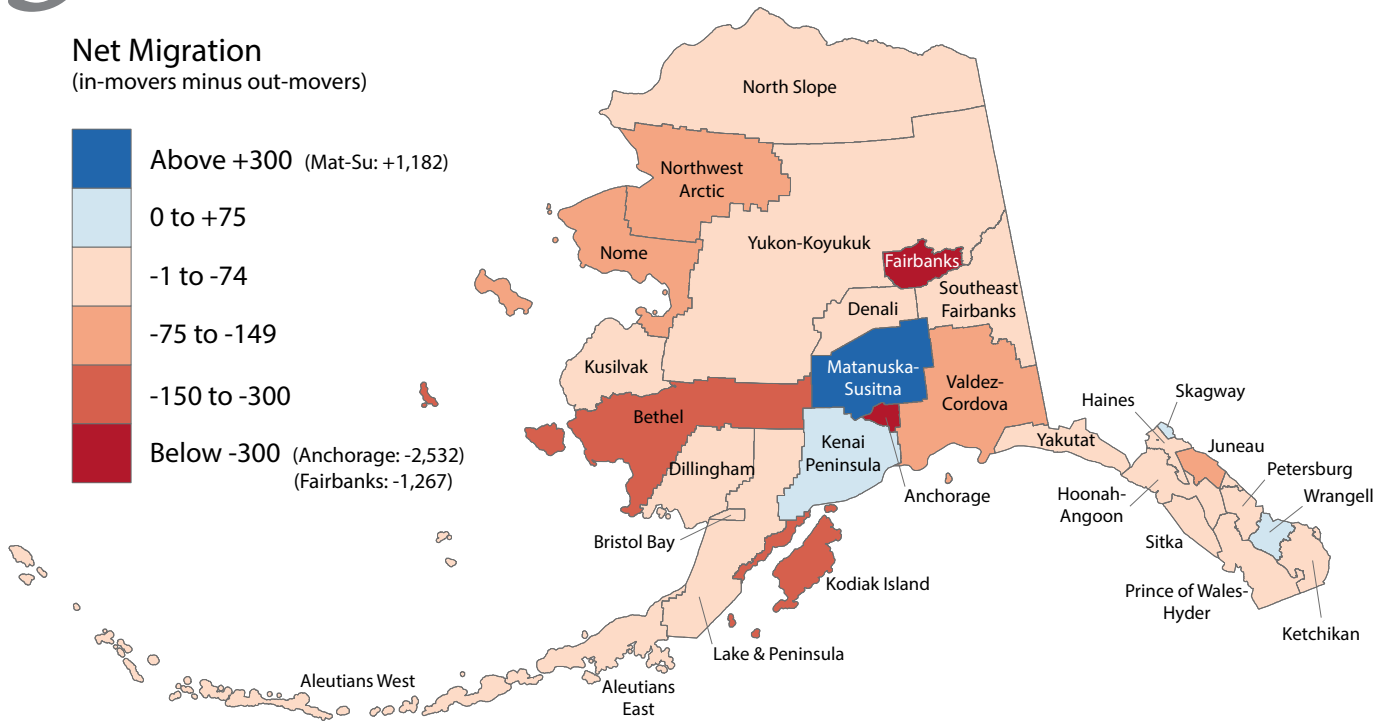
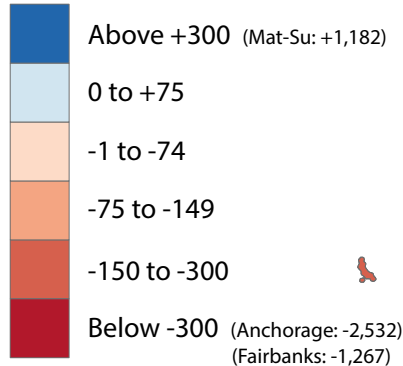


Source for exhibits 2-4: Alaska Department of Labor and Workforce Development, Research and Analysis Section and Alaska Housing Finance Corporation

5 More People Have Left Alaska Than Moved Here in Recent Years

NET MIGRATION BY AREA, YEARLY AVERAGE FROM 2010 TO 2018

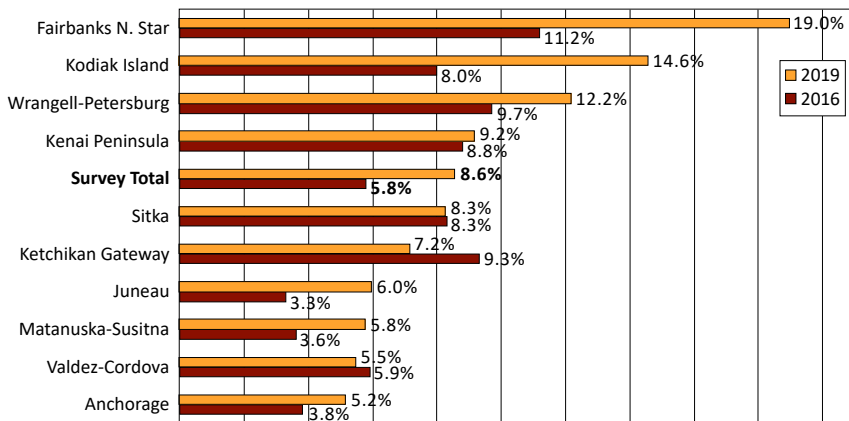
Net Migration
(in-movers minus out-movers)



Source: Alaska Department of Labor and Workforce Development, Research and Analysis Section

6 How Vacancy Changed In Three Years

VACANCY RATES BY AREA, 2016 AND 2019



Source: Alaska Department of Labor and Workforce Development, Research and Analysis Section and Alaska Housing Finance Corporation

Wrangell and Petersburg were lowest in this category as well, at \$1,085, followed by Ketchikan at \$1,456.

A few areas remain tight, but vacancy up in most

While vacancy rates rose overall in 2019, results varied considerably by area. Sitka, Ketchikan, and the Valdez-Cordova Census Area were the only areas whose vacancy rates dropped.

Anchorage's rental market remained relatively tight at 5.2 percent vacancy, followed by Valdez-Cordova at 5.5 percent. (See Exhibit 4.) It's important to note, though, that 5.2 percent vacancy is high for Anchorage, which is typically down in the 3 to 4 percent range.

Juneau followed a similar pattern. While Juneau's vacancy rate was still

Article continues on page 9

7 Apartment Rents, Utilities, and Vacancies By Area

BY NUMBER OF BEDROOMS, MARCH 2019

Surveyed Area	Number of Bedrooms	Avg Contract Rent	Average Adj Rent	Median Contract Rent	Median Adj Rent	Vacancy Rate	Percent of Units That Include Utility					
							Heat	Light	Hot Wtr	Water	Garbage	Sewer
Anchorage, Municipality	0	\$787	\$873	\$755	\$842	5.3%	87.4%	47.1%	89.0%	45.7%	99.5%	45.7%
	1	\$978	\$1,087	\$905	\$1,024	4.6%	86.0%	36.2%	87.8%	39.6%	99.7%	39.5%
	2	\$1,175	\$1,313	\$1,100	\$1,238	4.9%	72.7%	7.7%	75.6%	51.9%	98.3%	51.8%
	3	\$1,427	\$1,566	\$1,393	\$1,523	8.0%	59.3%	8.1%	62.2%	75.9%	88.3%	73.9%
Fairbanks North Star Borough	0	\$645	\$672	\$618	\$669	17.7%	98.8%	68.3%	97.6%	97.6%	95.1%	97.6%
	1	\$889	\$972	\$900	\$993	19.6%	98.3%	22.2%	93.1%	98.4%	92.8%	97.0%
	2	\$1,111	\$1,247	\$1,140	\$1,265	23.9%	97.8%	6.5%	83.0%	96.5%	92.3%	95.2%
	3	\$1,313	\$1,554	\$1,265	\$1,543	11.0%	89.9%	5.1%	46.8%	89.0%	75.1%	93.2%
Juneau, City and Borough	0	\$910	\$945	\$955	\$988	3.1%	78.7%	14.2%	82.7%	100.0%	100.0%	100.0%
	1	\$1,006	\$1,043	\$1,000	\$1,037	5.9%	72.9%	38.3%	72.1%	99.5%	98.9%	99.5%
	2	\$1,253	\$1,338	\$1,250	\$1,352	6.1%	42.5%	13.5%	36.4%	99.3%	93.9%	99.3%
	3	\$1,670	\$1,795	\$1,700	\$1,840	5.8%	51.0%	8.7%	30.8%	97.1%	71.2%	99.0%
Kenai Peninsula Borough	0	\$626	\$652	\$650	\$665	7.1%	92.9%	71.4%	90.0%	100.0%	98.6%	100.0%
	1	\$755	\$861	\$765	\$831	6.9%	79.3%	26.7%	79.3%	94.4%	92.2%	94.4%
	2	\$905	\$1,043	\$880	\$1,015	12.5%	80.7%	17.2%	76.9%	94.6%	92.2%	94.1%
	3	\$1,152	\$1,320	\$1,100	\$1,237	2.5%	63.3%	16.5%	63.3%	88.6%	82.3%	91.1%
Ketchikan Gateway Borough	0	\$889	\$903	\$800	\$800	17.0%	95.7%	91.5%	95.7%	93.6%	91.5%	93.6%
	1	\$908	\$1,001	\$875	\$1,000	6.3%	83.3%	39.7%	71.4%	57.9%	57.1%	58.7%
	2	\$1,130	\$1,254	\$1,065	\$1,249	3.2%	90.3%	35.1%	59.7%	48.1%	47.4%	48.1%
	3	\$1,370	\$1,538	\$1,300	\$1,460	7.9%	85.7%	22.2%	61.9%	28.6%	25.4%	28.6%
Kodiak Island Borough	0	\$811	\$867	\$750	\$830	16.3%	98.0%	8.2%	55.1%	100.0%	100.0%	100.0%
	1	\$1,019	\$1,060	\$975	\$1,031	8.4%	95.8%	33.7%	93.7%	98.9%	98.9%	98.9%
	2	\$1,277	\$1,359	\$1,300	\$1,371	17.1%	88.0%	11.4%	85.1%	94.3%	93.1%	94.3%
	3	\$1,447	\$1,567	\$1,500	\$1,584	15.7%	75.9%	4.8%	75.9%	92.8%	92.8%	92.8%
Matanuska-Susitna Borough	0	\$688	\$694	\$628	\$638	3.6%	100.0%	89.3%	100.0%	100.0%	100.0%	100.0%
	1	\$806	\$883	\$800	\$883	7.0%	80.2%	16.0%	79.0%	96.9%	95.7%	95.7%
	2	\$939	\$1,044	\$900	\$1,023	6.8%	71.5%	12.6%	69.6%	95.1%	93.7%	87.9%
	3	\$1,282	\$1,454	\$1,250	\$1,438	7.1%	35.3%	7.1%	35.3%	91.2%	89.4%	62.9%
Sitka, City and Borough	0	\$726	\$895	\$750	\$920	0%	68.4%	5.3%	78.9%	10.5%	68.4%	68.4%
	1	\$852	\$1,050	\$875	\$1,073	6.5%	58.1%	11.8%	65.6%	19.4%	33.3%	39.8%
	2	\$1,011	\$1,298	\$1,000	\$1,291	7.7%	25.3%	4.4%	26.4%	11.0%	6.6%	11.0%
	3	\$1,299	\$1,568	\$1,200	\$1,373	12.2%	14.6%	2.4%	9.8%	4.9%	4.9%	4.9%
Valdez-Cordova Census Area	0	\$907	\$907	\$900	\$900	28.6%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
	1	\$998	\$1,028	\$900	\$900	3.8%	88.5%	71.2%	84.6%	90.4%	90.4%	90.4%
	2	\$1,200	\$1,289	\$1,100	\$1,240	4.9%	80.5%	30.9%	62.6%	96.7%	95.1%	96.7%
	3	\$1,349	\$1,460	\$1,275	\$1,378	3.1%	84.4%	28.1%	78.1%	87.5%	90.6%	90.6%
Wrangell/Petersburg	0	ND	ND	ND	ND	ND	ND	ND	ND	ND	ND	ND
	1	\$655	\$761	\$608	\$780	26.9%	53.8%	30.8%	34.6%	38.5%	50.0%	42.3%
	2	\$783	\$918	\$700	\$861	9.0%	62.7%	6.0%	44.8%	64.2%	70.1%	61.2%
	3	\$805	\$960	\$800	\$907	0%	52.9%	5.9%	52.9%	58.8%	64.7%	64.7%

Notes: Contract rent is the amount paid to the landlord each month, which may or may not include some utilities. Adjusted rent is the contract rent plus all utilities, which allows for comparisons among areas.
 ND = Not disclosable for confidentiality reasons

Source: Alaska Department of Labor and Workforce Development, Research and Analysis Section and Alaska Housing Finance Corporation, 2019 Rental Survey



Single-Family House Rents, Utilities, and Vacancies by Area

BY NUMBER OF BEDROOMS, MARCH 2019

Surveyed Area	Number of Bedrooms	Avg Contract Rent	Average Adj Rent	Median Contract Rent	Median Adj Rent	Vacancy Rate	Percent of Units That Include Utility					
							Heat	Light	Hot Wtr	Water	Garbage	Sewer
Anchorage, Municipality	1	\$891	\$1,050	\$863	\$1,066	8.3%	25.0%	25.0%	25.0%	58.3%	58.3%	58.3%
	2	\$1,290	\$1,498	\$1,325	\$1,529	16.7%	11.1%	8.3%	11.1%	47.2%	38.9%	47.2%
	3	\$1,771	\$2,025	\$1,750	\$2,011	8.8%	8.0%	6.6%	5.8%	23.4%	18.2%	23.4%
	4	\$2,088	\$2,397	\$2,038	\$2,374	8.7%	0%	0%	0%	15.2%	13.0%	15.2%
Fairbanks North Star Borough	1	\$890	\$1,074	\$900	\$1,077	12.9%	64.5%	17.7%	48.4%	69.4%	27.4%	69.4%
	2	\$1,170	\$1,459	\$1,213	\$1,492	11.8%	51.3%	7.9%	25.0%	60.5%	30.3%	55.3%
	3	\$1,733	\$1,947	\$1,770	\$1,932	11.3%	84.0%	1.3%	80.2%	85.2%	82.2%	85.0%
	4	\$1,936	\$2,248	\$1,970	\$2,164	25.5%	73.6%	0.9%	67.9%	76.4%	70.8%	77.4%
Juneau, City and Borough	1	\$1,022	\$1,100	\$1,000	\$1,040	11.1%	33.3%	16.7%	38.9%	100.0%	83.3%	94.4%
	2	\$1,604	\$1,716	\$1,650	\$1,759	8.3%	33.3%	16.7%	33.3%	91.7%	66.7%	91.7%
	3	\$1,758	\$1,913	\$1,800	\$1,947	7.7%	23.1%	11.5%	15.4%	92.3%	53.8%	88.5%
	4	ND	ND	ND	ND	ND	ND	ND	ND	ND	ND	ND
Kenai Peninsula Borough	1	\$700	\$942	\$700	\$884	10.2%	24.5%	24.5%	30.6%	59.2%	38.8%	63.3%
	2	\$931	\$1,213	\$900	\$1,206	12.7%	15.5%	12.7%	18.3%	53.5%	21.1%	45.1%
	3	\$1,147	\$1,449	\$1,179	\$1,505	5.8%	20.9%	20.9%	22.1%	61.6%	24.4%	47.7%
	4	\$1,343	\$1,689	\$1,313	\$1,676	0.0%	11.1%	11.1%	11.1%	66.7%	22.2%	66.7%
Ketchikan Gateway Borough	1	\$869	\$960	\$900	\$1,008	37.5%	37.5%	37.5%	37.5%	75.0%	62.5%	75.0%
	2	\$810	\$992	\$750	\$932	11.1%	33.3%	11.1%	11.1%	44.4%	22.2%	55.6%
	3	\$1,255	\$1,466	\$1,300	\$1,456	9.1%	9.1%	0.0%	9.1%	45.5%	36.4%	54.5%
	4	ND	ND	ND	ND	ND	ND	ND	ND	ND	ND	ND
Kodiak Island Borough	1	\$1,083	\$1,211	\$1,150	\$1,228	21.4%	21.4%	28.6%	35.7%	71.4%	64.3%	71.4%
	2	\$1,370	\$1,492	\$1,325	\$1,461	0.0%	20.8%	8.3%	25.0%	95.8%	91.7%	95.8%
	3	\$1,749	\$1,987	\$1,750	\$1,961	20.0%	2.5%	5.0%	5.0%	75.0%	57.5%	75.0%
	4	\$1,932	\$2,208	\$2,100	\$2,304	27.3%	0%	0%	18.2%	63.6%	63.6%	72.7%
Matanuska-Susitna Borough	1	\$789	\$976	\$788	\$962	11.1%	38.9%	33.3%	38.9%	88.9%	72.2%	55.6%
	2	\$1,004	\$1,170	\$963	\$1,168	0.0%	38.1%	9.5%	40.5%	83.3%	66.7%	66.7%
	3	\$1,432	\$1,698	\$1,400	\$1,673	1.4%	2.2%	2.2%	3.6%	75.4%	47.8%	39.9%
	4	\$1,697	\$2,007	\$1,700	\$2,057	2.6%	5.3%	5.3%	5.3%	60.5%	55.3%	21.1%
Sitka, City and Borough	1	\$828	\$1,020	\$800	\$1,057	20.0%	20.0%	20.0%	20.0%	20.0%	20.0%	20.0%
	2	\$1,070	\$1,352	\$1,000	\$1,341	12.9%	6.5%	3.2%	3.2%	3.2%	3.2%	3.2%
	3	\$1,567	\$1,841	\$1,500	\$1,850	0.0%	12.0%	8.0%	8.0%	8.0%	4.0%	8.0%
	4	ND	ND	ND	ND	ND	ND	ND	ND	ND	ND	ND
Valdez-Cordova Census Area	1	\$1,039	\$1,176	\$1,050	\$1,235	0.0%	33.3%	22.2%	22.2%	55.6%	55.6%	55.6%
	2	\$960	\$1,132	\$825	\$1,003	10.0%	20.0%	30.0%	30.0%	60.0%	50.0%	60.0%
	3	\$1,723	\$1,894	\$1,650	\$1,843	3.2%	9.7%	12.9%	12.9%	35.5%	32.3%	35.5%
	4	ND	ND	ND	ND	ND	ND	ND	ND	ND	ND	ND
Wrangell/Petersburg	1	ND	ND	ND	ND	ND	ND	ND	ND	ND	ND	ND
	2	\$753	\$986	\$670	\$916	0%	0%	0%	0%	8.3%	25.0%	8.3%
	3	\$739	\$1,024	\$800	\$1,085	14.3%	0%	0%	0%	0%	0%	0%
	4	ND	ND	ND	ND	ND	ND	ND	ND	ND	ND	ND

Notes: Contract rent is the amount paid to the landlord each month, which may or may not include some utilities. Adjusted rent is the contract rent plus all utilities, which allows for comparisons among areas.
 ND = Not disclosable for confidentiality reasons

Source: Alaska Department of Labor and Workforce Development, Research and Analysis Section and Alaska Housing Finance Corporation, 2019 Rental Survey

among the lowest in the state in 2019 at 6.0 percent, it too is usually closer to 3 percent and has nearly doubled in three years.

Atypical patterns in Kodiak and Fairbanks this year

As mentioned earlier, Fairbanks and Kodiak had the highest vacancy rates early this year at 19.0 percent and 14.6 percent, respectively, and both had risen considerably since 2016. (See Exhibit 6.)

While Kodiak's rent has remained close to what it was last year, Kodiak had the highest rents in the state in 2019 as well as one of the highest vacancy rates, which is unusual because it tends to have high rent with low vacancy.

High vacancy rates in Kodiak and Fairbanks are partly explained by population loss through net migration, or more people moving out than moving in. Both areas have had significant net migration losses since 2010. (See Exhibit 5.)

Kodiak's vacancy rate is also tied to the Coast Guard, and the recent trend of more personnel living on base has opened up rentals in the area. Finally, Kodiak has a number of new multiplex apartments, which likely increased vacancy over the last few years.

Fairbanks' high vacancy rate is also due to a number of other factors, including military movements, a slower economy, new units on the market, and a transient population (mostly due to its large military population and the University of Alaska Fairbanks).

In March, the U.S. Army announced it would deploy half of its largest unit stationed in Fairbanks to Iraq later this year (the 1st Stryker Brigade Combat Team, 25th Infantry Division, which has 4,500 soldiers). Although the announcement came while this survey was in progress, families were likely already making preparatory moves.

Rob Kreiger is an economist in Juneau. Reach him at (907) 465-6031 or rob.kreiger@alaska.gov.

PUBLIC WORKS ASSEMBLY UPDATE
WORK COMPLETED THROUGH MARCH 2020

Wastewater Treatment Plant (WWTP) Rehabilitation (CONSTRUCTION PHASE)

Milestones This Period

- Approved Schedule of Values (SOV) from Contractor and received Pay Request #1 for review.
- Hazardous materials abatement completed.
- Began demolition of mechanical & electrical systems.
- Received notice from contractor regarding potential impacts due to the COVID-19 pandemic and prepared and sent a response.

Future Milestones

- Interior demolition in Administration Area to begin (early April).
- Replacement of mechanical and electrical systems to begin April 2020.
- Reconstruction of Administration Area to begin in May or June 2020.
- Exterior siding (doors & windows) and Administration Area perimeter walls demolition, May or June 2020.
- Reconstruction of building siding, doors, and window, Summer 2020.
- Anticipated project Substantial Completion May 20, 2021.

Background

The Wastewater Treatment Plant was built in the early 1980's and many of the building systems, including the building envelope (exterior siding, windows and doors), electrical, plumbing and mechanical, including the HVAC (ventilation air) system, have failed or are past their useful life and require replacement. The air quality within the building is inadequate and corrosive, and as a result the exposed piping and metal within the building have corroded.

Total project cost is currently estimated at \$9,782,000. Funding for this project is provided by the following sources:

\$263,000 – WW Fund Working Capital
(\$218,000) – WW Working Capital moved to the SCADA Control Project
\$9,737,000 – DEC Loans
\$9,782,000 – Total Available Project Funding

Current Contracts: McCool Carlson Green (design)	\$898,284
MCG Constructors, Inc./DCI Joint Venture (w/CO-1)	\$7,432,800

Critical Secondary Water Supply (DESIGN PHASE)

For more information and history on this project, visit the City website at:
www.cityofsitka.com > Public Works Department > Public Works Projects > Critical Secondary Water Supply – or go directly to:

<https://www.cityofsitka.com/government/departments/publicworks/projects.html>

Milestones This Period

- Received engineering submittal from Pall, the company providing our filtration equipment.

Future Milestones

- Award Phase 2 of design contract (final design and assistance during bidding): April 2020.
- Request Assembly approval on April 14 regular meeting to submit grant application to Economic Development Administration to fund CBS-NSRAA water intake in Sawmill Creek: May 2020.
- Facilitate discussion between NSRAA and CBS Administration to establish a project cost sharing structure for potential EDA grant: June 2020.
- Solicit construction bids for intake work: August 2020.
- Solicit construction bids for filter plant work: September 2020.
- Substantial Completion for secondary water source project anticipated in January 2022.

Background

The project is for design and construction of a secondary water source, for when the primary water source – Blue Lake water treated with ultraviolet (UV) radiation – is unavailable. Blue Lake water will not be available when the Electric Department inspects and maintains the penstock providing water from the dam to the power plant. Blue Lake water may also require filtration – not just UV treatment – if turbidity levels continue to exceed regulatory thresholds.

Total project cost is estimated at \$18 million. Funding for the project is provided by:

\$150,000 – Working Capital
\$380,000 – transferred from UV Disinfection project Working Capital
<u>\$17,620,000</u> – Alaska Clean Water Fund loan
\$18,150,000 – Total Available Project Funding

Current Contracts:	CRW Engineering Group (design)	\$362,780
	Jacobs (independent design review)	\$25,000
	Pall Water (supply filtration equipment)	\$2,339,350

Crescent Harbor Float Replacement – Phase I (CONSTRUCTION PHASE)

Milestones This Period

- Float 1 and associated pilings installed. This completes the float and piling installation work that needed to be complete by March 15.
- Gangway from the High-Load Dock installed.
- Cathodic protection (anodes) installed.
- Float-mounted water mains installation complete. Water and fire risers installed and connected to water mains.
- All electrical service wires have been pulled into place. Power pedestal and overhead light fixtures approximately 75 percent erected.
- Received notice from contractor regarding potential impact due to the COVID-19 pandemic and prepared and sent a reply.

Future Milestones

- Mechanical subcontractor to complete installation of water risers and hydrants: May 2020. Schedule subject to supply-chain delays due to COVID-19.

- Electrical subcontractor to pull remaining wire and to install electrical pedestals and substations, June 2020. Schedule subject to supply-chain delays due to COVID-19.
- Project Substantial Completion date is June 12, 2020.

Background

The physical condition of Crescent Harbor had deteriorated to point where in-house repairs are no longer sufficient to adequately maintain the facility. Harbor Department staff and Public Works Department engineers determined the harbor now presents an operational and safety risk due to floats sinking, decay of wooden beams, corrosion of metal fixtures and failure of walk-down ramps to meet ADA accessibility requirements.

The project has an estimated total cost of \$13 million for design and construction. Funding for this project is provided by the following sources:

\$1,000,000 – Harbor Fund Working Capital
 \$5,000,000 – AK DOT Harbor Matching Grant
\$8,025,000 – Harbor Revenue Bonds
 \$14,025,000 – Total Available Project Funding

Current Contracts:	Jacobs (project administrative support)	\$315,905
	PND, Inc (construction inspection support)	\$189,455
	Turnagain Marine Design-Build Contract	\$13,141,812

Thomsen Harbor Anode Replacement (DESIGN PHASE)

Milestones This Period

- All future milestones are in progress.
- Review of 95% plans completed and comments returned to design consultant.

Future Milestones

- Anticipate bid advertisement, May 2020.
- Construction planned for October 2020. Substantial Completion, January 2020.

Background

Old Thomsen Harbor was originally built in 1976. In 2006, the CBS replaced the Old Thomsen Harbor floats with new timber floats as part of a comprehensive capital improvement program. At the time of construction, a cathodic protection system was considered to prevent future corrosion, but not installed due to financial considerations. Some of the existing steel piles are already showing signs of mild corrosion. This project will install cathodic protection on all of the steel pipe piles in Thomsen Harbor in the form of sacrificial anodes welded to the piles. The new anodes are designed to protect the piles for 20 years, thereby extending the life of this important and expensive harbor facility.

The project has an estimated total cost of \$406,000. Funding for this project is provided by the following sources:

\$203,000 – Harbor Fund Working Capital
\$203,000 – AK DOT Harbor Matching Grant
\$406,000 – Total Available Project Funding

Current Contracts: PND Engineers, Inc.

\$17,870

Sitka Seaplane Base (SPB) (PLANNING PHASE)

For more information and history on this project, visit the City website at:

www.cityofsitka.com > Public Works Department > Public Works Projects > New Sitka Seaplane Base – or go directly to:

<https://www.cityofsitka.com/government/departments/publicworks/SitkaSeaplaneBaseSitingStudy.htm>

Milestones This Period

- All future milestones are in progress, but due to the COVID-19 pandemic the schedule for completion of future milestones is subject to change.
- Completion of topographic (land) and bathymetric (ocean floor) surveys.

Future Milestones

- Completion of the Wind & Wave Study, May 2020. This study is underway and is required for developing the preliminary facility layout.
- Completion of field work in Sitka by the consultants for the Intertidal Habitat and Marine Life Surveys, the Wetlands Survey, and the Historical, Architectural, Archaeological, and Cultural Survey, May and June 2020. Subject to consultant travel. The results of these studies will assist in developing the preliminary facility layout.
- Completion of preliminary facility layout alternatives for discussion with Stakeholders, July 2020.
- The facility layout stakeholder meeting is now tentatively planned for July 2020. This meeting may be held electronically once preliminary facility layout options are ready for discussion and user input.
- Permitting: DRAFT NEPA Environmental Assessment (EA) prepared and ready for Public Review: November 2020.
- Planning for land acquisition and business plan: October/November 2020.
- Public Meeting and/or input on drafts EA, facility layout, and business plan: November 2020
- Prepare and submit AIP grant applications to FAA for next phase Design/Land Acquisition: Fall 2021 (depends on federal funding cycle).

Background

The existing Seaplane Base has been operating for 65 years and is at the end of its useful life. The Assembly passed an action plan to construct a new facility just inside the breakwater on Japonski Island (end of Seward Street) making this a top priority to secure Federal Funding, land, and ultimately construction. Federal funding is anticipated to cover 93.75% of the cost of construction and another \$150k per year in operational maintenance. For this reason, it is essential for the project development to follow the required Federal funding process anticipated to span four years.

There are 5 main phases required to complete to be eligible to proceed to the next stage and receive Federal funding:

1. Planning and Environmental Review(current funded stage):
Complete early 2021
2. Layout plan (current funded stage): Complete early 2021
3. Land acquisition (not funded until EA is completed and approved):
Complete Summer 2022
4. Design/Final Permitting (must build or give back FAA funds):
Complete Summer 2022
5. Construction: 2023-2024

We understand there are concerns over the length of the process especially as it relates to these initial grant phases of work for the Environmental Assessment and completed a kickoff meeting to help clarify and brainstorm options in navigating the required federal process as well as to provide an opportunity to give comments and ask questions, before the project proceeds into the permitting phase.

For detailed meeting notes and presentation materials, visit the project web page at the link above.

The preliminary total project cost is estimated at \$16 million. Funding for this project is provided by the following sources:

- \$842,629 – FAA AIP Grant (E/A & Planning Grant)
- \$56,176 – General Fund Working Capital (Req'd CBS Match @ 6.25%)
- \$898,805 – Total Available Project Funding

Current Contracts: DOWL (E/A & Aviation Planning) \$707,079

Sitka Sea Walk Phase 2 (PLANNING & DESIGN PHASE)

Milestones This Period

- All future milestones are in progress.

Future Milestones

- Additional scoping effort to be performed to explore more affordable alternatives, June 2020.
- Design phase to kick off in late 2020 with plans for multiple meetings throughout the process.
- Construction is estimated to begin, Spring 2021.

Background

The project includes extending the Sitka Sea Walk from the Sitka Public Library toward (and under) O'Connell Bridge and terminating at the west end of Lincoln Street at its intersection with Harbor Way. Phase 2 of the Sea Walk, an 8-foot wide handicap accessible multi-use path, will continue the same theme as the first phase of the Sea Walk that extends from Harrigan Centennial Hall East through Crescent Harbor Park toward Sitka National Historical Park. The project is being delivered (managed) by Western Federal Lands (WFL), will be designed in 2020 and construction is expected to

begin Summer 2021. Multiple rounds of public involvement are anticipated throughout the design process. The current funding plan is as follows:

\$ 1,674,713 – Grant from Western Federal Lands
 \$158,060 – CBS GF and/or CPET Funds
\$1,832,773 – Total Available Project Funding

Current Contracts: No CBS contracts at this time.

Peterson Storm Sewer Rehabilitation (DESIGN PHASE)

Milestones This Period

- Received extension to National Fish and Wildlife Foundation grant to June 30, 2020. It had been scheduled to expire on April 13, 2020. NFWF could not extend the grant beyond the given date, but said they'll consider another extension request once the CBS FY21 budget is finalized.

Future Milestones

- Project to be bid in Fall 2020 and constructed in Summer 2021 when public schools are not in session. The closure of Peterson Street would cause major school-bus delays.

Background

The project includes replacement of deteriorated 60" corrugated metal culvert crossing under Peterson Street, allowing for fish passage. Peterson Street is a collector street that provides critical access to side streets and local residences as well as to Sitka High School.

Total project cost is estimated at \$1,215,000. Funding for the project is provided by:

\$150,000 – General Fund FY2019 Working Capital
\$220,000 – General Fund FY20 Working Capital
(\$50,000) – transferred to Davidoff Street Sewer Rehab project
\$55,000 – National Fish & Wildlife Foundation design grant
\$60,000 – U.S. Fish and Wildlife Service Fish Passage construction grant
\$80,000 – U.S. Fish & Wildlife Service Fish Passage construction grant
\$515,000 – Total Available Project Funding

Note: Additional project funding required. Up to \$700,000 may be requested with upcoming FY21 General Fund Capital Projects Budget.

Current Contracts: DOWL (design) \$78,072

Channel and Eagle Way Lift Station Rehabilitation (BIDDING PHASE)

Milestones This Period

- All future milestones are in progress.

Future Milestones

- Issue Notice to Proceed to low bidder Marble Construction: April 2020.

- Rehabilitate Channel and Eagle Way lift stations:
 - Substantial Completion: August 28, 2020.
 - Physical Completion: September 28, 2020.

Background

Eagle Way Lift Station is responsible for pumping all sewage east of Eagle Way toward the Wastewater Treatment Plant. Channel Lift Station is responsible for an apartment complex and one private residence on Halibut Point Road. Both lift stations require excess maintenance due to corrosion and/or outdated pumping equipment. Project will rehabilitate lift stations, re-using existing infrastructure to the extent feasible.

The estimated construction cost for the project is approximately \$1.2 million. Funding for the project is provided by:

- \$250,000 – DCCED grant (Eagle Way Lift Station)
- \$530,000 – Wastewater Fund Working Capital (Eagle Way Lift Station)
- \$108,266 – Wastewater Fund Working Capital (Channel Lift Station)
- \$371,109 – ACWF loan (Channel Lift Station)
- \$1,259,375 – Total Available Project Funding

Current Contracts:	DOWL (C-EW portion of bigger design project)	\$91,925
	DXPE (Eagle Way portion of pump supply contract)	\$56,714
	Boreal Control (C-EW portion of control equipment supply contract)	\$97,200
	Marble Construction (contract pending)	\$829,238

Brady Lift Station Rehabilitation (DESIGN PHASE)

Milestones This Period

- All future milestones are in progress.

Future Milestones

- Complete design and bid out project: June 2020.
- Issue Notice to Proceed to low bidder: August 2020.
- Construct Brady Lift Station improvements:
 - Start construction: November 2020.
 - Substantial Completion: February 2021.
 - Physical Completion: March 2021.

Background

Brady Lift Station is responsible for pumping all sewage generated north of Brady Street to the Wastewater Treatment Plant. A plug valve in the lift station has failed, making it impossible to isolate one of the three pumps for maintenance. Equipment is outdated and requires excessive maintenance. Project will rehabilitate lift station, re-using existing infrastructure to the extent feasible. Work is scheduled to minimize impacts to True Value. The project will require use of part of their parking lot.

The estimated construction cost for the project is approximately \$900K. Funding for the project is provided by:

\$217,400 – ACWF loan
\$428,759 – Wastewater Fund Working Capital
\$646,159 – Total Available Project Funding

There is a request in the FY21 budget for \$250K for working capital from the Wastewater Fund to fully fund this project.

Current Contracts:	DOWL (Brady portion of bigger design project)	\$98,980
	DXPE (Brady portion of pump supply contract)	\$53,730
	Boreal Control (Brady portion of control equipment supply contract)	\$97,700

Airport Terminal Improvements (DESIGN PHASE)

Milestones This Period

- All future milestones are in progress.

Future Milestones

- Complete the 35% revisions for the rest of the terminal improvements design and move into the Design Development Phase (65%) where the improvements will be developed and defined in separate phases for construction and funding, Summer 2020.
- Resolve the remaining 30% TSA design submittal issues for the TSA Baggage Screening Area, Summer 2020.
- AK DOT involvement 65%, especially regarding potential FAA AIP funding & Improvement staging Fall 2020.
- Other funding sources for terminal improvements beyond the PFC/Bonding and AIP grant requests are being developed for consideration, including airport terminal user fees and TSA grants for screening/security improvements.
- Phased construction has been delayed to at least 2021 through 2023, due to the Federal Government shutdown at the end of 2018 and the lack of project funding.

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 TSA baggage screening area, as well as problems with congested passenger queuing, screening, baggage, fish boxes, waiting areas and passenger flow. 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. The Assembly approved moving forward to the 65% Schematic Design Milestone for the preferred concept plan that was presented in the Assembly work-session August 8, 2017. Passenger Facility Charges (PFC) were applied for and approved by ADOT and FAA. Collection of the PFCs began May 1, 2018. The total anticipated revenue collection over the 20-year period of collection is \$6,840,000.00, which will finance the \$4,025,000 revenue bond along with its fees and debt service.

The estimated cost for the project as identified is approximately \$15 Million. The current funding plan outlines the following components:

• Passenger Facility Charge Revenue	\$4,025,000	Bond Secured
• TSA OTA Grant	\$158,569	Secured
• TSA Funding	\$3,397,500	Unsecured
• Eligible AIP Grant Request	\$10,283,954	Unsecured

Current contracts: MCG Architects (design) \$449,069

Lincoln Street Paving – Harbor Way to Harbor Drive (DESIGN PHASE)

Milestones This Period

- None. Project currently on hold, pending direction from Administrator and Assembly.

Future Milestones

- Project on hold.

Background

The project includes replacing non-ADA-compliant curb ramps, failing storm drain, limited curb, gutter and sidewalk and all asphalt pavement on Lincoln Street from approximately Harbor Way to Harbor Drive. Water and sewer utilities will be installed on Cathedral Way, which will also be re-paved. 95% design is complete but not approved to move forward.

Funding for the project is provided by:

- \$1,760,000 – General Fund
- \$105,000 – CPET Funding
- \$20,000 – Water Fund
- \$20,000 – Sewer Fund
- \$1,905,000 – Total Available Project Funding

Current Contracts: Professional and Technical Services, Inc. \$383,290
(Lincoln portion of Lincoln & Katlian contract)

Nelson Logging Road Upgrades (CONSTRUCTION PHASE)

Milestones This Period

- All future milestones are in progress.

Future Milestones

- Obtain DNR approval of easement drawings, Summer 2020.
- Utilize remaining State grant funds, approximately \$60,000 to complete additional improvements (emergency phone line to shooting range, guardrail at HPR intersection, turnaround area at new bridge), Spring/Summer 2020.
- Final Project Closeout, Summer 2020.

Background

The project includes replacing both inadequate bridges, realignment at HPR intersection to raise the road elevation out of the stream floodplain, upgrading Nelson Logging Road to include drainage improvements, resurfacing, widening, and pedestrian amenities.

Funding for the project is provided entirely by a \$2,343,000 State of Alaska Department of Commerce Community and Economic Development Grant.

Current Contracts:	LEI Engineers & Surveying (design)	\$471,120
	K & E Alaska, Inc. (construction)	\$1,544,280

Maintenance Activities

Streets

- Several days of snow removal.
- Graded gravel roads.
- Filled more potholes, we now have used 10 tons of cold patch material since January.
- Buried Approximately 80 yds of bio solid material.
- Set up barricades on Crescent Harbor.
- Cleaned out sump on Eliason Loop drainage,
- Bought disinfectant materials for COVID-19.
- Disinfected vehicles equipment and spaces. Set up COVID Protocols.
- Demolished boats for Harbors.
- Changing equipment over to Spring Operations.

Central Garage

- Repaired over 33 different items some major some routine maintenance.
- Repaired hydraulic pump in Unit 413 sand and plow truck.
- Cleaned shop for COVID-19.
- Disinfected equipment for COVID-19

Scrapyard

- Processed materials and vehicles filled 9 Gondolas at 152,510 pounds which equals 76.25 Tons and 8.472 Tons per Gondola.
- Shopping for new Scrap Yard.
- Scrap prices dropped 1/3 of what they were last week due to COVID-19.

Grounds Maintenance

Completed

- Preventive maintenance schedule – Normal operations 20 preventative maintenance (PMs)
- Reactive/Requested Work Orders – 15 PMs
- Snow, Ice, and Proper Drainage Control around Building, Parks, and Grounds due to weather.
- Support Streets with snow removal on streets, parking lots, harbors, and schools.

- Disinfecting crescent playground until COVID-19 closure.
- Library down Spout Landscaping along rock garden.
- Several Trees down along cross tail system.
- Swan Lake Brushing along sidewalks.
- Securing Post Caps along Whale park board walk and replacing toe rails.
- Seawall board walk power washing completed.
- Graffiti at Lake and Lincoln Restrooms was removed.
- Sandi Beach Frozen Pipe Repairs – Ceilings Painted - Restroom Reopened.
- Whale Park Restrooms Ceilings Painted.
- Moller Complex Restrooms Ceilings Painted.
- Cleanup of Herring Cove Grounds.
- Abandoned truck towed from Herring Cover beach/landing.
- Closed the Crescent Harbor playground and schools' playgrounds due to COVID-19.

Ongoing

- Providing Support, continuing maintenance, repairs based around necessity pertaining to COVID-19. Security checks of recreations facilities, spot treating public restroom facilities, cleaning up trash and debris from public spaces, etc.
- Disinfecting of skate park due to COVID-19
- Lower Moller East Playground – On hold due to COVID-19.
- Crescent Harbor Playground defective surfacing being replace March/April 2020. Manufacture shipment expected mid/late March. Contractor working for manufacture under warranty should start work shortly after. Playground will be closed during demo and installation. Updates will follow.
- Looking into option for anti-skid surface along sea-walk's board walk areas.
- Working on security cameras for the Moller Complex on hold due to playground project and winter weather work.
- Crescent Harbor – Sea walk sections will be closed due to Harbor Project.
- Mountain Ash and Pine damaged during Harbor project. Contractor removing Ash. Pine will be pruned back once work is completed in that section.
- Winter damage and clean up underway due to snow removal.
- Goddard Hot Springs needs repair to hot water supply line
- Spring prep- falling behind due to COVID-19. No major spring cleanup/bed prep, fertilization of primary downtown and athletic field turf until further notice.

Building Maintenance

Completed

- Preventive maintenance schedule – Normal Operations – 100 PMs.
- Reactive/Requested Work Orders – 46 PMs
- Provide support to occupants, staff, and facilities as it relates to COVID-19.
 - Regular spot checks and disinfecting as needed.
 - Providing stock to sites
 - Working with Janitorial contractors

- Change air filter out in Public Facilities to a MERV-13 due to COVID-19 as well as normal PMs of the systems.
- Continue life safety related work and inspections.
- Snow and ice control around buildings.
- Airport – re-secure HVAC duct main truck in upper ceiling space.
- Airport auto doors trouble shooting
- Library electrical operating windows motors/connectors repaired.
- Library – spring cleanup support library staff.
- City Hall – Double front interior doors – set up for security purposes in-order for deliveries to be made. Plan change so setup has not been used.
- Ordered sanitation/disinfecting supplies, supplied products to City buildings.
- Waste Water Treatment Plant – Removed & recovered Sierra Anti-Freeze/Coolant from Boiler system, draining down all equipment in the system.
- Waste Water Treatment Plant – Recovered boiler burner parts for back up for back stock.
- Marine Service Center Condenser Project is Substantially Complete.

Ongoing

- Delta/TSA emergency Egress Door – working with Delta per TSA requiring another form of egress to handle TSA luggage.
- City/State office complaints on damaged window with cold weather. Provided estimated cost to replace based off other windows. Reached out to contractor for proposal. State would need to pay for replacing.
- State DOT/PF requesting City/State to no longer be part of their infrastructure. Discussion on option to proceed with City/State 1967 Agreement.
- Senior Center Roof leak – cut open ceiling to investigate, found additional wet spots, currently waiting for team to do water testing to investigate while ceiling is open. Temporary plastic installed
- Library Roof leak on 2/10/20- investigating if leak as a warranty item.
- Goddard Hot Springs – Reported problem with bottom tub not getting hot water persons felt there is a clogged line.
- Police Department –two broken windows will be replaced by Contractor prior to June.
- Police Department – Additional funds requested on the capital projects list for FY21 for long term HVAC solution.
- Centennial Hall – Gutter membrane installation, contractor will be complete before June 3, 2020.
- Library – interior LED lighting issues: Working with manufacture on getting replacement spotlights under warranty.

Monitoring

- Harrigan Centennial Hall – tile floor cracking common areas, waiting to see if weather changes creates more issues.
- Harrigan Centennial Hall additional cracks discovered under meeting room 5 carpet tiles. Waiting to see what happens with weather changes and activate on plan for repairs if required.

Water/Wastewater

COVID-19 Update

The Water/Wastewater Division continues to work hard during this pandemic. We have made modifications to our schedules to try to minimize our contact with each other, but a lot of our work requires us to be in close quarters. Several measures have been implemented to help ensure we stay as healthy as possible, such as riding in separate vehicles and sanitizing workspaces multiple times per day. We are short-staffed due to daycares and schools being closed. Because of this our response time may be increased.

Wipes (cleaning wipes, baby wipes, paper towels, shop towels, etc.) continue to be a problem for wastewater utilities around the world and Sitka is no exception. Wipes do not break down in water like toilet paper does, therefore they should not be flushed. This includes wipes that are marketed as flushable.

With the pandemic, wipes are being used now more than ever. These wipes cause blockages in sewer lines and they also get bound in pump impellers. When a pump is overcome with wipes it stops pumping and requires wastewater operators to remove the wipes by hand. This takes staff away from other tasks and also causes unnecessary wear and tear on pumps and motors which means they are not lasting as long as they should.

These are photos, courtesy of Brian Doyle from one of our lift stations.



This photo shows the impeller bound with wipes



This photo is of the bag of wipes that were removed from the impeller



- This photo shows the impeller free of wiper seals



CITY AND BOROUGH OF SITKA

Legislation Details

File #: 20-081 Version: 1 Name:

Type: Item Status: AGENDA READY

File created: 4/9/2020 In control: City and Borough Assembly

On agenda: 4/14/2020 Final action:

Title: Approve the minutes of the March 5, 10, 13, 16, and 24 Assembly meetings

Sponsors:

Indexes:

Code sections:

Attachments: [Consent and Minutes](#)

Date	Ver.	Action By	Action	Result
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CONSENT AGENDA

POSSIBLE MOTION

**I MOVE TO APPROVE THE CONSENT AGENDA
CONSISTING OF ITEMS A, B, C & D**

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
March 5, 10, 13, 16, and 24
Assembly meetings.



CITY AND BOROUGH OF SITKA

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

Minutes - Draft

City and Borough Assembly

Mayor Gary Paxton
Deputy Mayor Steven Eisenbeisz,
Vice Deputy Mayor Kevin Mosher,
Kevin Knox, Dr. Richard Wein, Valorie Nelson, Thor Christianson

Municipal Administrator: John Leach
Municipal Attorney: Brian Hanson
Municipal Clerk: Sara Peterson

Thursday, March 5, 2020

6:00 PM

Assembly Chambers

SPECIAL MEETING

I. CALL TO ORDER

II. FLAG SALUTE

III. ROLL CALL

Present: 6 - Christianson, Knox, Wein, Paxton, Mosher, and Nelson

Absent: 1 - Eisenbeisz

IV. PERSONS TO BE HEARD

None.

V. NEW BUSINESS:

A 20-057

Discussion / Direction / Decision for the FY2021 Municipal Budget with focus on the General Fund

Controller Melissa Haley reviewed the process to date and presented on the General Fund. Haley spoke to available resources to fund general governmental operations and infrastructure repairs, trends in federal and state funding, and noted reduced state and federal funding meant more reliance on local revenue streams. Haley reminded staff was directed to keep services/staffing at the same level with the following exceptions: salary for Library Director increased, Assistant Controller position for succession planning for one year, Community Affairs Director position budgeted, no funding for lobbyists, no rehire of vacant Engineer position, subsidy to Electric Fund to cover USDA loan for Green Lake, and signing bonuses for police officers not budgeted.

A motion was made by Mosher to fund lobbyists Larry Markley (\$25,000) and Blank Rome (\$120,000) in the FY2021 budget. The motion PASSED by the following vote.

Yes: 4 - Paxton, Christianson, Mosher, and Nelson

No: 2 - Knox and Wein

Absent: 1 - Eisenbeisz

Mosher spoke in support of lobbyist funding reminding the City had only started working with Blank Rome. Wein spoke in support of Blank Rome and wished to see regular updates from the firm. He wondered if this funding request was in addition to the Community Affairs Director position or in place of. Nelson reminded she was initially in support of funding Blank Rome if the Community Affairs Director position were eliminated. Knox spoke to the need for a Community Affairs Director. Christianson suggested it be placed in the budget and reminded of the ability to adjust the budget as needed.

Public Works Engineer Position

Christianson requested the Administrator report back to the Assembly if and when a future adjustment was needed. Wein spoke to temporary employees and overtime amounts in the budget.

Signing Bonuses for Police Department

A motion was made by Christianson to include a total of \$15,000 for Sitka Police Department signing bonuses in the FY2021 budget. The motion PASSED by the following vote.

Yes: 5 - Knox, Paxton, Wein, Mosher, and Christianson

No: 1 - Nelson

Absent: 1 - Eisenbeisz

Nelson voiced opposition and stated there were still problems in the Police Department. Wein said while it was unknown if signing bonuses would attract prospective employees it was a small amount and not unreasonable. Mosher concurred. Paxton spoke in support noting the shortage of officers on a local, state, and nationwide level. Knox said it was a small token on an issue that would be need to be addressed in multiple ways.

Haley continued with the remainder of the presentation. She told of government services expenses and factors impacting those expenses - e.g. health insurance rates, implementation of the Building Maintenance Fund, PERS, and a temporary increase in Finance FTE. Haley spoke to local funding for education and school building depreciation, school bond debt service, and reminded no funding was secured for future school building renovations. Knox proposed the idea of creating a sinking fund for school building maintenance.

Capital project funding was discussed with specific attention to the Peterson Storm Sewer Rehabilitation Project, Knutson Drive Critical Repairs, Katlian Avenue Paving Project, and Crescent Harbor Restrooms. Public Works Director Michael Harmon answered questions related to each project.

Wein complimented staff on the presentation and suggested it would be helpful for department heads to write a paragraph explaining their budget and any differences.

VI. PERSONS TO BE HEARD:

None.

VII. EXECUTIVE SESSION

None.

VIII. ADJOURNMENT

A motion was made by Nelson to ADJOURN. Hearing no objections, the meeting ADJOURNED at 7:42 p.m.

ATTEST: _____

Sara Peterson, MMC
Municipal Clerk



CITY AND BOROUGH OF SITKA

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

Minutes - Draft

City and Borough Assembly

Mayor Gary Paxton
Deputy Mayor Steven Eisenbeisz,
Vice Deputy Mayor Kevin Mosher,
Kevin Knox, Dr. Richard Wein, Valorie Nelson, Thor Christianson

Municipal Administrator: John Leach
Municipal Attorney: Brian Hanson
Municipal Clerk: Sara Peterson

Tuesday, March 10, 2020

6:00 PM

Assembly Chambers

REGULAR MEETING

I. CALL TO ORDER

II. FLAG SALUTE

III. ROLL CALL

Mayor Paxton expressed best wishes and prayers to the Allen family.

Present: 6 - Christianson, Eisenbeisz, Knox, Wein, Paxton, and Mosher

Absent: 1 - Nelson

IV. CORRESPONDENCE/AGENDA CHANGES

No agenda changes.

20-068 Reminders, Calendars, and General Correspondence

V. CEREMONIAL MATTERS

20-061 Awards - Sitka High School Drama, Debate, and Forensics Team

Mayor Paxton and Municipal Administrator John Leach presented certificates to the the Sitka High School Drama, Debate, and Forensics students and coaches.

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

20-062 SEARHC President Charles Clement: Sitka's Integrated Health Care System

- 6 Month Report

SEARHC President Charles Clement gave a six month report on Sitka's Integrated Health Care System. He noted the committed high quality of care, increase access and satisfaction, striving to be Sitka's employer of choice, and to be a financially sustainable system that would continue to look into the future. Some Assembly members made comments and asked questions.

VII. PERSONS TO BE HEARD

Michelle Putz President of the Sitka Community Land Trust told of the housing fair and open house recently held and encouraged the Assembly to support affordable housing. Connor Nelson told of a PUD at the Burkhardt subdivision with regards to a pocket park that was removed for affordable housing. Michael Mayo gave suggestions with regards to the COVID-19 virus. Richard Wein told of the complications with the COVID-19 virus in Sitka and reminded of where to find information.

VIII. REPORTS

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

Administrator - Leach reported on meetings and mitigation the city was involved in with regards to the COVID-19 virus. He stated he was 8 days on the job and had been busy. He reported interviews would be held soon for Human Resources Director and Fire Chief and there was a visiting Utility Director applicant. He told of the offer by the State Department of Transportation of possible ferry service with costs and capacity asking if there was interest in this service to contact city hall.

Attorney - Hanson reported on various legal department priorities.

Liaison Representatives - Knox reported on Parks and Recreation Committee, Wein on the Planning Commission and Local Emergency Planning Committee.

Clerk - Henshaw reminded of online participation in the 2020 Census and the City Seal contest remained open until March 31 at 4:00 p.m.

IX. CONSENT AGENDA

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

Yes: 6 - Christianson, Eisenbeisz, Knox, Wein, Paxton, and Mosher

Absent: 1 - Nelson

- A 20-060** Approve the minutes of the February 20 and February 25 Assembly meetings
This item was APPROVED ON THE CONSENT AGENDA.
- B 20-059** Approve a liquor license renewal application for Beak LLC dba Beak Restaurant at 2 Lincoln Street, Suite 1A
This item was APPROVED ON THE CONSENT AGENDA.

X. BOARD, COMMISSION, COMMITTEE APPOINTMENTS

C 20-063 Reappoint Nicole Filipek to a three-year term on the Library Commission

Wein thanked Filipek for reapplying.

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

Yes: 6 - Christianson, Eisenbeisz, Knox, Wein, Paxton, and Mosher

Absent: 1 - Nelson

D 20-064 Appoint Nalani Natise-Durden James to an unexpired term on the Library Commission

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

Yes: 6 - Christianson, Eisenbeisz, Knox, Wein, Paxton, and Mosher

Absent: 1 - Nelson

E 20-067 Appoint Jennifer Klejka to a three-year term on the Local Emergency Planning Committee under Category 2 (Law Enforcement, Civil Defense, Fire Fighting, First Aid, Local Evnt/Hospital, and Transportation Personnel)

Wein told of Klejka's history of attendance in meetings and was thankful she was applying to be a member.

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

Yes: 6 - Christianson, Eisenbeisz, Knox, Wein, Paxton, and Mosher

Absent: 1 - Nelson

XI. UNFINISHED BUSINESS:

F ORD 20-02S(A) Amending Title 6 "Business Licenses And Regulations", Title 19 "Building and Construction", and Title 22 "Zoning" of the Sitka General Code by modifying Chapter 6.12 "Mobile and Manufactured Homes and Mobile and Manufactured Home Parks", Chapter 19.09 "Residential Code", Chapter 22.08 "Definitions", Chapter 22.16 "District Regulations", Chapter 22.24 "Special Use Permits" and adding Sections 6.12.205 "Construction Requirements For Tiny Houses and Tiny Houses On Chassis", Section 22.08.798 "Tiny House", and Section 22.08.799 "Tiny Houses On Chassis" *(2nd and final reading)*

Wein noted that adjustments could be made in the future if need be. He stated he would like to see a quarterly report from the Planning Department.

Helen Craig told of complications with tiny homes and suggested more investigation prior to voting.

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

Yes: 6 - Christianson, Eisenbeisz, Knox, Wein, Paxton, and Mosher

Absent: 1 - Nelson

XII. NEW BUSINESS:

New Business First Reading

G ORD 20-07 Making supplemental appropriations for Fiscal Year 2020 (Sitka Police Department Legal Expenses)

Municipal Attorney Brian Hanson suggested executive session. Mosher confirmed bills were already incurred. Wein noted the importance of process and would like to hear additional information. Hanson noted incurred defense costs with reasons to not disclose with the litigation that was in process.

A motion was made by Knox to go into executive session to discuss legal matters with the Municipal Attorney affecting the municipality regarding the Sitka Police Department lawsuits and the related defense costs, matters the immediate knowledge of which would adversely affect the finances of the municipality. The motion PASSED by the following vote.

Yes: 6 - Christianson, Eisenbeisz, Knox, Wein, Paxton, and Mosher

Absent: 1 - Nelson

The Assembly was in executive session from 7:07 to 7:18 p.m.

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

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

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

No: 1 - Wein

Absent: 1 - Nelson

H ORD 20-08 Making supplemental appropriations for Fiscal Year 2020 (Crescent Harbor Lightering Float Repairs)

Wein was not in support and told of concern for tender dock repair. He stated he supported it in principal but does not support policy for how the bids were sought. He said procurement was important as a fair process in order to get the best bid and wondered why this had not been put through the bid website. Municipal Administrator John Leach told of advertising and the procurement process. He noted the assessment report which estimated the total repair of \$240,000 however, staff went through the costs for what was necessary, what could be deferred, as well as unnecessary repairs. He stated if expanded it would cost more and create more staff time. Harbormaster

Stan Eliason stated he followed the procedures as outlined in the procurement policy. He noted the need for these repairs in FY2020 rather than waiting until FY2021 and preferred to have the work done prior to the first tender that would use the dock noting it was for repairs and maintenance. Eliason estimated the revenue at \$35,000 yearly in tender fees collected. He relayed the process had three responses. Eisenbeisz had concerns of a maintaining facilities that do not generate revenue. Mosher was in support and suggested the procurement policy be reviewed. Municipal Attorney Brian Hanson noted that procurement process and policy needed to be looked at but in the meantime RFP's and contracts needed to go out. Knox clarified that some of the repair work would be done by harbor department staff. Knox stated the process was followed.

A motion was made by Christianson that this ordinance be APPROVED ON FIRST READING. The motion PASSED by the following vote.

Yes: 4 - Christianson, Knox, Paxton, and Mosher

No: 2 - Eisenbeisz, and Wein

Absent: 1 - Nelson

I ORD 20-09

Amending Title 22 "Zoning" of the Sitka General Code by modifying Chapter 22.08 "Definitions" and Chapter 22.16 "District Regulations", and adding Section 22.08.162 "Bulk Retail"

Planning Director Amy Ainslie stated code lacked a definition of bulk retail and was not allowed in an industrial zone. She felt bulk retail was a natural extension of retail which was allowed in most industrial zoning. She stated it would be allowed as a conditional use to avoid over saturation of retail in the industrial zone. Ainslie relayed that it was reviewed by the Planning Commission and had passed unanimously.

Wein believed that by enhancing economic diversity, it allowed for a cheaper and better product. He felt the changes were appropriate. Eisenbeisz wondered if the business license was issued to this business prior to. Ainslie noted that the State of Alaska required business license, not the city however, it was found that it was unallowable through the filing of the sales tax account. She stated that enforcement would not be pursued while going through the code change process. Eisenbeisz was in support of the definition, however had concerns with allowing the business to operate without proper approval first as it set a bad presendence. Christinason was in support, felt that it was easy for this situation to occur, and that everyone was working in good faith.

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

Yes: 6 - Christianson, Eisenbeisz, Knox, Wein, Paxton, and Mosher

Absent: 1 - Nelson

Additional New Business Items

J 20-058

Discussion / Direction of the City and Borough of Sitka's response to climate change and next steps

Municipal Administrator John Leach explained the intent of this discussion was a high overview of the item, and stated it was not meant to form or create a resolution. He told of possible resolution options: 2008 forming the Climate Action Task Force, one from high school students, and another drafted by Assembly member Nelson. He stated he was looking for guidance.

Mosher said he read the resolutions, was in support of both, and did not want to put more burden on staff. He was in support of creating a task force with members of the public to make recommendations to the Assembly. Mayor Paxton stated he had met with high school students who wrote a resolution and noted the similarities between that and the one drafted by Nelson. He was in support of creating a climate task force. Christianson said he liked the resolution that came before the body previously. He had concerns with recreating the task force, felt there were things the city could enact and save money while reducing the carbon footprint. Eisenbeisz would like a resolution that took action. He thought that the Assembly could task current boards, committees, and commissions to vet ideas to mitigate climate change and increase the sustainability of Sitka. He stated these resident experts were underutilized, and thought this the perfect opportunity for them in which they could report back within a timeframe. Knox reminded what the Administrator was looking for stating it was through sponsors not through administration. He noted Nelson's resolution needed a co-sponsor and then it could be brought forward. Wein felt the task force should be reactivated. Mosher would be willing to co-sponsor Nelson's resolution for the next regular meeting. Christianson felt the task force would be more community related, but that the Assembly could only control what the city does.

Mel Gibson spoke in support of accountability for mitigating impacts of climate change, start a task force for a resolution to factor climate change into policy, and have coordinated state interaction. Darby Osborne spoke as a member of Youth for Sustainable Futures that a student voice was needed on the task force. Dave Nichol recommended joining the go100 percent.org movement to aim to lower the carbon footprint. Scott Saline stated that the dam was supposed to allow for electric cop cars and gave suggestions for the task force with regards to BTU's. Cora Dow member of Youth for Sustainable Futures thanked the Assembly for the conversation and encouraged them to continue moving forward with committing to action by mitigating the impacts of climate change. Andrew Thoms Director of the Sitka Conservation Society was in support of creating a task force and relayed state and federal government information. Juel Fowler was in support of a climate change task force and would like to have youths included.

K 20-065

Approve a Request for Proposal for the construction and operation of a marine haul out and shipyard at the Gary Paxton Industrial Park

Municipal Administrator John Leach gave history that the RFP was drafted, had gone through the Gary Paxton Industrial Park (GPIP) Board of Directors which created a change and questions. He felt it needed to be vetted through the Assembly again. He stated the need to incentivize building a haulout to be up and running by next summer. GPIP Director Garry White agreed.

Jeff Farvour gave ideas of improvement for the RFP. He recommended the city take a bigger ownership stake and encouraged the development of a master plan. Michael Nurco suggested leasing the land.

Christianson pointed out negotiation was needed, agreed with leasing the property, and felt the RFP needed to go out now. Wein stated the city needed to be the tip of the spear on this and to begin to develop a master plan. He felt there was wasted time on the RFP. He noted the proposals were costly and felt negotiation would lead a developer to come in. He spoke to how valuable the land was. Mosher agreed with Christianson that the RFP needed to go out, to lease not sell the property, and that there was room for negotiation.

A motion was made by Christianson to approve a Request for Proposal for the construction and operation of a marine haul out and shipyard at the Gary Paxton Industrial Park by the following vote.

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

No: 1 - Wein

Absent: 1 - Nelson

XIII. PERSONS TO BE HEARD:

None.

XIV. EXECUTIVE SESSION

L 20-066

Legal / Financial Matters: SCH / SEARHC Affiliation - U.S. Office of Inspector General Liability

A motion was made by Knox to go into executive session* to discuss communications with the Municipal Attorney and Chief Finance and Administrative Officer Jay Sweeney to discuss a legal matter affecting the municipality regarding the Sitka Community Hospital / SEARHC affiliation and the related settlement of CBS' self-disclosure to the U.S. Office of Inspector General, matters the immediate knowledge of which would adversely affect the finances of the municipality. The motion PASSED by unanimous voice vote.

The Assembly was in executive session from 8:29 to 9:15 p.m.

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

A motion was made by Christianson to approve an advance of escrow funds from the General Fund to Sitka Community Hospital Dedicated Fund to be repaid from future revenues, direct the administrator to expend escrow funds from Sitka Community Hospital Dedicated Fund to settle OIG Stark / Anit Kickback / liability, and direct the Administrator to sign the settlement agreement. The motion PASSED by the following vote.

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

No: 1- Wein

Absent: 1- Nelson

Municipal Administrator John Leach read the following statement:

Approval and authority to sign the Settlement Agreement with OIG has been obtained from the Assembly;

* For the Stark / AKB liability

* For Physician compensation violations

* Amount of \$4.125 Million

* Paid from City funded Escrow Account established in APA with corpus of \$4.5 Million

* Liability stems from SCH overcompensating physicians in violation of Stark / AKB

laws

SEARHC has cooperated, collaborated, and consented to the release of the \$4.125 Million from the City Funded Escrow Account to the OIG as required by the Settlement Agreement and in accordance with the APA.

CBS staff will continue to work with SEARHC by providing written assurances and plans which implement the Settlement Agreement as required and contemplated by the APA.

Remember, the Escrow account was intended to provide for all liabilities which CBS has retained and is obligated to pay under the APA. If there is a shortfall in escrow funds, which we believe is very unlikely, CBS is obligated to appropriate and pay that short fall.

We are confident we'll be able to continue to successfully collaborate with SEARHC in implementing the APA.

XV. ADJOURNMENT

A motion was made by Christianson to ADJOURN. Hearing no objections, the meeting ADJOURNED at 9:20 p.m.

ATTEST: _____
Melissa Henshaw, CMC
Deputy Clerk



CITY AND BOROUGH OF SITKA

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

Minutes - Draft

City and Borough Assembly

Mayor Gary Paxton
Deputy Mayor Steven Eisenbeisz,
Vice Deputy Mayor Kevin Mosher,
Kevin Knox, Dr. Richard Wein, Valorie Nelson, Thor Christianson

Municipal Administrator: John Leach
Municipal Attorney: Brian Hanson
Municipal Clerk: Sara Peterson

Friday, March 13, 2020

3:00 PM

Assembly Chambers

SPECIAL MEETING

I. CALL TO ORDER

II. FLAG SALUTE

III. ROLL CALL

Present: 6 - Christianson, Eisenbeisz, Knox, Wein, Paxton, and Mosher

Telephonic: 1 - Nelson

IV. CORRESPONDENCE/AGENDA CHANGES

None.

XII. NEW BUSINESS:

A 20-070

Overview from the Municipal Administrator of plans and procedures in place for COVID-19

Administrator John Leach provided an overview of CBS preparedness. He noted one case had been confirmed in Anchorage and there were no known cases in Sitka. Leach stated the Emergency Operations Center had been opened, city offices would remain open, large events at Harrigan Centennial Hall would be canceled, and requested staff limit travel to only essential travel. He reminded citizens to stay informed and follow the guidance of the Centers for Disease Control and Prevention, the World Health Organization, and the Alaska Department of Health and Social Services.

SEARHC Vice President and Chief Medical Officer Dr. Elliot Bruhl addressed the Assembly. He shared SEARHC had been working for the last month to ensure the organization was prepared for whatever challenges COVID-19 presented and was confident the organization was prepared to care for the communities it serves. In addition, he reviewed the screening and testing processes and reminded the screening

process had changed over time. Testing was limited, however, increased numbers of testing kits were anticipated. Bruhl shared a drive-thru testing area would soon be available although reminded there would be rigid screening criteria. Bruhl reinforced the importance of social distancing and staying at home when sick.

Assembly members asked questions related to testing availability, staff safety, availability of ICU beds, availability of personal protective equipment, and the policies in place for allowing employees to work from home.

The following provided updates on their plans and response to the COVID-19 pandemic: Sitka School District, Mt. Edgecumbe High School, Sitka Tribe of Alaska, Chamber of Commerce/Visit Sitka, Sitka Fire Department, and EMS.

XIII. PERSONS TO BE HEARD:

Visit Sitka Director Laurie Booyse told of Canada's travel ban, the affects on the cruise industry, and reminded community members to shop local.

Father Dwight Hoeberechts of St. Gregory's Catholic Church assured parishoners the church was open and services were scheduled.

Keith Nyitray spoke to the need to use Harrigan Centennial Hall for distribution of food through the Sitka Co-Op.

XIV. EXECUTIVE SESSION

None.

XV. ADJOURNMENT

A motion was made by Mosher to ADJOURN. Hearing no objection, the meeting ADJOURNED at 4:15 p.m.

ATTEST: _____

**Sara Peterson, MMC
Municipal Clerk**



CITY AND BOROUGH OF SITKA

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

Minutes - Draft

City and Borough Assembly

Mayor Gary Paxton
Deputy Mayor Steven Eisenbeisz,
Vice Deputy Mayor Kevin Mosher,
Kevin Knox, Dr. Richard Wein, Valorie Nelson, Thor Christianson

Municipal Administrator: John Leach
Municipal Attorney: Brian Hanson
Municipal Clerk: Sara Peterson

Monday, March 16, 2020

6:00 PM

Assembly Chambers

EMERGENCY MEETING

I. CALL TO ORDER

II. FLAG SALUTE

III. ROLL CALL

Present: 6 - Christianson, Eisenbeisz, Knox, Wein, Paxton, and Mosher

Telephonic: 1 - Nelson

IV. NEW BUSINESS:

A RES 20-05

Continuing the Declaration by the Municipal Administrator of a Local Disaster Emergency in response to COVID-19 and a request for State and Federal assistance

Municipal Administrator John Leach stated on March 15 he had declared a local disaster emergency and asked SEARHC Vice President and Chief Medical Officer Dr. Elliot Bruhl to provide an update. Bruhl urged Alaskans to comply with the State of Alaska Health Alert regarding travel. Bruhl noted SEARHC continued efforts to limit entry to its facilities for the safety of patients and staff, was conducting staff drills to ensure staff was familiar with personal protective equipment, and was encouraging staff to stay home if ill. He noted there was an increase in supplies, shared the number for the SEARHC hotline, and nurse advice line. Bruhl said SEARHC was participating in the unified command structure with CBS and EMS. He reminded citizens of their part in this response - cooperate with public health requests, wash hands often, cover coughs and sneezes, maintain social distancing, have extra prescriptions, a 14 day food supply, take care of each other, and be kind to each other.

Leach stated the Unified Command was meeting once a week to ensure efforts were aligned. He stated city offices were closed March 16 except for essential governmental functions. He reminded cooperation from the community was essential in helping to

flatten the curve.

Wein reminded someone could be asymptomatic but still be a vector for the disease and urged compliance with basic public health rules. Nelson cautioned folks to refrain from overreacting. Christianson, referring to calls and emails he had received and reminded the city could not declare martial law. Knox reminded the City did not have the authority to shut down the airport, the building could be closed but planes would still come.

Discussion of the resolution at hand ensued. Wein and Nelson voiced concern over the stated time length of the emergency, November 24 and suggested it be shortened.

A motion was made by Wein to AMEND the resolution to be in effect for 60 days and then bring back to the body for further consideration. The amendment FAILED by the following vote.

Yes: 2 - Wein and Nelson

No: 5 - Knox, Paxton, Mosher, Christianson, and Eisenbeisz

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

Yes: 7 - Christianson, Eisenbeisz, Knox, Wein, Paxton, Mosher, and Nelson

B ORD 20-10

An Emergency Ordinance of the City and Borough of Sitka making a supplemental appropriation to the FY2020 budget per Section 11.10(a) of the Home Rule Charter of the City and Borough of Sitka

It was reminded Section 3.03 of the Home Rule Charter required the affirmative votes of at least five assembly members for adoption of an emergency ordinance.

Eisenbeisz understood the appropriation for additional personnel however wondered of the explanation of supplies. Municipal Administrator John Leach stated the ordinance was a best guess and that overtime wages may need to be paid, help may be needed with public relations, emergency supplies, and contract services. He states the \$500,000 appropriation would come from the \$2 million emergency reserve fund in the General Fund. Wein requested a further breakdown of costs. Leach reiterated the numbers were an estimate, the city would be prudent in its spending, and would look for state and federal funding sources. Nelson spoke in opposition without having an opportunity to assess needs. Mosher expressed confidence in Leach and believed Leach would be prudent with the funds.

A motion was made by Knox that this Emergency Ordinance be APPROVED on FIRST READING. The motion PASSED by the following vote. * Note: Re-enactment/Second Reading pre-scheduled for 5/12/2020 to address and extend the 61-day expiration to the end of the Fiscal Year budget June 30, 2020.

Yes: 6 - Christianson, Eisenbeisz, Knox, Wein, Paxton, and Mosher

No: 1 - Nelson

V. PERSONS TO BE HEARD:

Gayle Young of the Sitka Homeless Coalition expressed concern that all public restrooms were closed in the downtown area.

Charles Hart spoke to the homeless population and those who would be financially impacted and possibly need to close their businesses.

Keith Nyitray of the Sitka Food Co-Op urged the City to create a program for Sitkans to collaborate and provide food.

Assembly Member Mosher reminded everyone was concerned of the economic impacts and hoped the lobbyists were exploring options for Sitka. Assembly Member Christianson reminded of small business administration loans available.

VI. EXECUTIVE SESSION

None.

VII. ADJOURNMENT

A motion was made by Christianson to ADJOURN. Hearing no objections, the meeting ADJOURNED at 7:02 p.m.

ATTEST: _____
Sara Peterson, MMC
Municipal Clerk



CITY AND BOROUGH OF SITKA

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

Minutes - Draft

City and Borough Assembly

Mayor Gary Paxton
Deputy Mayor Steven Eisenbeisz,
Vice Deputy Mayor Kevin Mosher,
Kevin Knox, Dr. Richard Wein, Valorie Nelson, Thor Christianson

Municipal Administrator: John Leach
Municipal Attorney: Brian Hanson
Municipal Clerk: Sara Peterson

Tuesday, March 24, 2020

6:00 PM

Assembly Chambers

REGULAR MEETING

I. CALL TO ORDER

II. FLAG SALUTE

III. ROLL CALL

Members participated by videoconference.

Telephonic: 7 - Christianson, Eisenbeisz, Knox, Wein, Paxton, Mosher, and Nelson

IV. CORRESPONDENCE/AGENDA CHANGES

No agenda changes.

20-075 Reminders, Calendars, and General Correspondence

V. CEREMONIAL MATTERS

None.

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

School Board Vice Chair Amy Morrison reported on the Sitka School District. She stated that Governor Dunleavy had closed all schools and extracurricular activities in Alaska through May 1. She told that staff was preparing a way to offer online delivery to students. She reminded that staff was distributing breakfast and lunch available for pick up and told of other resources for students and families.

VII. PERSONS TO BE HEARD

Municipal Clerk Sara Peterson read into the record public comment from Ben Lawrie of his concerns and disappointment in the lack of action to prevent the spread of the COVID-19 virus. He felt Sitka should have been leading other communities and that education could and would help. He informed when he submitted his comments, the phone call received by Municipal Administrator John Leach, and noted the use of a shared printer in which comments may be intercepted.

Fire Chief Dave Miller thanked municipal staff and staff at the Emergency Operations Center. He stated that locking/shutting down the airport was not a legal option. He thanked all of the businesses in town that were taking precautions and gave suggestions to prevent the spread of COVID-19.

Executive Director for Center for Community Bryan O'Callaghan told of the services for the demographic most susceptible to COVID-19 and of the federal laws implemented for the Center for Community.

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

Mayor - Paxton thanked the organizations that were helping Sitkans in need. He thanked the leadership of the EOC and urged citizens to do their part and take precautions with regards to the COVID-19 virus.

Administrator - Leach told of the shelter in place that was implemented and that the decision was not made easily. He reported on the first meeting with SEDA for the Economic Resiliency Task Force today. He thanked staff especially IT Director Grant Turner, those that were doing their part in stopping the spread of the virus, the non-profits, and volunteers.

Liaison Representatives - Wein reported on the Local Emergency Planning Commission meeting from March 12, 2020 and the Health Needs and Human Services Commission meeting. Knox reported on the Port and Harbors meeting.

Clerk - Peterson reminded of the 2020 Census being conducted and online option.

IX. CONSENT AGENDA

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

Yes: 7 - Christianson, Eisenbeisz, Knox, Wein, Paxton, Mosher, and Nelson

A 20-071 Approve a liquor license renewal application for American Legion Post #13 at 205 Lincoln Street

This item was APPROVED ON THE CONSENT AGENDA.

B 20-072 Approve 1) a transfer of controlling interest application for Northern Lights Indoor Gardens Retail Marijuana Store at 1321 Sawmill Creek Road Suites N, O, and P, and 2) a transfer of controlling interest application for Northern

Lights Indoor Gardens Standard Marijuana Cultivation Facility at 1321 Sawmill Creek Road Suites M, N, O, and P

This item was **APPROVED ON THE CONSENT AGENDA.**

X. BOARD, COMMISSION, COMMITTEE APPOINTMENTS

- C 20-073** Appointments: 1) Reappoint George D. Bennett Jr. to a three-year term on the Local Emergency Planning Committee in the category of 2 - Law Enforcement, Civil Defense, Fire Fighting, First Aid, Local Env't/Hospital, and Transportation Personnel, and, 2) Appoint Robert Hattle to a three-year term on the Local Emergency Planning Committee in the category of 6 - Members of the Public, and, 3) Appoint Mim McConnell to a three-year term on the Local Emergency Planning Committee in the category of 4 - Community Groups

Christianson and Knox thanked the applicants.

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

Yes: 7 - Christianson, Eisenbeisz, Knox, Wein, Paxton, Mosher, and Nelson

XI. UNFINISHED BUSINESS:

- D ORD 20-07** Making supplemental appropriations for Fiscal Year 2020 (Sitka Police Department Legal Expenses)

Wein was not in support and suggested to look for a different firm to represent the city. Christianson felt there was no choice but to pay. Nelson was not in support.

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

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

No: 2 - Wein, and Nelson

- E ORD 20-08** Making supplemental appropriations for Fiscal Year 2020 (Crescent Harbor Lightering Float Repairs)

Christianson felt that the repairs should be postponed and wondered if these were necessary in the light of the (COVID-19) situation and the upcoming season. Municipal Administrator John Leach commented that code was followed in the bid process. Mosher was in support but felt the process should be reviewed. Wein noted his questions raised previously and stated just because the project could be done didn't mean it should be. He suggested considering city talent and skills first and encouraged support of local vendors. Eisenbeisz was in support of maintenance of facilities, however in light of the (COVID-19) situation, he did not feel the repairs were life safety and he had concerns with funding. Paxton agreed that the procurement process needed to be improved. Nelson was not in support and told of complications with the procurement process. Leach agreed that there was room for improvement with the procurement process. He noted if and/or when federal or state monies for recovery came in for reimbursement through grants and loans, there may be restrictions on how they were bid out and that should be taken into consideration.

A motion was made by Knox that this ordinance be APPROVED on SECOND AND FINAL READING. The motion FAILED by the following vote.

No: 7 - Christianson, Eisenbeisz, Knox, Wein, Paxton, Mosher, and Nelson

F ORD 20-09

Amending Title 22 "Zoning" of the Sitka General Code by modifying Chapter 22.08 "Definitions" and Chapter 22.16 "District Regulations", and adding Section 22.08.162 "Bulk Retail"

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

Yes: 7 - Christianson, Eisenbeisz, Knox, Wein, Paxton, Mosher, and Nelson

XII. NEW BUSINESS:

G 20-074

Approve employee benefits that may vary from those set out in Section 6.14 of the City and Borough of Sitka Personnel Policies Handbook; specifically authorizing and ratifying up to 14 days of paid administrative leave per the Municipal Administrator's flowchart in response to COVID-19 essential operations

Christianson was in support of the two weeks paid administrative leave and didn't feel it would change the budget. He thought it would help the economy. Wein stated the fiscal note did not state the cost and how many employees were involved. He wondered what would happen after the 14 days and the trajectory of administrative staff. He was in support but felt that more information was needed. Nelson had concerns of the Permanent Fund but stated she was in support in the short-term. Municipal Administrator John Leach stated the cost would not be over the FTE budgeted amount. He noted that administrative leave was the last resort. Municipal Attorney Brian Hanson noted that if the administrative leave would go beyond the 14 days, it would need to come back before the Assembly. Mosher stated he could support the benefits for two weeks.

A motion was made by Christianson to approve employee benefits that may vary from those set out in Section 6.14 of the City and Borough of Sitka Personnel Policies Handbook; specifically authorizing and ratifying up to 14 days of paid administrative leave per the Municipal Administrator's flowchart in response to COVID-19 essential operations. The motion PASSED by the following vote.

Yes: 7 - Christianson, Eisenbeisz, Knox, Wein, Paxton, Mosher, and Nelson

H RES 20-06

Ordering people in the City and Borough of Sitka hunker down related to COVID-19

Executive Director of Center for Community Bryan O'Callaghan implored the Assembly to include in home or home based services. He noted that the services they offered

were not critical services nor were they medical providers, but it kept those most at risk in their own homes and out of institutions as long as possible.

Christianson clarified that the resolution did include home based services. He was in support and said that this was similar to the state's recommendation. He was hoping for an outcome of no confirmed cases. He noted the need to keep from spreading the virus and continue distancing. Nelson had concerns with the pressure to react, the lack of public notice, and cutting off every person that was trying to survive economically. Wein felt the resolution was not new, was basic public health, and not mandatory. Wein stated it economically bifurcating and that it was necessary to recognize the economic issues. Paxton agreed. Knox felt that by bringing this forward it was echoing the need to practice public health and to take it seriously. Mosher pointed out the April 14 end date. Eisenbeisz felt that the resolution followed what the Administrator and the EOC recommendations were with better definition and detail; it gave guidelines and a grievance process.

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

Yes: 6 - Christianson, Eisenbeisz, Knox, Wein, Paxton, and Mosher

No: 1 - Nelson

I 20-076

Discussion / Direction for Assembly communication with the Municipal Administrator and Municipal Attorney to discuss response powers of the Municipal Administrator during emergency declaration and clarification of items in the "shelter in place" news release

Municipal Administrator John Leach stated he would like an open dialogue for the following topics: airport closure, mandatory screening at the airport, definition of essential versus non-essential business, and mandatory quarantine and enforcement. Knox also suggested how to alleviate the stress that citizens were under with utility bills and late fees. Eisenbeisz stated he was working on the topic of foregoing late fees, penalties, interest, and disconnects for a period time until the state of emergency is over. Mosher agreed with giving a break but advised that it should be a case-by-case basis. He stated he would like to help those in need, but that there was also a fiscal responsibility with regards to bond debt. Paxton agreed on the as needed basis. Wein told of the difficulties with screening for COVID-19 and lack of ability to be able to screen using fast tests and stated the best thing was to shelter at home. He stated that the budget needed to be considered and how to deal with shortfall. Nelson gave kudos to the Municipal Administrator for managing the emergency. She felt she was informed and thanked Leach and Dave Miller. She wondered how to reach out to those that don't have internet. Paxton and Christianson thanked staff, SEARHC, and volunteers.

Municipal Attorney Brian Hanson stated with regards to fiscal matters, the Administrator had authority under the emergency declaration, code, and statutes to make decisions in the fiscal arena that affected the health and safety of the citizens e.g., electric disconnection or collection actions. He told on the issue of waiving penalties and interest that he felt it was premature at this point but that staff should assess those and determine if it fit within the Administrator's power, and if it didn't fit it would come before the Assembly. He pointed out the hunker down resolution should be compared with what the Governor had required of the mandatory quarantine for 14 day after travel which was enforceable for criminal charges.

Leach stated that the city owned the airport building, but that the city did not own the

airport itself. Wein noted that Alaska Airlines had cut flights and felt they would be responsible for the reduction in passenger flow.

XIII. PERSONS TO BE HEARD:

Executive Director Byran O'Callaghan thanked the Assembly for not dithering.

XIV. EXECUTIVE SESSION

None.

XV. ADJOURNMENT

A motion was made by Mosher to ADJOURN. Hearing no objections, the meeting ADJOURNED at 7:33 p.m.

ATTEST: _____
Melissa Henshaw, CMC
Deputy Clerk



CITY AND BOROUGH OF SITKA

Legislation Details

File #: 20-082 Version: 1 Name:

Type: Item Status: AGENDA READY

File created: 4/9/2020 In control: City and Borough Assembly

On agenda: 4/14/2020 Final action:

Title: Approve the Health Needs and Human Services Commission 2020 goals

Sponsors:

Indexes:

Code sections:

Attachments: [01 Motion and Memo Health Needs](#)
[02 HN 031220 draft minutes](#)

Date	Ver.	Action By	Action	Result
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If this item is pulled from the consent agenda the following motion would be in order:

POSSIBLE MOTION

I MOVE TO approve the Health Needs and Human Services Commission goals for 2020.

MEMORANDUM

To: Mayor Paxton and Assembly Members

From: Charlie Woodcock, Chair of the Health Needs and Human Services Commission

Subject: Health Needs and Human Services Commission 2020 Goals

Date: March 24, 2020

At the March 12th Health Needs and Human Services meeting, our commission unanimously voted to submit the following four goals for you to review and potential approval.

- 1. Research, discussion and find specific action to address substance misuse, especially regarding binge drinking in youth.**
- 2. Support the creation of a collective impact board for Sitka. Note: A collective impact board is a group of people from different sectors who gather regularly to solve specific social problems using a structured form of collaboration.**
- 3. Continue to pursue, discuss, research improvements related to food waste, food security, and composting.**
- 4. Research, discuss, develop to forward on to the Assembly, public policy to improve the general welfare, reduce injuries, and improve health outcomes of Sitka.**

Note for goal 4: In order to continue work on the three-foot bike ordinance.

Thank you for your time and consideration.



Charlie Woodcock
Chair HNHS Commission

Health Needs and Human Services Commission Minutes

Thursday, March 12, 2020 1:30 p.m.

Harrigan Centennial Hall

Commission Members: Charlie Woodcock, Loyd Platson, Doug Osborne,
Jeff Arndt, Holly Marban, Denise Ewing
Dr. Richard Wein (Assembly Liaison)

I. CALL TO ORDER

Chair Woodcock called the meeting to order at 1:37 p.m.

II. ROLL CALL

Commissioners Present: Charlie Woodcock, Loyd Platson, Jeff Arndt, Holly Marban

Commissioners Absent: Denise Ewing (excused), Doug Osborne (unexcused)

Assembly Liaison: Richard Wein

Others in attendance: Deputy Clerk Melissa Henshaw

III. CORRESPONDENCE / AGENDA CHANGES

None.

IV. PERSONS TO BE HEARD

None.

V. APPROVAL OF MINUTES

A. February 13, 2020

M - Platson / S - Marban moved to approve the February 13, 2020 minutes as written. The motion passed by a unanimous voice vote of the four members present.

VI. REPORTS

Chair - Woodcock reported he was back to work this week and was working on a plan for COVID-19.

Commissioners - Marban told of SEARHC's website, mitigation, screening, procedures taking place with regards to COVID-19. She stated the health fair was postponed. Platson noted the state website was helpful for COVID-19 information. He reported that Sitka may be getting narBOXes. He relayed that the sharps containers were installed in the harbor bathrooms. Arndt reported on the Cross Trail project. He told of the climbing classes at Hames PE Center.

City Staff - Henshaw mentioned there may be meeting options for social distancing in the future. She noted the City Seal review would be on the agenda in April. She reminded that there was an open seat and encouraged commissioners to reach out to fill it.

Assembly Liaison - Wein gave recommendations on where to find information on COVID-19. He reported on the Local Emergency Planning Committee meeting he attended

Other: None.

VII. UNFINISHED BUSINESS

B. Affordability

Marban stated there were students associated with the RAND group for a landslide study that would be in Sitka August or September for 4 to 6 weeks that would also be studying food security. Wein mentioned hydroponics as a possibility as a model. He felt it could that remote tax from online sales could eliminate and readdress tax on food products. Arndt

told of South Korea effort of eliminating food waste. Marban thought stakeholders should be identified and invited. Wein suggested Building, Grounds, and Parks Supervisor, Michael Colliver. Platson asked each member to come up with creating 2 to 3 ideas for the community to move this item forward and gave the example of aquaculture through the Sitka Sounds Science Center. Marban told of hydroponics growing facility group outside of Bethel in a shipping container. She stated there were smaller systems that were a cabinet size that the Pioneer Home in Ketchikan had. She stated there was a master gardener class launching that was upcoming. She thought to invite Colliver to the next meeting or meeting after to ask suggestions from him and to share information.

C. Substance abuse especially regarding binge drinking in youth

Wein told of Federal government flavor ban in effect. Henshaw read from the minutes of December 5, 2019 in which this item was last discussed. Platson noted that single use products were still allowed with regards to the flavor ban. He told of community canvas and stated most were purchased online. He would collect information from Amanda at SEARHC for the next meeting. Platson stated that the original goal was to increase taxes for tobacco, marijuana, and/or alcohol. Woodcock noted that children were obtaining marijuana from the local stores most likely through other individuals reselling the product and wondered how to block that path. Wein stated there was a limit to purchasing. Platson was concerned of the possibility of businesses selling to underage persons. He thought to invite the Police Department to strategize on what could be done and what they are doing to enforce. He wondered if the marijuana stores had the compliance checks like liquor stores.

D. Support creation of a collective impact board

Platson asked Commissioners to read though the information of what a collective impact board was. He thought to identify community stakeholders and make a list of 10-17 people to meet 3 to 4 hours quarterly. Marban mentioned a list was generated. Henshaw would send out the previous list. Platson stated that Sitka Health Summit Coalition was also working on this topic as one of their goals and thought it would be good for them to facilitate.

E. Three-foot bike clearance

Arndt stated he saw a petition at Yellow Jersey bike shop for the 3-foot rule. Commissioners went through the draft ordinance and made the following changes.

M – Marban / S – Platson moved to change line 127 to delete, “To make cycling easier and safer by placing the focus on yielding the right of way.” and replace on line 128, “and a red light as a stop sign” with “only if traffic is clear.” The motion passed by a unanimous voice vote of the four members present.

The ordinance part V now read: Cyclists may treat a stop sign as a yield sign only if traffic is clear.

F. 2020 Commission goals

Previously written goals were reviewed. Marban suggested including food security for goal 3.

M – Platson / S – Marban moved to include the following changes to goal #3: strike “in the Sitka solid waste system especially with regards to” and after improvements add, “related to food waste, food security, and composting.” The motion passed by a unanimous voice vote of the four members present.

Discussion occurred around goal 4. Some Commissioners thought it to be vague, others noted that in order to execute the three-foot bike ordinance, it would fall under this goal. It was determined to leave the goal broad in order to continue work on the three-foot bike ordinance.

M - Platson / S - Marban moved to accept the goals with the change made to goal three and forward them to the Assembly for approval. The motion passed by a unanimous voice vote of the four members present.

1. Research, discussion and find specific action to address substance misuse, especially regarding binge drinking in youth.

2. Support the creation of a collective impact board for Sitka. Note: A collective impact board is a group of people from different sectors who gather regularly to solve specific social problems using a structured form of collaboration.

3. Continue to pursue, discuss, research improvements related to food waste, food security, and composting.

4. Research, discuss, develop to forward on to the Assembly, public policy to improve the general welfare, reduce injuries, and improve health outcomes of Sitka.

VIII. NEW BUSINESS

None.

IX. ADJOURNMENT

Next meeting was scheduled for April 9, 2020 at 1:30 p.m., Harrigan Centennial Hall

Agenda items to add: City Seal

M - Platson / S - Marban moved to adjourn the meeting. Seeing no objections, the meeting adjourned at 3:06 p.m.

Attest:
Melissa Henshaw, Deputy Clerk



CITY AND BOROUGH OF SITKA

Legislation Details

File #: 20-083 Version: 1 Name:

Type: Item Status: AGENDA READY

File created: 4/9/2020 In control: City and Borough Assembly

On agenda: 4/14/2020 Final action:

Title: Approve a liquor license renewal application for SOE, LLC dba Little Tokyo at 315 Lincoln Street Suite 112

Sponsors:

Indexes:

Code sections:

Attachments: [01 Motion and Memos Little Tokyo](#)
[02 Little Tokyo Renewal Application](#)

Date	Ver.	Action By	Action	Result
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Should this item be pulled from the Consent Agenda the following motion is suggested:

POSSIBLE MOTION

I MOVE TO approve a liquor license renewal application for SOE, LLC dba Little Tokyo at 315 Lincoln Street Suite 112 and forward this approval to the Alcoholic Beverage Control Board without objection.



City and Borough of Sitka

100 Lincoln Street • Sitka, Alaska 99835

MEMORANDUM

To: Mayor Paxton and Assembly Members
John Leach, Municipal Administrator

From: Sara Peterson, Municipal Clerk

Date: April 9, 2020

Subject: Approve a liquor license renewal application for Little Tokyo

Our office has received notification of the following liquor license renewal application:

Lic #: 4428
DBA: Little Tokyo
License Type: Restaurant / Eating Place – Public Convenience
Licensee: SOE, LLC
Premises Address: 315 Lincoln Street, Ste #112

A memo was circulated to the various departments who may have a reason to protest the renewal of this license. No departmental objections were received.

Recommendation:

Approve the liquor license renewal application for SOE, LLC dba Little Tokyo and forward this approval to the Alcoholic Beverage Control Board without objection.



City and Borough of Sitka

100 Lincoln Street • Sitka, Alaska 99835

MEMORANDUM

To: Utility Billing Clerk – Diana
Collections - Carolyn
Municipal Billings – Lindsey
Sales Tax/Property Tax - Justin
Fire Department
Police Department
Building Official(s)

From: Sara Peterson, Municipal Clerk

Date: March 17, 2020

Subject: Liquor License Renewal Application – Little Tokyo

The Municipal Clerk's Office has been notified by the Alcohol and Marijuana Control Office of the following liquor license renewal application submitted by:

Lic #: 4428
DBA: Little Tokyo
License Type: Restaurant / Eating Place – Public Convenience
Licensee: SOE, LLC
Premises Address: 315 Lincoln Street, Ste #112

Please notify no later than **noon on Friday, April 3** of any reason to protest this renewal request. This request is scheduled to go before the Assembly on April 14.

Thank you.



THE STATE
of **ALASKA**
GOVERNOR MIKE DUNLEAVY

Department of Commerce,
Community,
and Economic Development

ALCOHOL & MARIJUANA CONTROL OFFICE
550 West 7th Avenue, Suite 1600
Anchorage, AK 99501
Main: 907.269.0350

March 13, 2020

City and Borough of Sitka

Via Email: sara.peterson@cityofsitka.org ; melissa.henshaw@cityofsitka.org

Re: Notice of 2020/2021 Liquor License Renewal Application

License #	DBA	License Type
4595	Asian Palace	Restaurant/Eating Place
4428	Little Tokyo	Restaurant/Eating Place-Public Convenience

We have received a completed renewal application for the above listed license (see attached application documents) within your jurisdiction. This is the notice required under AS 04.11.480.

A local governing body may protest the approval of an application(s) pursuant to AS 04.11.480 by furnishing the director **and** the applicant with a clear and concise written statement of reasons for the protest within 60 days of receipt of this notice, and by allowing the applicant a reasonable opportunity to defend the application before a meeting of the local governing body, as required by 3 AAC 304.145(d). If a protest is filed, the board will deny the application unless the board finds that the protest is arbitrary, capricious, and unreasonable.

To protest the application referenced above, please submit your written protest within 60 days, and show proof of service upon the applicant and proof that the applicant has had a reasonable opportunity to defend the application before a meeting of the local governing body.

Sincerely,

Glen Klinkhart, Director

amco.localgovernmentonly@alaska.gov



Alcohol and Marijuana Control Office
 550 W 7th Avenue, Suite 1600
 Anchorage, AK 99501
alcohol.licensing@alaska.gov
<https://www.commerce.alaska.gov/web/amco>
 Phone: 907.269.0350

Alaska Alcoholic Beverage Control Board
Restaurant or Eating Place License
Form AB-17a: 2020/2021 Renewal License Application

What is this form?

This renewal license application form is required for all individuals or entities seeking to apply for renewal of an existing restaurant or eating place liquor license that is due to renew by December 31, 2019. All fields of this form must be complete and correct, or the application will be returned to you in the manner in which it was received, per AS 04.11.270 and 3 AAC 304.105. The Community Council field only should be verified/completed by licensees whose establishments are located within the Municipality of Anchorage or outside of city limits within the Matanuska-Susitna Borough.

This form must be completed and submitted to AMCO's main office before any license renewal application will be reviewed. Receipt and/or processing of renewal payments by AMCO staff neither indicates nor guarantees that an application will be considered complete, or that a license will be renewed.

Section 1 – Establishment and Contact Information

Enter information for the business seeking to have its license renewed. If any populated information is incorrect, please contact AMCO.

Licensee:	SOE, LLC	License #:	4428
License Type:	Restaurant/Eating Place-Public Convenience		
Doing Business As:	Little Tokyo		
Premises Address:	315 Lincoln Street, Ste #112		
Local Governing Body:	City & Borough of Sitka		
Community Council:	None		

Mailing Address:	315 Lincoln street, ste #112		
City:	Sitka	State:	AK
		ZIP:	99835

Enter information for the individual who will be designated as the primary point of contact regarding this application. This individual must be a licensee who is required to be listed in and authorized to sign this application.

Contact Licensee:	Kwang Su Yoon	Contact Phone:	(907) 738-3982
Contact Email:	kennysitka@yahoo.com		

Optional: If you wish for AMCO staff to communicate with an individual who is not a licensee named on this form (eg: legal counsel) about this application and other matters pertaining to the license, please provide that person's contact information in the fields below.

Name of Contact:	N/A	Contact Phone:	
Contact Email:			

Handwritten signature: CGB S. YKA



Form AB-17a: 2020/2021 Restaurant Renewal License Application

Section 2 – Entity or Community Ownership Information

Licensees who directly hold a license as an individual or individuals should skip to Section 3. General partnerships and local governments should skip to the second half of this page. All licensees that are **corporations** or **LLCs** must complete this section. Corporations and LLCs are required to be in good standing with the Alaska Division of Corporations, Business & Professional Licensing (CBPL). The CBPL Entity # below is **neither** your EIN/tax ID number, **nor** your business license number. You may view your entity's status or find your CBPL entity number by using the following site: <https://www.commerce.alaska.gov/cbp/main/search/entities>

Alaska CBPL Entity #:	76687.D
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You must ensure that you are able to certify the following statement before signing your initials in the box to the right: Initials

I certify that this entity is in good standing with CBPL and that all current entity officials and stakeholders (listed below) are also currently and accurately listed with CBPL.

KS

This subsection must be completed by any **community** or **entity**, including a corporation, limited liability company, partnership, or limited partnership, that is applying for renewal. If more space is needed, please attach additional completed copies of this page.

- If the applicant is a **corporation**, the following information must be completed for each **shareholder who owns 10% or more** of the stock in the corporation, and for each **president, vice-president, secretary, and managing officer**.
- If the applicant is a **limited liability organization**, the following information must be completed for each **member with an ownership interest of 10% or more**, and for each **manager**.
- If the applicant is a **partnership**, including a limited partnership, the following information must be completed for each **partner with an interest of 10% or more**, and for each **general partner**.

Important Note: The information provided in the below fields (including spelling of names, specific titles, and percentages held) must match that which is listed with CBPL. If one individual holds multiple titles mentioned in the bullets above, all titles must be listed for that individual on this application and with CBPL. Failure to list all required titles constitutes an incomplete application. You must list **ALL** of your qualifying officials, additional copies of this page or a separate sheet of paper may be submitted if necessary.

Name of Official:	Kwang Su Yoon			
Title(s):	Manage member	Phone:	(907)738-3982	% Owned: 100
Mailing Address:	210 Katlian Street			
City:	Sitka	State:	AK	ZIP: 99835

Name of Official:				
Title(s):		Phone:		% Owned:
Mailing Address:				
City:		State:		ZIP:

Name of Official:				
Title(s):		Phone:		% Owned:
Mailing Address:				
City:		State:		ZIP:



Alaska Alcoholic Beverage Control Board

Form AB-17a: 2020/2021 Restaurant Renewal License Application

Section 3 - Sole Proprietor Ownership Information

Entities, such as corporations or LLCs, should skip this section. This section must be completed by any licensee who directly holds the license as an individual or multiple individuals and is applying for license renewal. If more space is needed, please attach a separate sheet that includes all of the required information.

The following information must be completed for each licensee and each affiliate.

This individual is an: [] applicant [] affiliate

Form with fields: Name, Contact Phone, Mailing Address, City, State, ZIP, Email

This individual is an: [] applicant [] affiliate

Form with fields: Name, Contact Phone, Mailing Address, City, State, ZIP, Email

Section 4 - Alcohol Server Education

Read the line below, and then sign your initials in the box to the right of the statement:

Initials

I certify that all licensees, agents, and employees who sell or serve alcoholic beverages or check identification of a patron have completed an alcohol server education course approved by the ABC Board and keep current, valid copies of their course completion cards on the licensed premises during all working hours, as set forth in AS 04.21.025 and 3 AAC 304.465.

[KS]

Section 5 - License Operation

Check a single box for each calendar year that best describes how this liquor license was operated:

2018 2019

The license was regularly operated continuously throughout each year.

[X] [X]

The license was regularly operated during a specific season each year.

[X] [X]

The license was only operated to meet the minimum requirement of 240 total hours each calendar year.

If this box is checked, a complete copy of Form AB-30: Proof of Minimum Operation Checklist, and all necessary documentation must be provided with this application.

[] []

The license was not operated at all or was not operated for at least the minimum requirement of 240 total hours each year, during one or both of the calendar years.

If this box is checked, a complete copy of Form AB-29: Waiver of Operation Application and corresponding fees must be submitted with this application for each calendar year during which the license was not operated for at least the minimum requirement, unless a complete copy of the form (including fees) has already been submitted for that year.

[] []



Alaska Alcoholic Beverage Control Board

Form AB-17a: 2020/2021 Restaurant Renewal License Application

Section 6 - Violations and Convictions

Applicant violations and convictions in calendar years 2018 and 2019:

Yes No

Have any notices of violation (NOVs) been issued for this license in the calendar years 2018 or 2019?

Yes: [] No: [x]

Has any person or entity named in this application been convicted of a violation of Title 04, of 3 AAC 304, or a local ordinance adopted under AS 04.21.010 in the calendar years 2018 or 2019?

Yes: [] No: [x]

If "Yes" to either of the previous two questions, attach a separate page to this application listing all NOVs and/or convictions.

Section 7 - Certifications

Read each line below, and then sign your initials in the box to the right of each statement:

Initials

I certify that all current licensees (as defined in AS 04.11.260) and affiliates have been listed on this application, and that in accordance with AS 04.11.450, no one other than the licensee(s) has a direct or indirect financial interest in the licensed business.

[KS]

I certify that I have not altered the functional floor plan or reduced or expanded the area of the licensed premises, and I have not changed the business name or the ownership (including officers, managers, general partners, or stakeholders) from what is currently approved and on file with the Alcoholic Beverage Control (ABC) Board.

[KS]

I certify on behalf of myself or of the organized entity that I understand that providing a false statement on this form or any other form provided by AMCO is grounds for rejection or denial of this application or revocation of any license issued.

[KS]

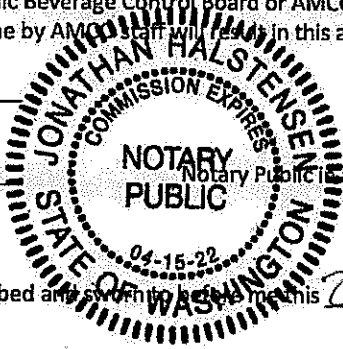
I am submitting as part of this application a completed copy of Form AB-33: Restaurant Receipts Affidavit, to provide evidence to the ABC Board that this establishment met the food sales requirement set forth in AS 04.11.100(e).

[KS]

As an applicant for a liquor license renewal, I declare under penalty of perjury that I have read and am familiar with AS 04 and 3 AAC 304, and that this application, including all accompanying schedules and statements, is true, correct, and complete. I agree to provide all information required by the Alcoholic Beverage Control Board or AMCO staff in support of this application and understand that failure to do so by any deadline given to me by AMCO staff will result in this application being returned to me as incomplete.

[Signature]
Signature of licensee

RINAKU SU YOON
Printed name of licensee



[Signature]
Signature of Notary Public

and for the State of Washington

My commission expires: April 15, 2022

Subscribed and sworn to before me this 27th day of December, 2019.

Seasonal License? Yes [] No [x]

If "Yes", write your six-month operating period: _____

Table with columns: License Fee (\$ 600.00), Application Fee (\$ 300.00), TOTAL (\$ 900.00), Miscellaneous Fees (0), GRAND TOTAL (if different than TOTAL) (\$ 900.00)



CITY AND BOROUGH OF SITKA

Legislation Details

File #: 20-084 Version: 1 Name:

Type: Item Status: AGENDA READY

File created: 4/9/2020 In control: City and Borough Assembly

On agenda: 4/14/2020 Final action:

Title: Approve a liquor license renewal application for SOE, LLC dba Asian Palace at 327 Seward Square #1

Sponsors:

Indexes:

Code sections:

Attachments: [01 Motion and Memos Asian Palace](#)
[02 Asian Palace Renewal Application](#)

Date	Ver.	Action By	Action	Result
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Should this item be pulled from the Consent Agenda the following motion is suggested:

POSSIBLE MOTION

I MOVE TO approve a liquor license renewal application for SOE, LLC dba Asian Palace at 327 Seward Square #1 and forward this approval to the Alcoholic Beverage Control Board without objection.



City and Borough of Sitka

100 Lincoln Street • Sitka, Alaska 99835

MEMORANDUM

To: Mayor Paxton and Assembly Members
John Leach, Municipal Administrator

From: Sara Peterson, Municipal Clerk

Date: April 9, 2020

Subject: Approve a liquor license renewal application for Asian Palace

Our office has received notification of the following liquor license renewal application:

Lic #: 4595
DBA: Asian Palace
License Type: Restaurant / Eating Place
Licensee: SOE, LLC
Premises Address: 327 Seward Square #1

A memo was circulated to the various departments who may have a reason to protest the renewal of this license. No departmental objections were received.

Recommendation:

Approve the liquor license renewal application for SOE, LLC dba Asian Palace and forward this approval to the Alcoholic Beverage Control Board without objection.



City and Borough of Sitka

100 Lincoln Street • Sitka, Alaska 99835

MEMORANDUM

To: Utility Billing Clerk – Diana
Collections - Carolyn
Municipal Billings – Lindsey
Sales Tax/Property Tax - Justin
Fire Department
Police Department
Building Official(s)

From: Sara Peterson, Municipal Clerk

Date: March 17, 2020

Subject: Liquor License Renewal Application – Asian Palace

The Municipal Clerk's Office has been notified by the Alcohol and Marijuana Control Office of the following liquor license renewal application submitted by:

Lic #: 4595
DBA: Asian Palace
License Type: Restaurant / Eating Place
Licensee: SOE, LLC
Premises Address: 337 Seward Street #1

Please notify no later than **noon on Friday, April 3** of any reason to protest this renewal request. This request is scheduled to go before the Assembly on April 14.

Thank you.



THE STATE
of **ALASKA**
GOVERNOR MIKE DUNLEAVY

Department of Commerce,
Community,
and Economic Development

ALCOHOL & MARIJUANA CONTROL OFFICE
550 West 7th Avenue, Suite 1600
Anchorage, AK 99501
Main: 907.269.0350

March 13, 2020

City and Borough of Sitka

Via Email: sara.peterson@cityofsitka.org ; melissa.henshaw@cityofsitka.org

Re: Notice of 2020/2021 Liquor License Renewal Application

License #	DBA	License Type
4595	Asian Palace	Restaurant/Eating Place
4428	Little Tokyo	Restaurant/Eating Place-Public Convenience

We have received a completed renewal application for the above listed license (see attached application documents) within your jurisdiction. This is the notice required under AS 04.11.480.

A local governing body may protest the approval of an application(s) pursuant to AS 04.11.480 by furnishing the director **and** the applicant with a clear and concise written statement of reasons for the protest within 60 days of receipt of this notice, and by allowing the applicant a reasonable opportunity to defend the application before a meeting of the local governing body, as required by 3 AAC 304.145(d). If a protest is filed, the board will deny the application unless the board finds that the protest is arbitrary, capricious, and unreasonable.

To protest the application referenced above, please submit your written protest within 60 days, and show proof of service upon the applicant and proof that the applicant has had a reasonable opportunity to defend the application before a meeting of the local governing body.

Sincerely,

A handwritten signature in black ink, appearing to read "Glen Klinkhart".

Glen Klinkhart, Director

amco.localgovernmentonly@alaska.gov



Alcohol and Marijuana Control Office
 550 W 7th Avenue, Suite 1600
 Anchorage, AK 99501
alcohol.licensing@alaska.gov
<https://www.commerce.alaska.gov/web/amco>
 Phone: 907.269.0350

Alaska Alcoholic Beverage Control Board

Restaurant or Eating Place License

Form AB-17a: 2020/2021 Renewal License Application

What is this form?

This renewal license application form is required for all individuals or entities seeking to apply for renewal of an existing restaurant or eating place liquor license that is due to renew by December 31, 2019. All fields of this form must be complete and correct, or the application will be returned to you in the manner in which it was received, per AS 04.11.270 and 3 AAC 304.105. The Community Council field only should be verified/completed by licensees whose establishments are located within the Municipality of Anchorage or outside of city limits within the Matanuska-Susitna Borough.

This form must be completed and submitted to AMCO's main office before any license renewal application will be reviewed. Receipt and/or processing of renewal payments by AMCO staff neither indicates nor guarantees that an application will be considered complete, or that a license will be renewed.

Section 1 – Establishment and Contact Information

Enter information for the business seeking to have its license renewed. If any populated information is incorrect, please contact AMCO.

Licensee:	SOE, LLC	License #:	4595
License Type:	Restaurant/Eating Place		
Doing Business As:	Asian Palace		
Premises Address:	327 Seward Square #1		
Local Governing Body:	City & Borough of Sitka		
Community Council:	None		

Mailing Address:	327 SEWARD ST				
City:	SITKA	State:	AK	ZIP:	99835

Enter information for the individual who will be designated as the primary point of contact regarding this application. This individual must be a licensee who is required to be listed in and authorized to sign this application.

Contact Licensee:	KWANH SU YOON	Contact Phone:	(907) 738-3882
Contact Email:	KENNYSSITKA@YAHOO.COM		

Optional: If you wish for AMCO staff to communicate with an individual who is not a licensee named on this form (eg: legal counsel) about this application and other matters pertaining to the license, please provide that person's contact information in the fields below.

Name of Contact:	N/A	Contact Phone:	
Contact Email:			



Form AB-17a: 2020/2021 Restaurant Renewal License Application

Section 2 – Entity or Community Ownership Information

Licenses who directly hold a license as an individual or individuals should skip to Section 3. General partnerships and local governments should skip to the second half of this page. All licensees that are **corporations** or **LLCs** must complete this section. Corporations and LLCs are required to be in good standing with the Alaska Division of Corporations, Business & Professional Licensing (CBPL). The CBPL Entity # below is neither your EIN/tax ID number, nor your business license number. You may view your entity's status or find your CBPL entity number by visiting the following site: <https://www.commerce.alaska.gov/cbp/main/search/entities>

Alaska CBPL Entity #:	76687D
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You must ensure that you are able to certify the following statement before signing your initials in the box to the right: Initials

I certify that this entity is in good standing with CBPL and that all current entity officials and stakeholders (listed below) are also currently and accurately listed with CBPL.

KS

This subsection must be completed by any **community** or **entity**, including a corporation, limited liability company, partnership, or limited partnership, that is applying for renewal. If more space is needed, please attach additional completed copies of this page.

- If the applicant is a **corporation**, the following information must be completed for each **shareholder who owns 10% or more** of the stock in the corporation, and for each **president, vice-president, secretary, and managing officer**.
- If the applicant is a **limited liability organization**, the following information must be completed for each **member with an ownership interest of 10% or more**, and for each **manager**.
- If the applicant is a **partnership**, including a limited partnership, the following information must be completed for each **partner with an interest of 10% or more**, and for each **general partner**.

Important Note: The information provided in the below fields (including spelling of names, specific titles, and percentages held) must match that which is listed with CBPL. If one individual holds multiple titles mentioned in the bullets above, all titles must be listed for that individual on this application and with CBPL. Failure to list all required titles constitutes an incomplete application. You must list **ALL** of your qualifying officials, additional copies of this page or a separate sheet of paper may be submitted if necessary.

Name of Official:	KWANG SU YOON			
Title(s):	MANAGE MEMBER	Phone:	(907)738-3982	% Owned: 100
Mailing Address:	210 KATLIAN ST			
City:	SITKA	State:	AK	ZIP: 99834

Name of Official:				
Title(s):		Phone:		% Owned:
Mailing Address:				
City:		State:		ZIP:

Name of Official:				
Title(s):		Phone:		% Owned:
Mailing Address:				
City:		State:		ZIP:



Alaska Alcoholic Beverage Control Board

Form AB-17a: 2020/2021 Restaurant Renewal License Application

Section 3 - Sole Proprietor Ownership Information

Entities, such as corporations or LLCs, should skip this section. This section must be completed by any licensee who directly holds the license as an individual or multiple individuals and is applying for license renewal. If more space is needed, please attach a separate sheet that includes all of the required information.

The following information must be completed for each licensee and each affiliate.

This individual is an: [] applicant [] affiliate

Form with fields: Name, Contact Phone, Mailing Address, City, State, ZIP, Email

This individual is an: [] applicant [] affiliate

Form with fields: Name, Contact Phone, Mailing Address, City, State, ZIP, Email

Section 4 - Alcohol Server Education

Read the line below, and then sign your initials in the box to the right of the statement:

Initials

I certify that all licensees, agents, and employees who sell or serve alcoholic beverages or check identification of a patron have completed an alcohol server education course approved by the ABC Board and keep current, valid copies of their course completion cards on the licensed premises during all working hours, as set forth in AS 04.21.025 and 3 AAC 304.465.

[Handwritten initials]

Section 5 - License Operation

Check a single box for each calendar year that best describes how this liquor license was operated:

2018 2019

The license was regularly operated continuously throughout each year.

[X] [X]

The license was regularly operated during a specific season each year.

[X] [X]

The license was only operated to meet the minimum requirement of 240 total hours each calendar year.

[] []

If this box is checked, a complete copy of Form AB-30: Proof of Minimum Operation Checklist, and all necessary documentation must be provided with this application.

The license was not operated at all or was not operated for at least the minimum requirement of 240 total hours each year, during one or both of the calendar years.

[] []

If this box is checked, a complete copy of Form AB-29: Waiver of Operation Application and corresponding fees must be submitted with this application for each calendar year during which the license was not operated for at least the minimum requirement, unless a complete copy of the form (including fees) has already been submitted for that year.



Alaska Alcoholic Beverage Control Board

Form AB-17a: 2020/2021 Restaurant Renewal License Application

Section 6 - Violations and Convictions

Applicant violations and convictions in calendar years 2018 and 2019:

Yes No

Have any notices of violation (NOVs) been issued for this license in the calendar years 2018 or 2019?

Yes: [] No: [X]

Has any person or entity named in this application been convicted of a violation of Title 04, of 3 AAC 304, or a local ordinance adopted under AS 04.21.010 in the calendar years 2018 or 2019?

Yes: [] No: [X]

If "Yes" to either of the previous two questions, attach a separate page to this application listing all NOVs and/or convictions.

Section 7 - Certifications

Read each line below, and then sign your initials in the box to the right of each statement:

Initials

I certify that all current licensees (as defined in AS 04.11.260) and affiliates have been listed on this application, and that in accordance with AS 04.11.450, no one other than the licensee(s) has a direct or indirect financial interest in the licensed business.

[KS]

I certify that I have not altered the functional floor plan or reduced or expanded the area of the licensed premises, and I have not changed the business name or the ownership (including officers, managers, general partners, or stakeholders) from what is currently approved and on file with the Alcoholic Beverage Control (ABC) Board.

[KS]

I certify on behalf of myself or of the organized entity that I understand that providing a false statement on this form or any other form provided by AMCO is grounds for rejection or denial of this application or revocation of any license issued.

[KS]

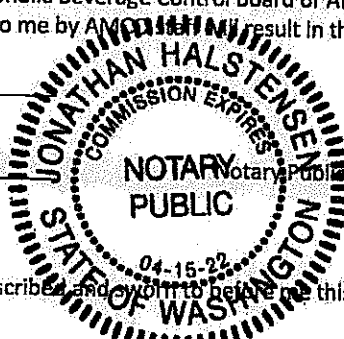
I am submitting as part of this application a completed copy of Form AB-33: Restaurant Receipts Affidavit, to provide evidence to the ABC Board that this establishment met the food sales requirement set forth in AS 04.11.100(e).

[KS]

As an applicant for a liquor license renewal, I declare under penalty of perjury that I have read and am familiar with AS 04 and 3 AAC 304, and that this application, including all accompanying schedules and statements, is true, correct, and complete. I agree to provide all information required by the Alcoholic Beverage Control Board or AMCO staff in support of this application and understand that failure to do so by any deadline given to me by AMCO will result in this application being returned to me as incomplete.

Signature of licensee

Printed name of licensee



Signature of Notary Public

My commission expires: April 15, 2022

Subscribed and sworn to before me this 27th day of December, 2019.

Seasonal License? Yes [] No [X]

If "Yes", write your six-month operating period: _____

Table with 5 columns: License Fee (\$600.00), Application Fee (\$300.00), TOTAL (\$900.00), Miscellaneous Fees, GRAND TOTAL (\$900.00)



CITY AND BOROUGH OF SITKA

Legislation Details

File #: 20-085 Version: 1 Name:

Type: Item Status: AGENDA READY

File created: 4/9/2020 In control: City and Borough Assembly

On agenda: 4/14/2020 Final action:

Title: Reappoint Anne Pollnow to a three-year term on the Historic Preservation Commission in the category of At-Large

Sponsors:

Indexes:

Code sections:

Attachments: [Motion and Pollnow Application HPC](#)

Date	Ver.	Action By	Action	Result
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POSSIBLE MOTION

I MOVE TO reappoint Anne Pollnow to a three-year term on the Historic Preservation Commission in the category of At-Large.



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

Board/Commission/Committee: Sitka Historic Preservation Commission

Name: Anne E. Pollnow Daytime Phone: [REDACTED]

Address: [REDACTED] Evening Phone: same

Email Address: [REDACTED] Fax Number: _____

Length of Residence in Sitka: 21yrs Registered to vote in Sitka? Yes No

Employer: Owner of cultural resource management consulting firm, Sea Level Consulting, LLC

Organizations you belong to or participate in:

I am currently a member of: Sitka Historical Society, Alaska Historical Society, American Anthropological Association, Society for American Archaeology, American Cultural Resources Association (registered professional), Sheldon Jackson Museum, and the Gastineau Channel Historical Society. I am also Alaska representative for the National Trust for Historic Preservation's Advisory Council.

Explain your main reason for applying:

I am applying for a seat on this commission to continue assisting the community and municipal government in further developing and carrying out a historic preservation program. As historic preservation provides tremendous economic and social benefits to communities, using my professional knowledge of the subject, I wish to grow these assets for Sitka while promoting our shared heritage.

What background, experience or credentials will you bring to the board, commission, or committee membership?

I have over 25 years of professional and academic experience in the field of cultural resource management and have been in business as a resource professional for the last 11 years. I work closely with a variety of state and federal agencies, as well as private firms and have a keen understanding of city codes and state and federal regulations governing historic properties and cultural resources. This regulatory knowledge is a duty of commission members per the Certified Local Gov't program of which Sitka qualifies and partakes.

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

- 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.

As a professional in the field, at times, state and federal projects come before the commission for review for which I have been involved. In the past and as I will continue to do, I recuse myself.

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: March 30, 2020 Signature: Anne E. Pollnow

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 during open session of an Assembly meeting, however, Assembly members may vote to discuss applicant(s) in closed executive 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



ANNE ELISE POLLNOW, M.A., CULTURAL RESOURCES SPECIALIST

Ms. Pollnow is the sole owner of Sea Level Consulting, LLC (SLC), a cultural resource firm based in Sitka, Alaska since 2008. SLC provides services required for the identification, evaluation, and treatment of cultural resources as needed for compliance with federal, state, and local regulations including the National Environmental Policy Act and the National Historic Preservation Act. SLC specializes in Southeast Alaska history and archaeology and the unique governing laws and regulations. Services include archaeological and historic surveys, anthropological studies, determination of eligibility and affect reports, cultural resource plans and agreements, monitoring, recovery excavation, and consultation with local tribes. SLC has also assisted and led Alaska communities through the processes of preservation planning, establishing historic districts, and developing heritage tourism industry strategies. All work complies with the Secretary of Interior's Standards and Guidelines and protocols set forth by the Alaska Office of History and Archaeology. Sea Level is a Disadvantaged Business Enterprise under certification number 9900594.

BIO

Ms. Pollnow's work includes the discovery and recordation of prehistoric sites as early as 8000 years ago, documenting Gold Rush era mining districts, World War II historic survey, and anthropological investigations. Prior to her 20 years Alaska, Ms. Pollnow lived and worked in Washington State studying and practicing archaeology in Washington and Oregon with the privilege to work under renowned lithic analysts. Ms. Pollnow's education and work experience have built a credible knowledge base and great appreciation for Pacific Northwest Coast Archaeology.

EXPERIENCE

- Local, state, and federal historic preservation laws
- Environmental Policy Act (NEPA), National Historic Preservation Act (NHPA), Department of Transportation 4f, Alaska Historic Preservation Act, & local ordinances
- Determination of eligibility (DOE) reports
- Archaeological and historic field surveys and evaluations
- Creative mitigation efforts
- Conservation/preservation easement agreements
- Preservation and cultural resource management plans
- Anthropological studies and historic context reports

MEMBERSHIPS

- Alaska Anthropological Association
- Alaska Association for Historic Preservation
- American Anthropological Association
- Society for American Archaeology

EDUCATION

- M.A., Cultural Resource Management, Adams State University, Alamosa, CO, 2020
- G.C. Landscape Archaeology/Ancient History; Leicester University, Leicester, England, 2012
- B.A., Anthropology/Archaeology m: Business; Washington State University, 1998
- Archaeological Field School, Washington State University, 1994

MISSION

SLC recognizes the value of preserving the past without compromising the economic opportunities of today. Through a variety of methods, we assists governmental agencies, developers, property owners, nonprofit organizations, and tribal entities to achieve preservation and environmental compliance goals with sensitivity and efficiency. SLC's diverse and extensive historic preservation experience inspires creative and sustainable solutions for all stakeholders.

CONTACT
Sea Level Consulting, LLC

SELECTED PROJECT EXPERIENCE

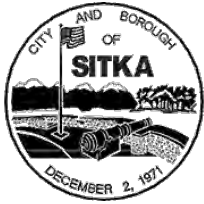
Cultural Resources Inventory, Archaeological Investigations and NEPA Compliance Reporting for Improvements to the El Capitan to Neck Lake Roads Project (including the Bay of Whale Passage, North Prince of Wales Island, AK. Ms. Pollnow contracted as an associate archaeologist with LEI Engineering and Surveying, LLC., to serve as principal investigator and project manager overseeing a professional crew of eight. Duties involved establishing remote laboratory site and conducting archaeological investigation of 20 miles of road with a 150 ft. APE on each side of the road. Challenges encountered included the discovery of human remains, which were treated in accordance with NAGPRA and Alaska OHA protocols. Nine new archaeological sites were uncovered and included obsidian microblades, photo-historic beads, an incredible diversity of shell midden, and features relating to habitation. Artifacts were initially processed in the field and subsequently at a laboratory at Washington State University. There, they were analyzed, photographed, cataloged and prepped for radiocarbon dating. Ms. Pollnow and crew chief, Dr. Cara Monroe solely compiled the final report which included ArcGIS mapping and recommendations of National Register eligibility and mitigations to effects.

Nevada Creek/Alaska Treasure Mine Historic District, Douglas Island, Juneau, AK. SLC subcontracted to Waterman Mitigation Partners to perform archaeological and historic investigations and document the Nevada Creek/Alaska Treasure Mine Historic District. The mine district consists of 445-acre site littered with relics and geographic features relating to Alaska's Gold Rush era. District encompasses three adit locations varying in elevation and a base camp. Historic features recorded include a 15-stamp mill and workings, historic steam boilers and generators, hydraulic structures, miscellaneous scattered artifacts. Report comprised extensive archival research pertaining to historic figures and events of the Gold Rush era. This historic mine is located 2.5 miles south of the famous Treadwell Mine on the southwest side of Douglas Island. The project was in association with environmental mitigation for a tailings facility project for the Green Creek Mine on Admiralty Island. The project resulted in environmental rehabilitation and the historic mine's placement under into a conservation easement with the Alaska Association for Historic Preservation.

WWII Searchlights and Base End Stations of Sitka Sound, Sitka, AK. SLC contracted with the Sitka Tribe of Alaska to develop a WWII publication for the general public. The publication required broad research of the Sitka Naval Air Station and U.S. Army Coastal Defenses fortifications throughout Sitka Sound and required survey of associated features on remote islands of the sounds. Project investigated the detailed history of WWII in general, Alaska's role, and the individuals that served at Sitka, such as Alaska Natives. This project was per a MOA with the U.S. Army Corps of Engineers and the Sitka Tribe for cultural resource mitigation during Department of Defense initiated environmental clean-up of WWII sites.

PERSONAL COMMITMENT

Ms. Pollnow is committed to assisting communities, small nonprofit corporations, and native organizations with their preservation goals, often in a volunteer capacity. She has written, been awarded, and managed historic preservation fund grants to assist in the rehabilitation of historic buildings and preservation planning including the 100-year-old Alaska Native Brotherhood Camp #1 Hall and the Lincoln Street Historic District in Sitka. Beginning in 2007, Ms. Pollnow served on the City and Borough of Sitka's Historic Preservation Commission, two years as Chair. During her tenure, Anne initiated public meetings and negotiations with property owners to successfully secure voluntary preservation deed restrictions for the Landmark Sheldon Jackson Campus. Currently, as President of the Alaska Association for Historic Preservation (AAHP), Anne leads the Association's programming which includes the Ten Most Endangered Historic Properties Grant Program and the Preservation Easement Program now holding and managing four preservation conservation easements.



HISTORIC PRESERVATION COMMISSION

NAME	CONTACT NUMBERS	TERM STARTS	EXPIRES	CATEGORY
ROBERTA LITTLEFIELD 4102 Halibut Point Road	738-4004 c 747-3444 h robylittlefield@gci.net	7/13/10 4/24/12 5/27/15 6/26/18	01/27/12 4/24/15 5/27/18 6/26/21	Chair Native community
ANNE POLLNOW PO Box 6326	738-0794 anne@sealevelsitka.com	4/28/15 4/25/17	4/22/17 4/25/20	Vice Chair At large
JAMES POULSON 1610 Sawmill Creek Rd	747-3219 w 747-6567 h james.poulson1@gmail.com	2/22/11 2/25/14	2/22/14 2/25/17 9/8/18 8/30/21	Secretary Historical Society
ANA DITTMAR 217 Marine Street Unit B	623-7537 anadittmar1@hotmail.com	4/10/12 5/27/15 6/12/18	4/10/15 5/27/18 6/12/21	At large
SCOTT SALINE PO Box 3183	738-7889 c shsaline@gci.net	4/26/16	4/26/19 5/14/22	At large
CANDACE RUTLEDGE 1304 Edgecumbe Drive B	738-2207 candacemrutledge@gmail.com	8/13/19	2/28/20	At large Sopow's term
ROBERT SAM 456 Katlian Street	623-7097 bob.sam@sitkatriben-sn.gov	2/24/15 2/27/18	2/24/18 2/27/21	STA
NANCY DOUGLAS 416 Lake Street	747-8380 nancy.douglas@sitkatriben-sn.gov	2/27/18	2/27/21	STA (alternate) Resigned 3/5/19
Amy Ainslie Planner I	747-1814 amy.ainslie@cityofsitka.org			Staff Liaison/ Secretary
Kevin Mosher 100 Lincoln Street	752-0467 assemblymosher@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

Revised: October 9, 2019



CITY AND BOROUGH OF SITKA

Legislation Details

File #: 20-086 Version: 1 Name:

Type: Item Status: AGENDA READY

File created: 4/9/2020 In control: City and Borough Assembly

On agenda: 4/14/2020 Final action:

Title: Reappoint Shannon Freitas to a three-year term on the Local Emergency Planning Committee in Category 2 (Law Enforcement, Civil Defense, Fire Fighting, First Aid, Local Environmental/Hospital, and Transportation Personnel)

Sponsors:

Indexes:

Code sections:

Attachments: [Motion and Freitas Application LEPC](#)

Date	Ver.	Action By	Action	Result
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POSSIBLE MOTION

I MOVE TO reappoint Shannon Freitas to a three-year term on the Local Emergency Planning Committee in Category 2 (Law Enforcement, Civil Defense, Fire Fighting, First Aid, Local Environmental/Hospital, and Transportation Personnel).

State of Alaska
LOCAL EMERGENCY PLANNING COMMITTEE
INDIVIDUAL APPLICATION FORM FOR MEMBERSHIP ON LEPC

LEPC name: Sitka Local Emergency Planning Committee

Applicant name: Shannon Freitas

Mailing address: [REDACTED]

Residence address: [REDACTED]

Day phone: [REDACTED] Home Phone (optional): [REDACTED]

Where employed: SEARHC Job title: Director of Safety

LEPC category/seat that applicant seeks: 2

Categories: 1) Elected local officials, 2) Law Enforcement, Civil Defense, Fire Fighting, First Aid, Local Env't/Hospital, and Transportation Personnel, 3) Media/Broadcast, 4) Community Groups, 5) Owners/Operators of Facilities, 6) Members of the Public, 7) LEPC Information Coordinator/SERC liaison

New applicant _____ Renewal Regular member _____ Alternate member _____

Qualifications for this category: 12 yrs. Experience in Healthcare emergency response.

Organizations in which applicant participates (that are pertinent to the application): _____

Please provide enough information to demonstrate an applicant's eligibility or suitability for a particular seat on the LEPC. For the Public At Large position, please state whether an applicant qualifies for any other category on the LEPC.

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

I hereby certify that the above information is correct and that I have not misrepresented myself.

Shannon Freitas
Signature

4/6/2020
Date

→ To be considered, your application must be complete AND be accompanied by either a letter of interest or resume. Return to:

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



LOCAL EMERGENCY PLANNING COMMITTEE

NAME	CONTACT NUMBERS	TERM STARTS	EXPIRES	CATEGORY	
DAVE MILLER, CHAIR	747-1860	dave.miller@cityofsitka.org	Permanent	Fire Chief*	2
GEORGE BENNETT JR. 225 Tongass Drive	966-8916	gbennett@searhc.org	3/28/17 3/24/20	3/28/20 3/24/23	2
SHANNON FREITAS 222 Tongass Drive	966-8511	shannonf@searhc.org	3/28/17	3/28/20	2
ALAN STEVENS 2606 Sawmill Creek Road	747-8848 738-8237	astevenssit@gmail.com	1/23/18	1/23/21	2
DAVID BIRKY 611 Airport Road	966-5525 503-510-3401	david.a.birky@uscg.mil	11/8/18	11/8/21	2
JENNIFER KLEJKA 311 Cascade Street	623-7499	jennifer.klejka@cityofsitka.org	3/10/20	3/10/23	2
DONNA CALLISTINI 208 Lake Street #2G	747-7107 w 747-5494	donna.callistini@yahoo.com	10/26/10, 11/12/13 1/23/18	10/26/13, 11/12/16 1/23/21	3
GAYLE HAMMONS 210 Kruzof Street	738-3028 c	kghammons@gmail.com	7/28/15	7/28/18 11/8/21	3
BECKY MEIERS 2 Lincoln Street Ste. B	747-5877	generalmanager@kcaw.org	12/11/18	12/11/21	3
AMY ZANUZOSKI 113 Metlakatla Street	966-8237	amyz@scpsak.org	6/12/18	6/12/21	4
JUSTIN MULLENIX 503 Marine Street	907-290-4306 907-623-8155 h	justin.mullenix2.mil@mail.mil	2/25/20	2/25/23	4
MIM MCCONNELL 606A Sawmill Creek Road	738-2888 747-2860	sitkamim@gmail.com	3/24/20	3/24/23	4
TRISH WHITE 117 Granite Creek Road	747-8006X202 w; 747-5976 h	trish@whitesalaska.com	3/10/09, 3/13/12 3/24/15, 3/27/18	3/10/12, 3/15/15 3/24/18, 3/27/21	5
SCOTT WAGNER 304 Nicole Drive	747-3791 h 738-2729 c	scott_wagner@nsraa.org	11/12/13, 12/27/16 1/14/20	11/12/16, 12/27/19 1/14/23	5
MARY ANN HALL 2037 Halibut Point Road	738-1687	jaryberry77@gmail.com	8/23/11, 8/12/14 8/8/17	8/23/14, 8/12/17 8/8/20	6
JOEL HANSON 417 Arrowhead Street	747-9834	captainjoel@alaskan.com	2/25/20	2/25/23	6
ROBERT HATTLE PO Box 2676	738-2230	rhattle@mac.com	3/24/20	3/24/23	6
ROBERT BATY	747-3245	robert.baty@sitkapd.org	Permanent	Interim Police Chief*	2
LANCE EWERS	747-3245	lance.ewers@sitkapd.org	Permanent	Law Enforcement*	2
CRAIG WARREN	747-3233	craig.warren@cityofsitka.org	Permanent	LEPC Coordinator*	7
VALORIE NELSON	747-4589	assemblynelson@cityofsitka.org	Non-Voting	Assembly Liaison	1
Gail Johansen Peterson 3511 Halibut Point Road	747-7646	scribeinkservices@gmail.com		Secretary	

*The police and fire chiefs and the LEPC Coordinator are permanent appointments; whoever is serving in that capacity will be appointed to the commission. Minimum of seven members, 3-year terms; Established by Resolution 89-406; Amended by Resolution 89-441 and 99-727. Meeting: Second Thursday, noon – Fire Hall. **Quorum Requirement:** At least one member from four different categories must be present. **Categories as follows:** 1) Elected local officials 2) Law Enforcement, Civil Defense, Fire Fighting, First Aid, Local Environmental/Hospital, and Transportation Personnel 3) Media/ Broadcast 4) Community Groups 5) Owners/Operators of Facilities 6) Members of the Public 7) LEPC Information Coordinator/ SERC liaison



CITY AND BOROUGH OF SITKA

Legislation Details

File #: 20-087 Version: 1 Name:
Type: Item Status: AGENDA READY
File created: 4/9/2020 In control: City and Borough Assembly
On agenda: 4/14/2020 Final action:
Title: Reappoint Mike Johnson to a two-year term on the Gary Paxton Industrial Park Board
Sponsors:
Indexes:
Code sections:
Attachments: [Motion and Johnson Application GPIIP](#)

Date	Ver.	Action By	Action	Result
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POSSIBLE MOTION

I MOVE TO reappoint Mike Johnson to a two-year term on the Gary Paxton Industrial Park Board.



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

Board/Commission/Committee: GPIP
 Name: Mike Johnson Preferred Phone: [REDACTED]
 Address: [REDACTED] Alternate Phone: [REDACTED]
 Email Address: [REDACTED] Fax Number: _____
 Length of Residence in Sitka: 41 years Registered to vote in Sitka? Yes ___ No
 Employer: Delta Western Petroleum

Organizations you belong to or participate in:
Sitka Sportsman's Association
Sitka Shore Shots

Explain your main reason for applying:
To help thoughtfully advance the design & construction of a marine haulout facility & other marine industry.

What background, experience or credentials will you bring to the board, commission, or committee membership?
 - Operations manager for marine haulout
 - Terminal manager for petroleum business
 - USCG licensed captain

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

- 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.
- I work for Delta Western, who leases land at GPIP & operates a marine fuel dispenser onsite.

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: 4-7-2020 Signature: [Signature]

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 during open session of an Assembly meeting, however, Assembly members may vote to discuss applicant(s) in closed executive 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

4/7/2020

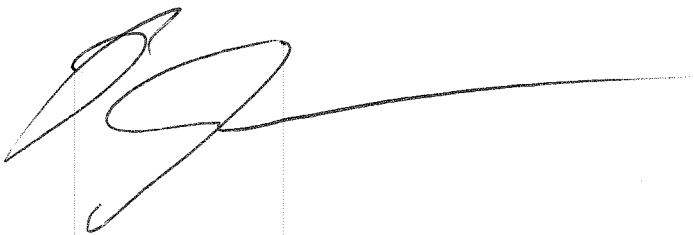
To whom it may concern:

I am applying to renew my term on the Gary Paxton Industrial Park board in hopes of helping facilitate the creation of a marine haulout facility as well as other suitable industries at the park. In the wake of the current pandemic it seems very clear to me that Sitka is too reliant on seasonal tourism and needs to find it's way back to supporting blue collar industries capable of supplying year round living wage jobs to residents.

My experience is wide and varied ranging from a heavy diesel mechanic to commercial fisherman, charter boat captain, facility maintenance, welding & fabrication, truck driver, boat yard operator, and now fuel oil terminal operations and sales. I was born in Sitka and have spent the lion's share of my life here leaving only for school & training. I intend to stay here while raising my family and do what I can to help steer Sitka's economy and industries in the proper direction for long term success.

While I travel frequently for work I will continue to make every effort to attend the board of director meetings if given the opportunity to remain on the board.

Mike Johnson

A handwritten signature in black ink, appearing to be 'MJ', with a long horizontal line extending to the right.



GARY PAXTON INDUSTRIAL PARK BOARD OF DIRECTORS

NAME	CONTACT NUMBERS	TERM STARTS	EXPIRES	CATEGORY
SCOTT WAGNER 304 Nicole Drive	747-6850 w 747-3791 h scott_wagner@nsraa.org	11/25/14 6/28/16 6/26/18	6/24/16 6/28/18 6/26/20	CHAIR
VAUGHN MORRISON 114 Toivo Circle	738-0294 vmorrison26@yahoo.com	9/25/18	9/25/20	VICE CHAIR
SHEILA FINKENBINDER 424 Andrews Street	738-3098 sitkasheila@gmail.com	3/28/17 3/26/19	3/28/19 3/26/21	<i>At-Large</i>
AL STEVENS 2606 Sawmill Creek Road	747-7996 738-8237 c al.stevens@silverbayseafoods.com	8/27/19	3/26/21	Parrish's term
MIKE JOHNSON 2017 Cascade Creek Road	747-1401 966-4042 southeastmike@hotmail.com	8/27/19	4/24/20	Unger's term
Garry White 329 Harbor Drive, #202	747-2660 747-7688 fax garrywhite@gci.net			GPIP Director
John Leach City & Borough of Sitka 100 Lincoln Street	747-1808 747-7403 fax john.leach@cityofsitka.org			Municipal Administrator
Thor Christianson 100 Lincoln Street	738-2491 assemblychristianson@cityofsitka.org			Assembly Liaison
Steven Eisenbeisz 208 Lincoln Street	738-9075 assemblyeisenbeisz@cityofsitka.org			Alternate Assembly Liaison
Brigette Klakring 329 Harbor Drive, #202	747-2660 747-7688 fax sedasitka@gmail.com			Secretary

Established by Ordinance 00-1568

Five members appointed by the Assembly for 2-year terms, one designated At-Large

Revised: March 16, 2020



CITY AND BOROUGH OF SITKA

Legislation Details

File #: ORD 20-11 Version: 1 Name:

Type: Ordinance Status: AGENDA READY

File created: 3/30/2020 In control: City and Borough Assembly

On agenda: 4/14/2020 Final action:

Title: Temporarily amending Title 15 "Public Utilities" of the Sitka General Code by modifying Chapter 15.01 "Electric Utility Policies", Section 15.01.020 "Electrical Rates" which will temporarily extend the lower seasonal electric rate from April to June in 2020 only

Sponsors:

Indexes:

Code sections:

Attachments: [01 Motion Ord 2020-11](#)
[02 Memo Ord 2020-11](#)
[03 Ord 2020-11](#)

Date	Ver.	Action By	Action	Result
4/2/2020	1	City and Borough Assembly		

POSSIBLE MOTION

I MOVE TO approve Ordinance 2020-11 on second and final reading amending temporarily amending Title 15 "Public Utilities" of the Sitka General Code by modifying Chapter 15.01 "Electric Utility Policies", Section 15.01.020 "Electrical Rates" which will temporarily extend the lower seasonal electric rate from April to June in 2020 only.




City and Borough of Sitka

100 Lincoln Street • Sitka, Alaska 99835

MEMORANDUM

To: Mayor Paxton and Assembly Members

From: John Leach, Municipal Administrator 

Date: March 30, 2020

Subject: Ordinance to Delay Seasonal Electricity Fee Increase for 60 Days

Background: Assembly Members Christianson and Knox have requested the preparation of an ordinance, for Assembly consideration, that would delay the seasonal electricity fee increase for 2020 by 60 days, from May 1, 2020 to July 1, 2020.

Analysis: The purpose of this proposed action is to afford citizens of Sitka, who are suffering loss of employment or other adverse effect stemming from the COVID-19 pandemic, government assistance by reducing the costs of electricity for their homes and businesses.

Fiscal Note:

Based on historical electricity consumption patterns and data, the Finance Department estimates that this action, if approved, will reduce Electric Fund income by (\$1,025,000) from what would otherwise been earned had the seasonal rate increase went into effect on May 1 (14,241,900 kWh @ \$0.072/kWh).

It is important to note that the Electric Fund will have its debt service coverage ratio measured as of June 30, 2019. This ratio requires that net revenue of the electric system be a minimum of 1.25 times the debt service for 2019. Balances in the Electric Rate Stabilization Fund can be used as credits to offset required revenue; however, the balance in the Rate Stabilization fund is only \$368,000 as of the date of this memo. Hence, unless strong electricity demand is experienced from July 1, 2020 – April 30, 2021 (first 10 months of FY2021), a subsidization transfer from the General Fund to the Electric Fund may be necessary in June 2021 in order to achieve the minimum ratio.

Through December 31, 2019 (the last measurement date) electricity consumption was slightly ahead of forecasted amounts. Forecasted consumption for the first 6 months of FY2020 was 51,663,250 kWh and actual consumption was 52,157,850 kWh, a positive

variance of 494,600 kWh, equal to \$546,505. Thus, it is possible that no subsidy transfer will be required as the extra revenue earned in FY2020 plus the balance in the Electric Rate Subsidization Fund may approach the forecasted shortfall due to extending the off-season rate. This can't be guaranteed, however, and the amount of a subsidy won't be known until the end of FY2020.

Recommendation:

Economic difficulties being experienced by Sitkans, due to lost wages as a result of COVID-19, outweigh other needs at this time. Staff recommends that the ordinance be enacted, and that the Assembly stand ready to transfer funds from the General Fund to the Electric Fund, if necessary.

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CITY AND BOROUGH OF SITKA

ORDINANCE NO. 2020-11

AN ORDINANCE OF THE CITY AND BOROUGH OF SITKA TEMPORARILY AMENDING TITLE 15 “PUBLIC UTILITIES” OF THE SITKA GENERAL CODE BY MODIFYING CHAPTER 15.01 “ELECTRIC UTILITY POLICIES”, SECTION 15.01.020 “ELECTRICAL RATES” WHICH WILL TEMPORARILY EXTEND THE LOWER SEASONAL ELECTRIC RATE FROM APRIL TO JUNE IN 2020 ONLY

1. CLASSIFICATION. This ordinance is NOT of a permanent nature and is NOT intended to become a part of the Sitka General Code (“SGC”).

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 circumstance shall not be affected.

3. PURPOSE. The purpose of this ordinance is to extend the lower seasonal electric rate period by two months for 2020 only. Due to the COVID-19 pandemic and the related governmental mandates, many residents are experiencing a decrease in income due to layoff, reduced work hours, or reduced work opportunities. Additionally, many residents are experiencing unexpected increases in electrical usage due to hunkering down and sheltering in place, including children staying home due to school closures. In light of the COVID-19 pandemic, which has been declared a federal, state and local emergency, the Assembly of the City and Borough of Sitka deems it desirable to provide financial assistance to its residents by extending the lower seasonal electric rate period end, currently appearing in the SGC from April until June for 2020 only.

4. ENACTMENT. NOW, THEREFORE, BE IT ENACTED by the Assembly of the City and Borough of Sitka that the Sitka General Code Title 15 “Public Utilities”, be temporarily amended at Chapter 15.01, entitled “Electric Utility Policies”, by modifying Section 15.01.020, entitled “Electrical rates” at subsections B, C, and F to read as follows (new language underlined; deleted language stricken):

**TITLE 15
PUBLIC UTILITIES**

Chapters:

- 15.01 Electric Utility Policies**
- 15.02 Watershed Control Program**
- 15.04 Sewer System**
- 15.05 Water System**
- 15.06 Solid Waste Treatment and Refuse Collection**
- 15.07 Storm Drainage**
- 15.08 Utility Poles**
- 15.12 Private Extensions of Water, Wastewater, and Stormwater Utilities**
- 15.15 Utility Cost Subsidization Program**

* * *

**Chapter 15.01
ELECTRIC UTILITY POLICIES**

Sections:

- 61 15.01.005 Definitions.
- 62 15.01.010 Statement of purpose.
- 63 15.01.012 Level of authority and responsibilities.
- 64 15.01.020 Electrical rates.
- 65 15.01.025 Customer and city rights and responsibilities.
- 66 15.01.030 Deposits—Fees.
- 67 15.01.035 General requirements.
- 68 15.01.040 Service connections.
- 69 15.01.045 Line extension.
- 70 15.01.050 Subdivisions.
- 71 15.01.055 Mobile home parks, RV parks, private marinas and boat docks.
- 72 15.01.060 Rental structures.
- 73 15.01.065 Motors and controllers.
- 74 15.01.070 Undesirable characteristics.
- 75 15.01.075 Special equipment.
- 76 15.01.080 Customer generation

* * *

15.01.020 Electrical rates.

* * *

B. Residential Services.

- 1. Applicable to all residential customers for all uses in the home or residence, subject to the rules and regulations and customer services policies of the city and utility.
- 2. Energy Charges.

All kWh from the first billing cycle in November through the last billing cycle in April <u>June</u>	\$0.120 per kWh
All kWh from the first billing cycle in May <u>July</u> through the last billing cycle in October	\$0.192 per kWh
Customer charge is \$20.48 per month	

C. General Service—Small.

- 1. Applicable to all nonresidential customers for all uses, including lighting, heating and power, when the electricity consumed in the preceding twelve months is less than one hundred thousand kWh and has a measured demand of less than fifty kW, subject to the rules, regulations and customer service policies of the utility and the city. Typical customers

98 in this class could include: restaurants, retail vendors, churches, fueling stations, and
99 service industries.

100
101 2. Energy Charges.
102

All kWh from the first billing cycle in November through the last billing cycle in April <u>June</u>	\$0.1180 per kWh
All kWh from the first billing cycle in May <u>July</u> through the last billing cycle in October	\$0.1880 per kWh
Customer charge is \$40.95 per month	

103
104 3. Demand Charges.
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First 25 kW	No charge
Over 25 kW	\$5.88 per kW

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109 F. Boat Service.
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111 1. Applicable to separately metered boats, lights, heaters, pumps or other uses.

112
113 2. Energy Charges.
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All kWh from the first billing cycle in November through the last billing cycle in April <u>June</u>	\$0.120 per kWh
All kWh from the first billing cycle in May <u>July</u> through the last billing cycle in October	\$0.1920 per kWh
Customer charge is \$20.48 per month	

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119 **5. EFFECTIVE DATE.** This ordinance shall become effective the day after the date
120 of its passage and is temporary in nature to be applied only in 2020.
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122 **PASSED, APPROVED, AND ADOPTED** by the Assembly of the City and Borough of
123 Sitka, Alaska this 14th day of April, 2020.
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ATTEST:

Sara Peterson, MMC
Municipal Clerk

1st reading 4/02/2020
2nd and final reading 4/14/2020

Gary L. Paxton, Mayor



CITY AND BOROUGH OF SITKA

Legislation Details

File #: ORD 20-12 Version: 1 Name:

Type: Ordinance Status: AGENDA READY

File created: 4/9/2020 In control: City and Borough Assembly

On agenda: 4/14/2020 Final action:

Title: Making supplemental appropriations for Fiscal Year 2020 (Office of Inspector General Anti-Kickback Liability Settlement)

Sponsors:

Indexes:

Code sections:

Attachments: [Motion Ord 2020-12](#)
[Ord 2020-12](#)

Date	Ver.	Action By	Action	Result
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POSSIBLE MOTION

I MOVE TO approve Ordinance 2020-12 on first reading making supplemental appropriations for Fiscal Year 2020 (*Office of Inspector General Anti-Kickback Liability Settlement*).

CITY AND BOROUGH OF SITKA

ORDINANCE NO. 2020-12
AN ORDINANCE OF THE CITY AND BOROUGH OF SITKA MAKING SUPPLEMENTAL
APPROPRIATIONS FOR FISCAL YEAR 2020
(Office of Inspector General Anti-Kickback Liability Settlement)

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 make a supplemental operating appropriation in FY2020 to settle an Office of Inspector General (OIG) Stark Anti-kickback liability stemming from operations of the former Sitka Community Hospital, and, to authorize the advance of funds from the General Fund City Funded Escrow Account to the Sitka Community Hospital Fund to make the associated payment.

4. ENACTMENT. In accordance with Section 11.10(a) of the Charter of the City and Borough of Sitka, Alaska, the Assembly hereby makes the following supplemental appropriation for the budget period beginning July 1, 2019 and ending June 30, 2020.

Table with 2 main sections: FISCAL YEAR 2020 EXPENDITURE BUDGETS and SPECIAL REVENUE FUND. Content includes: Fund 190 - Sitka Community Hospital Dedicated Fund - Operations: Increase appropriations in the amount of \$4,125,552 to settle an OIG Stark Anti-kickback liability... In conjunction with increasing appropriations in the Sitka Community Hospital Dedicated Fund to settle the liability, an advance of funds in the amount of \$4,125,552 from the General Fund City Funded Escrow Account to the Sitka Community Hospital Dedicated Fund is also approved.

EXPLANATION

The General Fund will advance \$4,125,552 to Fund 190, the Sitka Community Hospital Dedicated Fund, to settle an OIG Stark Anti-kickback liability.

The OIG Stark Anti-kickback liability was recorded in a prior fiscal year in the financial records of the former Sitka Community Hospital component unit and, upon sale of Sitka Community Hospital to the Southeast Alaska Regional Health Consortium (SEARHC), the liability passed to the City and Borough of Sitka (CBS) and was recorded in Fund 190, the Sitka Community Hospital Dedicated Fund. In conjunction with the Asset Purchase Agreement entered into between the CBA and SEARHC relative to the sale, the CBS agreed to place funds into a City Funded Escrow Account with the General Fund to be used to settle future liabilities, including the OIG Stark Anti-kickback liability. The OIG has now proposed settlement terms to the Municipality.

The funds being advanced from the General Fund to Fund 190 will be repaid to the General Fund using any funds remaining after the final wind-down of former Sitka Community Hospital business activities, tobacco tax proceeds, and once released from escrow, proceeds from the sale of Sitka

49 Ordinance 2020-12

50 Page 2 of 2

51

52 **Community Hospital (which are being deposited, per terms of the Asset Purchase Agreement, into a**
53 **separate Purchase Price Escrow Account).**

54

55 **Total supplemental appropriations to date for the General Fund in FY2020 totals \$960,085.**

56 **Increases of operating budgets in the amount of \$571,924.23, to comply with Charter provisions**
57 **pertaining to non-lapsing of encumbered funds at the end of a fiscal year (“Year-end soft close”), are**
58 **not included in this amount.**

59

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

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63 **PASSED, APPROVED, AND ADOPTED by the Assembly of the City and Borough of Sitka,**
64 **Alaska this 14th Day of April, 2020.**

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67 **ATTEST:**

Gary L. Paxton, Mayor

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72 **Sara Peterson, MMC**
73 **Municipal Clerk**

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75 **1st reading 4/14/2020**

76 **2nd and final reading 4/28/2020**

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78 **Sponsor: Administrator**



CITY AND BOROUGH OF SITKA

Legislation Details

File #: ORD 20-13 Version: 1 Name:

Type: Ordinance Status: AGENDA READY

File created: 4/9/2020 In control: City and Borough Assembly

On agenda: 4/14/2020 Final action:

Title: Amending Title 4 "Revenue and Finance" of the Sitka General code by adding Chapter 4.10 "Alaska Remote Seller Sales Tax"

Sponsors:

Indexes:

Code sections:

Attachments: [01 Motion Ord 2020-13](#)
[02 Memo Ord 2020-13](#)
[03 Ord 2020-13](#)
[04 Res 2019-27 Signed.](#)
[05 Attachment A Intergovernmental Agreement \(2\)](#)
[06 FAQ June 2019 from AML](#)
[07 AML September 2019 Public Informational Release](#)

Date	Ver.	Action By	Action	Result
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POSSIBLE MOTION

I MOVE TO approve Ordinance 2020-13 on first reading amending Title 4 “Revenue and Finance” of the Sitka General Code by adding Chapter 4.10 “Alaska Remote Seller Sales Tax”



City and Borough of Sitka

100 Lincoln Street • Sitka, Alaska 99835

MEMORANDUM

To: Mayor Paxton and Assembly Members
Thru: John Leach, Municipal Administrator

From: Jay Sweeney, Chief Financial and Administrative Officer

Date: April 3, 2020

Subject: Amendment of Title 4 of the Sitka General Code to Provide for Sales Taxation of Sales made in Sitka By Remote Sellers

Background

This ordinance is in conjunction with a Resolution, approved by the Assembly in December 2019, to enter into a voluntary Intergovernmental Agreement with other Municipalities in Alaska for remote seller (e-commerce) sales taxation.

- (1) Attached to this Memorandum is a FAQ document prepared by the Alaska Municipal League in June 2019, which provides excellent background.
- (2) The genesis of the current effort to collect sales taxes from e-commerce merchants stems from a United States Supreme Court decision in *South Dakota vs. Wayfair*. In that case, the Supreme Court ruled that States could pass legislation requiring sales taxes to be collected and remitted on e-commerce, so long as the legislation did not present an undue burden to interstate commerce. A reasonable burden was determined to be a centralized agency within each State for sales tax reporting and remittance, and, uniform definitions within each governing aspects of e-commerce.
- (3) Alaska is unique among the 50 States in that it is the only State to not have a Statewide sales tax yet allows Municipalities to have local sales taxes. As a result, Alaska Municipalities have widely dissimilar sales tax codes, with no two the same. Legal counsel retained by the Alaska Municipal League opined that Alaska's patchwork system of different municipal codes does present an undue burden to internet commerce and, as a result, individual Municipalities would likely not prevail if they attempted to compel e-commerce merchants ("remote sellers") to collect and remit sales taxes. The legal counsel did advise, however,

that if Municipalities organized an intergovernmental agency to serve as a single collection and reporting point for e-commerce sales taxation, that it would not present an undue burden.

- (4) Based on advice from its Legal Counsel, the Alaska Municipal League spearheaded an initiative to assist Municipalities in developing and forming an intergovernmental agency to serve as a single collection and reporting point for e-commerce sales taxation. That effort culminated with the ceremonial signing of participation conferences by the initial adopting Municipalities at the Alaska Municipal League Winter Conference in Anchorage, in November 2019. Major entities who were initial adoptees of the agreement include; the City and Borough of Juneau, Ketchikan Gateway Borough, Kenai Peninsula Borough, Kodiak City and City and Borough of Wrangell.
- (5) For City and Borough of Sitka, Alaska (“CBS”) to become an active participant in the intergovernmental agreement and to begin receiving sales tax remittances, the Assembly would need to pass an Ordinance to accompany its initial Resolution to join the Alaska Remote Seller Sales Tax Commission (“ARSSTC”). The Assembly passed Resolution 2019-27 on December 3, 2019 (attached), which documented the Municipality’s intent to join the ARSSTC, and, committed the Municipality to passing an accompanying ordinance modifying its SGC to allow for sales taxation of remote sellers, and, adoption of uniform definitions as they apply to remote sellers and e-commerce.

Analysis

- (1) Sitka’s ability to continue to collect sales tax on internet-based sales now rests on whether or not the CBS Assembly decides to pass the attached ordinance modifying Title 4 of the Sitka General Code (“SGC”) to allow for sales taxation of remote sellers, and, adoption of uniform definitions as they apply to remote sellers and e-commerce.
- (2) If the Assembly approves entering into the Agreement, the entity formed through the Agreement shall serve as the single Statewide reporting and collection point for all e-commerce sales in Alaska. Sitka would stand to collect additional sales tax revenue above the amount currently being voluntarily remitted. If, however, the Assembly does not approve entering into the Agreement, Sitka stands to potentially lose the roughly \$300,000 a year in voluntary sales tax remittances from e-commerce merchants.
- (3) Sitka could lose voluntary sales tax remittances from remote sellers it is now receiving, because those sellers (that are voluntary remitting to Sitka) would have a legitimate argument that remitting directly to Sitka constitutes an undue burden on interstate commerce. As the ARSSTC represents the mechanism for reporting and remitting sales tax collections in Alaska. To enforce the existing voluntary remittances, should remote sellers choose to cease making them, Sitka would

need to litigate. Such litigation would be very expensive, time consuming, and would likely be unsuccessful.

- (4) The ARSSTC has advised, that Sitka is not legally or contractually bound by passage of Resolution 2019-27 to complete passage of the accompanying ordinance modifying SGC to allow for sales taxation of remote sellers, and, adoption of uniform definitions as they apply to remote sellers and e-commerce. Were the Assembly to decide that it is not in the best interest of Sitka to adopt the Ordinance at this time, Sitka could withdraw from the Commission by Passage of a Resolution to do so.
- (5) There is a primary “pro” and “con” to passage of the ordinance, and, both need to be identified and considered.
 - a. The “pro” to passage of the ordinance is that it “levels the playing field” for local brick and mortar merchants trying to compete with e-commerce. Remote sellers have a 5%/6% immediate, built-in price advantage because they don’t have to charge sales tax. This means that local merchants, who already have much larger overhead costs due to their physical store presence, must reduce selling prices to be price competitive. In many cases, local merchant profit margins are so slim already that lowering their selling price by 5%/6% means selling at a loss.
 - b. The “con” to passage of the ordinance is that costs to Sitka residents for items purchased from remote sellers will increase by 5%/6% (for those remote sellers not already voluntarily remitting). For Sitkans already dealing with high costs of living and now faced with unemployment due to the covid-19 pandemic, the ability to reduce household expenses by any means is essential and purchasing from remote sellers is an effective way to do so.

Fiscal Note

- (1) The exact financial impact of either fully participating in the ARSSTC, or, in withdrawing from it, can only be estimated. This is because such estimates depend, in turn, on either an estimate of potentially taxable sales by remote sellers in Sitka, or, assumptions as to whether or not remote sellers will continue to voluntarily collect and remit sales taxes to Sitka.
- (2) The Finance Department estimates that the Municipality stands to gain an additional \$200,000 in annual sales tax revenues if the ordinance is passed and Sitka becomes a fully active participant in the ARSSTC. This is provided, however, that Sitka’s economy fully recovers from the economic impacts of the covid-19 pandemic.
- (3) The Finance Department further estimates that the Municipality potentially stands to lose \$300,000 in annual voluntary sales tax remittances we are already

receiving. Again, this is provided, however, that Sitka's economy fully recovers from the economic impacts of the covid-19 pandemic. If the Assembly chooses not to adopt the ordinance and fully participate in the ASRRTC and remote sellers do continue to voluntarily collect and remit sales tax, if the economy does not fully and rapidly recover, overall sales tax remittances will be affected, including those from remote sellers.

Recommendation

Adopt an ordinance amending Title 4 "Revenue and Finance", by adding a new Chapter 4.10 "Alaska Remote Seller Sales Tax", to the SGC to provide for taxation of sales made by remote sellers in CBS.

CITY AND BOROUGH OF SITKA

ORDINANCE NO. 2020-13

AN ORDINANCE OF THE CITY AND BOROUGH OF SITKA AMENDING TITLE 4
“REVENUE AND FINANCE” OF THE SITKA GENERAL CODE BY ADDING CHAPTER
4.10 “ALASKA REMOTE SELLER SALES TAX”

1. **CLASSIFICATION.** This ordinance is of a permanent nature and is 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 circumstance shall not be affected.

3. **PURPOSE.**

WHEREAS, the inability to effectively collect sales tax on sales of property, products, or services transferred or delivered into Alaska is seriously eroding the sales tax base of communities, causing revenue losses and imminent harm to residents through the loss of critical funding for local public services and infrastructure; and

WHEREAS, the harm from the loss of revenue is especially serious in Alaska because the State has no broad-based sales tax or income tax, and sales tax revenues are one of the primary sources of funding for services provided by local governments; and

WHEREAS, the failure to collect sales tax on remote sales creates market distortions by creating an unfair tax advantage for businesses that limit their physical presence in the taxing jurisdictions but still sell goods and services to consumers, which becomes easier and more prevalent as technology advances; and

WHEREAS, the failure to tax remote sales results in the creation of incentives for businesses to avoid a physical presence in the state and its respective communities, resulting in fewer jobs and increasing the share of taxes to those consumers who buy from competitors with a physical presence in the state and its cities; and

WHEREAS, the structural advantages for remote sellers, including the absence of point-of-sale tax collection, along with the general growth of online retail, make clear that erosion of the sales tax base is and has been occurring; and

WHEREAS, remote sellers who make a substantial number of deliveries into or have large gross revenues from Alaska benefit extensively from the Alaska market, affecting the economy as well as burdening local infrastructure and services; and

WHEREAS, delivery of goods and services into local municipalities rely on and burden local transportation systems, emergency and police services, waste disposal, utilities and other infrastructure and services; and,

51 **WHEREAS**, given modern computing and software options, it is neither unusually difficult nor
52 burdensome for remote sellers to collect and remit sales taxes associated with sales into Alaska
53 taxing jurisdictions; and

54
55 **WHEREAS**, due to the recent decision by the United States Supreme Court and the lack of a
56 state sales tax it is appropriate for the municipalities to collectively amend their sales tax codes
57 to account for remote sellers who do not have a physical presences either in the State of Alaska
58 or in a specific taxing jurisdiction, but do have a taxable connection with the State of Alaska or
59 taxing jurisdiction; and

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61 **WHEREAS**, this ordinance is not retroactive in its application; and

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63 **WHEREAS**, this ordinance provides a safe harbor to those who transact limited sales in Alaska;
64 and

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66 **WHEREAS**, amending local sales tax codes reflects the 2018 Supreme Courts "*Wayfair*"
67 decision to allow for the application of the taxing jurisdiction's sales tax code requirements to
68 sellers without a physical presence in the State of Alaska or taxing jurisdiction; and

69
70 **WHEREAS**, the intents is to levy municipal sales tax to the maximum limit of federal and state
71 constitutional doctrines; and

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73 **WHEREAS**, the City and Borough of Sitka, Alaska ("CBS") has entered into a cooperative
74 agreement with other local governments called the Alaska Intergovernmental Remote Sellers
75 Sales Tax Agreement ("the Agreement"); and

76
77 **WHEREAS**, the terms of the Agreement require adoption of certain uniform provisions for
78 collection and remittance of municipal sales tax applicable to sales made by remote sellers
79 similar to the Streamlined Sales and Use Tax Agreement; and

80
81 **WHEREAS**, the function and powers of the Commission are set froth in the Agreement, a
82 cooperative agreement between members approved by the CBS under Resolutions No. 2019-
83 27.

84
85 **4. ENACTMENT.** NOW, THEREFORE, BE IT ENACTED by the Assembly of the City
86 and Borough of Sitka that the Sitka General Code Title 4, entitled "Revenue and Finance",
87 be amended by adding Chapter 4.10, entitled "Alaska Remote Seller Sales Tax", to read as
88 follows (deleted language stricken, new language underlined):

89
90
91 **Title 4**
REVENUE AND FINANCE

92 **Chapters:**

- 93
94 **4.04 Budgetary Organization**
95 **4.05 Marine Passenger Fee Fund**
96 **4.06 Proceeds from Raw Water Sale contracts**
97 **4.09 Sales Tax**
98 **4.10 Alaska Remote Seller Sales Tax**

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Chapter 4.10
ALASKA REMOTE SELLER SALES TAX

Sections:

- 4.10.010 Interpretation.
- 4.10.020 Title to collected sales tax.
- 4.10.030 Imposition – Rate.
- 4.10.040 Obligation to collect tax - Threshold criteria.
- 4.10.050 No retroactive application.
- 4.10.060 Payment and collection.
- 4.10.070 Remote seller and marketplace facilitator registration requirement.
- 4.10.080 Tax filing schedule.
- 4.10.090 Estimated tax.
- 4.10.100 Returns – Filing contents.
- 4.10.110 Refunds.
- 4.10.120 Amended returns.
- 4.10.130 Extension for time to file tax return.
- 4.10.140 Audits.
- 4.10.150 Audit protest.
- 4.10.160 Penalties and interest for late filing.
- 4.10.170 Repayment plans.
- 4.10.180 Remote seller or marketplace facilitator record retention.
- 4.10.190 Cessation or transfer of business.
- 4.10.200 Use of information on tax return.
- 4.10.210 Violations.
- 4.10.220 Penalties for violations.
- 4.10.230 Remote Sellers with a physical presence in the taxing jurisdiction.
- 4.10.240 Remittance of tax—Remote seller held harmless.
- 4.10.250 Definitions
- 4.10.260 Supplemental definitions.

* * *

4.10.010 Interpretation.

- A. In order to prevent evasion of the sales taxes and to aid in its administration, it is presumed that all sales and services by a person or entity engaging in business are subject to the sales tax.
- B. The application of the tax levied under this Chapter shall be broadly construed and shall favor inclusion rather than exclusion.
- C. Exemptions from the tax levied under this Chapter or from the taxing jurisdiction shall be narrowly construed against the claimant and allowed only when such exemption clearly falls within an exemption defined in this Chapter or the taxing jurisdiction’s Code.

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D. The scope of this Chapter shall apply to remote sellers or marketplace facilitators, delivering products or services to Member municipalities adopting this Chapter, within the State of Alaska.

4.10.020 Title to collected sales tax.

Upon collection by the remote seller or marketplace facilitator, title to collected sales tax vests in the Commission for remittance to the taxing jurisdiction. The remote seller or marketplace facilitator remits collected sales tax to the Commission on behalf of the taxing jurisdiction, from whom that power is delegated, in trust for the taxing jurisdiction and is accountable to the Commission and taxing jurisdiction.

4.10.030 Imposition - Rate.

A. To the fullest extent permitted by law, a sales tax is levied and assessed on all remote sales where delivery is made within the local taxing jurisdiction(s) that is a Member, within the state of Alaska.

B. The applicable tax shall be added to the sales price.

C. The tax rate added to the sale price shall be the tax rate for the taxing jurisdiction(s) where the property or product is sold or service that was rendered is received, and based on the date the property or product was sold or the date the service rendered was received.

D. An Address and Tax Rate Database will be made available to remote sellers and marketplace facilitators, indicating the appropriate tax rate to be applied.

E. The tax assessed shall be consistent with relevant jurisdictional tax caps, single unit sales, and exemptions.

F. When a sale is made on an installment basis, the applicable sales tax shall be collected at each payment, calculated at the sales tax rate in effect, and with the cap applied, at the time of the original sale or the date the service is rendered, based on the local jurisdictions' Code(s).

G. When a sales transaction involves placement of a single order with multiple deliveries made at different points in time that are separately invoiced, the applicable sales tax shall be collected on each separately invoiced delivery, calculated at the sales tax rate in effect, and with the cap applied, at the time of the original sale or the date the service is rendered.

4.10.040 Obligation to collect tax - Threshold criteria.

A. Any remote seller or marketplace facilitator must collect and remit sales tax in compliance with all applicable procedures and requirements of law, provided the remote seller or marketplace facilitator has met one of the following Threshold Criteria ("Threshold Criteria") in the previous calendar year:

1. The remote seller's statewide gross sales, including the seller's marketplace facilitator's statewide gross sales, from the sale(s) of property, products or services delivered into the state meets or exceeds one hundred thousand dollars (\$100,000); or

193 2. The remote seller, including the seller's marketplace facilitator, sold property, products,
194 or services delivered into the state in two hundred (200) or more separate transactions.
195

196 B. For purposes of determining whether the Threshold Criteria are met, remote sellers or
197 marketplace facilitators shall include all gross sales, from all sales of goods, property, products,
198 or services rendered within the state of Alaska.
199

200 **4.10.050 No retroactive application.**

201 The obligations to collect and remit sales tax required by this Chapter are applicable at the
202 effective date of the ordinance adopting the Alaska Remote Seller Sales Tax Code.
203

204 **4.10.060 Payment and collection.**

205 Pursuant to this Chapter, taxes imposed shall be due and paid by the buyer to the remote seller
206 or marketplace facilitator at the time of the sale of property or product or date service is
207 rendered, or with respect to credit transactions, at the time of collection. It shall be the duty of
208 each remote seller or marketplace facilitator to collect the taxes from the buyer and to hold
209 those taxes in trust for the taxing authority of the taxing jurisdiction. Failure by the remote seller
210 or marketplace facilitator to collect the tax shall not affect the remote seller's, or marketplace
211 facilitator's, responsibility for payment to the Commission.
212

213 **4.10.070 Remote seller and marketplace facilitator registration requirement.**

214 A. If a remote seller's gross statewide sales within the last calendar year meets or exceeds
215 the Threshold Criteria, the remote seller shall register with the Commission. If a marketplace
216 facilitator's gross statewide sales within the last calendar year meets or exceeds the Threshold
217 Criteria, the marketplace facilitator shall register with the Commission.
218

219 B. A remote seller or marketplace facilitator meeting the Threshold Criteria shall apply for a
220 certificate of sales tax registration within thirty (30) calendar days of the effective date of this
221 Chapter or within thirty (30) calendar days of meeting the Threshold Criteria, whichever occurs
222 second. Registration shall be to the Commission on forms prescribed by the Commission.
223

224 C. An extension may be applied for and granted based on criteria established by the
225 Commission, based on evidence produced to describe time necessary to update software or
226 other technical needs, not to exceed ninety (90) days.
227

228 D. Upon receipt of a properly executed application, the Commission shall confirm registration,
229 stating the legal name of the remote seller or marketplace facilitator, the primary address, and
230 the primary sales tax contact name and corresponding title. The failure of the Commission to
231 confirm registration does not relieve the remote seller or marketplace facilitator of its duty to
232 collect and remit sales tax.
233

234 E. Each business entity shall have a sales tax registration under the advertised name.
235

236 F. The sales tax certificate is non-assignable and non-transferable.
237

238 **4.10.080 Tax filing schedule.**

239 A. All remote sellers or marketplace facilitators subject to this Chapter shall file a return on a
240 form or in a format prescribed by the Commission and shall pay the tax due.

241
242 B. Filing of sales tax returns are due monthly; quarterly filing is optional upon application and
243 approval by the Commission, consistent with the code of the local jurisdiction.

244
245 C. A remote seller or marketplace facilitator who has filed a sales tax return will be presumed
246 to be making sales in successive periods unless the remote seller or marketplace facilitator files
247 a return showing a termination or sale of the business in accordance with this Chapter.

248
249 D. The completed and executed return, together with the remittance in full for the tax due,
250 shall be transmitted to and must be received by the Commission on or before midnight Alaska
251 Standard Time on the due date. Monthly returns are due the last day of the immediate
252 subsequent month. Quarterly returns are due as follows:

253		
254	<u>Quarter 1 (January – March)</u>	<u>April 30</u>
255	<u>Quarter 2 (April – June)</u>	<u>July 31</u>
256	<u>Quarter 3 (July – September)</u>	<u>October 31</u>
257	<u>Quarter 4 (October – December)</u>	<u>January 31</u>
258		

259 E. If the last day of the month following the end of the filing period falls on a Saturday,
260 Sunday, federal holiday, or Alaska state holiday, the due date will be extended until the next
261 business day immediately following.

262
263 F. Any remote seller or marketplace facilitator holding a remote seller registration shall file a
264 sales tax return even though no tax may be due. This return shall show why no tax is due. If
265 the remote seller or marketplace facilitator intends to continue doing business a return shall be
266 filed reflecting no sales and a confirmation of the intent to continue doing business and shall
267 continue to do so each filing period until the entity ceases doing business or sells the business.
268 If the remote seller or marketplace facilitator intends to cease doing business, a final return shall
269 be filed along with a statement of business closure.

270
271 G. The remote seller or marketplace facilitator shall prepare the return and remit sales tax to
272 the Commission on the same basis, cash or accrual, which the remote seller or marketplace
273 facilitator uses in preparing its federal income tax return. The remote seller or marketplace
274 facilitator shall sign the return, and transmit the return, with the amount of sales tax and any
275 applicable penalty, interest, or fees that it shows to be due, to the Commission.

276
277 H. Remote sellers and marketplace facilitators failing to comply with the provisions of this
278 Chapter shall, if required by the Commission and if quarterly filing has been chosen, file and
279 transmit collected sales taxes more frequently until such time as they have demonstrated to the
280 Commission that they are or will be able to comply with the provisions of this Chapter. Six (6)
281 consecutive on-time sales tax filings, with full remittance of the sales taxes collected, shall
282 establish the presumption of compliance and return to quarterly filing.

283
284 I. The preparer of the sales tax return shall keep and maintain all documentation supporting
285 any and all claims of exempted sales and purchases. Documentation for exempted sales should
286 include the number of the exemption authorization card presented by the buyer at the time of
287 the purchase, the date of the purchase, the name of the person making the purchase, the
288 organization making the purchase, the total amount of the purchase, and the amount of sales

289 tax exempted. This documentation shall be made available to the Commission upon request.
290 Failure to provide such documentation may invalidate that portion of the claim of exemption for
291 which no documentation is provided.
292

293 **4.10.090 Estimated tax.**

294 A. In the event the Commission is unable to ascertain the tax due from a remote seller or
295 marketplace facilitator by reason of the failure of the remote seller or marketplace facilitator to
296 keep accurate books, allow inspection, or file a return, or by reason of the remote seller or
297 marketplace facilitator filing a false or inaccurate return, the Commission may make an estimate
298 of the tax due based on any evidence in their possession.
299

300 B. Sales taxes may also be estimated, based on any information available, whenever the
301 Commission has reasonable cause to believe that any information on a sales tax return is not
302 accurate.
303

304 C. A remote seller's or marketplace facilitator's tax liability under this Chapter may be
305 determined and assessed for a period of six (6) years after the date the return was filed or due
306 to be filed with the Commission. No civil action for the collection of such tax may be commenced
307 after the expiration of the six-year period except an action for taxes, penalties, and interest due
308 from those filing periods that are the subject of a written demand or assessment made within the
309 six-year period, unless the remote seller or marketplace facilitator waives the protection of this
310 section.
311

312 D. The Commission shall notify the remote seller or marketplace facilitator, in writing, that the
313 Commission has estimated the amount of sales tax that is due from the remote seller or
314 marketplace facilitator. The Commission shall serve the notice on the remote seller or
315 marketplace facilitator by delivering the notice to the remote seller's or marketplace facilitator's
316 place of business, or by mailing the notice by certified mail, return receipt requested, to the
317 remote seller's or marketplace facilitator's last known mailing address. A remote seller or
318 marketplace facilitator who refuses the certified mail will be considered to have accepted the
319 certified mail for purposes of service.
320

321 E. The Commission's estimate of the amount of sales tax that is due from a remote seller or
322 marketplace facilitator shall become a final determination of the amount that is due unless the
323 remote seller or marketplace facilitator, within thirty (30) calendar days after service of notice of
324 the estimated tax:
325

326 1. Files a complete and accurate sales tax return for the delinquent periods supported by
327 satisfactory records and accompanied by a full remittance of all taxes, interest, penalties,
328 costs, and other charges due; or
329

330 2. Files a written notice with the Commission appealing the estimated tax amount in
331 accordance with the appeal procedures.
332

333 3. Arguments or reasons for failure to timely file a return and remit taxes collected shall
334 not be considered a valid basis or grounds for granting an appeal. The basis and grounds
335 for granting an appeal of an assessment are:
336

- 337 a. The identity of the remote seller or marketplace facilitator is in error;
338
339 b. The amount of the debt is erroneous due to a clerical error (and the nature and
340 extent of the error is specified in the request for appeal); or
341
342 c. The remote seller or marketplace facilitator disputes the denial of exemption(s)
343 for certain sales.
344
345 F. The amount of sales tax finally determined to be due under this section shall bear interest
346 and penalty from the date that the sales tax originally was due, plus an additional civil penalty of
347 fifty dollars (\$50) for each calendar month or partial month for which the amount of sales tax that
348 is due has been determined.
349

350 **4.10.100 Returns - Filing contents.**

- 351 A. Every remote seller or marketplace facilitator required by this Chapter to collect sales tax
352 shall file with the Commission upon forms furnished by the Commission a return setting forth the
353 following information with totals rounded to the nearest dollar:
354
355 1. Gross sales;
356
357 2. The nontaxable portions separately stating the amount of sales revenue attributable to
358 each class of exemption;
359
360 3. Computation of taxes to be remitted;
361
362 4. Calculated discount (if applicable) based on taxing jurisdiction's code; and
363
364 5. Such other information as may be required by the Commission.
365
366 B. Each tax return remitted by a remote seller or marketplace facilitator shall be signed
367 (digital or otherwise) by a responsible individual who shall attest to the completeness and
368 accuracy of the information on the tax return.
369

- 370 C. The Commission reserves the right to reject a filed return for failure to comply with the
371 requirements of this Code for up to three (3) months from the date of filing. The Commission
372 shall give written notice to a remote seller or marketplace facilitator that a return has been
373 rejected, including the reason for the rejection.
374

375 **4.10.110 Refunds.**

- 376 A. Upon request from a buyer or remote seller or marketplace facilitator, the Commission
377 shall provide a determination of correct tax rate and amount applicable to the transaction. In the
378 case of an overpayment of taxes, the remote seller or marketplace facilitator shall process the
379 refund and amend any returns accordingly.
380
381 B. If the claimant is a remote seller or marketplace facilitator, and the tax refund is owed to
382 any buyer, the remote seller or marketplace facilitator submits, and the Commission approves, a
383 refund plan to all affected buyers.
384

385 C. The Taxing Jurisdictions may allow a buyer to request a refund directly from the Taxing
386 Jurisdiction.

387

388 **4.10.120 Amended returns.**

389 A. A remote seller or marketplace facilitator may file an amended sales tax return, with
390 supporting documentation, and the Commission may accept the amended return, but only in the
391 following circumstances:

392

393 1. The amended return is filed within one (1) year of the original due date for the return;
394 and

395

396 2. The remote seller or marketplace facilitator provides a written justification for
397 requesting approval of the amended return; and

398

399 3. The remote seller or marketplace facilitator agrees to submit to an audit upon request
400 of the Commission.

401

402 B. The Commission shall notify the remote seller or marketplace facilitator in writing (by email
403 or otherwise) whether the Commission accepts or rejects an amended return, including the
404 reasons for any rejection.

405

406 C. The Commission may adjust a return for a remote seller or marketplace facilitator if, after
407 investigation, the Commission determines the figure included in the original returns are
408 incorrect; and the Commission adjusts the return within two (2) years of the original due date for
409 the return.

410

411 D. A remote seller or marketplace facilitator may file a supplemental sales tax return, with
412 supporting documentation, and the Commission may accept the supplemental return, but only in
413 the following circumstances:

414

415 1. The remote seller or marketplace facilitator provides a written justification for
416 requesting approval of the supplemental return; and

417

418 2. The remote seller or marketplace facilitator agrees to submit to an audit upon request
419 of the Commission.

420

421 **4.10.130 Extension of time to file tax return.**

422 Upon written application of a remote seller or marketplace facilitator, stating the reasons
423 therefor, the Commission may extend the time to file a sales tax return but only if the
424 Commission finds each of the following:

425

426 1. For reasons beyond the remote seller's or marketplace facilitator's control, the
427 remote seller or marketplace facilitator has been unable to maintain in a current
428 condition the books and records that contain the information required to complete the
429 return;

430

431 2. Such extension is a dire necessity for bookkeeping reasons and would avert undue
432 hardship upon the remote seller or marketplace facilitator;

- 433
- 434 3. The remote seller or marketplace facilitator has a plan to cure the problem that
435 caused the remote seller or marketplace facilitator to apply for an extension and the
436 remote seller or marketplace facilitator agrees to proceed with diligence to cure the
437 problem;
- 438
- 439 4. At the time of the application, the remote seller or marketplace facilitator is not
440 delinquent in filing any other sales tax return, in remitting sales tax to the Commission or
441 otherwise in violation of this chapter;
- 442
- 443 5. No such extension shall be made retroactively to cover existing delinquencies.
444

445 **4.10.140 Audits.**

- 446 A. Any remote seller or marketplace facilitator who has registered with the Commission, who
447 is required to collect and remit sales tax, or who is required to submit a sales tax return is
448 subject to a discretionary sales tax audit at any time. The purpose of such an audit is to
449 examine the business records of the remote seller or marketplace facilitator in order to
450 determine whether appropriate amounts of sales tax revenue have been collected by the remote
451 seller or marketplace facilitator and remitted to the Commission.
- 452
- 453 B. The Commission is not bound to accept a sales tax return as correct. The Commission
454 may make an independent investigation of all retail sales or transactions conducted within the
455 State or taxing jurisdiction.
- 456
- 457 C. The records that a remote seller or marketplace facilitator is required to maintain under
458 this chapter shall be subject to inspection and copying by authorized employees or agents of the
459 Commission for the purpose of auditing any return filed under this Chapter, or to determine the
460 remote seller's or marketplace facilitator's liability for sales tax where no return has been filed.
- 461
- 462 D. In addition to the information required on returns, the Commission may request, and the
463 remote seller or marketplace facilitator must furnish, any reasonable information deemed
464 necessary for a correct computation of the tax.
- 465
- 466 E. The Commission may adjust a return for a remote seller or marketplace facilitator if, after
467 investigation or audit, the Commission determines that the figures included in the original return
468 are incorrect, and that additional sales taxes are due; and the Commission adjusts the return
469 within two (2) years of the original due date for the return.
- 470
- 471 F. For the purpose of ascertaining the correctness of a return or the amount of taxes owed
472 when a return has not been filed, the Commission may conduct investigations, hearings, and
473 audits, and may examine any relevant books, papers, statements, memoranda, records,
474 accounts, or other writings of any remote seller or marketplace facilitator at any reasonable hour
475 on the premises of the remote seller or marketplace facilitator, and may require the attendance
476 of any officer or employee of the remote seller or marketplace facilitator. Upon written demand
477 by the Commission, the remote seller or marketplace facilitator shall present for examination, in
478 the office of the Commission, such books, papers, statements, memoranda, records, accounts,
479 and other written material as may be set out in the demand unless the Commission and the
480 person upon whom the demand is made agree to presentation of such materials at a different

481 place.

482

483 G. The Commission may issue subpoenas to compel attendance or to require production of
484 relevant books, papers, records, or memoranda. If any remote seller or marketplace facilitator
485 refuses to obey any such subpoena, the Commissioner may refer the matter to the
486 Commission's attorney for an application to the superior court for an order requiring the remote
487 seller or marketplace facilitator to comply therewith.

488

489 H. Any remote seller, marketplace facilitator, or person engaged in business who is unable or
490 unwilling to submit their records to the Commission shall be required to pay the Commission for
491 all necessary expenses incurred for the examination and inspection of their records maintained
492 outside the Commission.

493

494 I. After the completion of a sales tax audit, the results of the audit will be sent to the
495 business owner's address of record.

496

497 J. In the event the Commission, upon completion of an audit, discovers more than five
498 hundred dollars (\$500) in additional sales tax due from a remote seller or marketplace facilitator
499 resulting from a remote seller's or marketplace facilitator's failure to accurately report sales and
500 taxes due thereupon, the remote seller or marketplace facilitator shall bear responsibility for the
501 full cost of the audit. The audit fee assessment will be in addition to interest and penalties
502 applicable to amounts deemed to be delinquent by the Commission at the time of the conclusion
503 of the audit.

504

505 **4.10.150 Audit protest.**

506 A. If the remote seller or marketplace facilitator wishes to dispute the amount of the estimate,
507 or the results of an examination or audit, the remote seller or marketplace facilitator must file a
508 written protest with the Commission, within thirty (30) calendar days of the date of the notice of
509 estimated tax or results of an audit or examination. The protest must set forth:

510

511 1. The remote seller's or marketplace facilitator's justification for reducing or increasing
512 the estimated tax amount, including any missing sales tax returns for the periods
513 estimated; or

514

515 2. The remote seller's or marketplace facilitator's reasons for challenging the
516 examination or audit results.

517

518 B. In processing the protest, the Commission may hold an informal meeting or hearing with
519 the remote seller or marketplace facilitator, either on its own or upon request of the remote
520 seller or marketplace facilitator, and may also require that the remote seller or marketplace
521 facilitator submit to an audit, if one was not previously conducted or a more formal audit, if an
522 estimation audit was previously performed.

523

524 C. The Commission shall make a final written determination on the remote seller's or
525 marketplace facilitator's protest and mail a copy of the determination to the remote seller or
526 marketplace facilitator.

527

528 D. If a written protest is not filed within thirty (30) days of the date of the notice of estimated

529 tax or the result of a review, audit, or examination, then the estimated tax, review, audit, or
530 examination result shall be final, due and payable to the Commission.

531

532 **4.10.160 Penalties and interest for late filing.**

533 A. A late filing fee of twenty-five dollars (\$25) per month (or quarter) shall be added to all late-
534 filed sales tax reports in addition to interest and penalties.

535

536 B. Delinquent sales tax bear interest at the rate of fifteen percent (15%) per annum until paid.

537

538 C. In addition, delinquent sales tax shall be subject to an additional penalty of five percent
539 (5%) per month, or fraction thereof, until a total of twenty percent (20%) of delinquent tax has
540 been reached. The penalty does not bear interest.

541

542 D. Penalties and interest shall be assessed and collected in the same manner as the tax is
543 assessed and collected, and applied first to penalties and interest, second to past due sales tax.

544

545 E. The filing of an incomplete return, or the failure to remit all tax, shall be treated as the filing
546 of no return.

547

548 F. A penalty assessed under this section for the delinquent remittance of sales tax or failure
549 to file a sales tax return may be waived by the Commission, upon written application of the
550 remote seller or marketplace facilitator accompanied by a payment of all delinquent sales tax,
551 interest, and penalty otherwise owed by the remote seller or marketplace facilitator, within forty-
552 five (45) calendar days after the date of delinquency. A remote seller or marketplace facilitator
553 may not be granted more than one (1) waiver of penalty under this subsection in any one
554 calendar year. The Commission shall report such waivers of penalty to the taxing jurisdiction, in
555 writing.

556

557 **4.10.170 Repayment plans.**

558 A. The Commission may agree to enter into a repayment plan with a delinquent remote seller
559 or marketplace facilitator. No repayment plan shall be valid unless agreed to by both parties in
560 writing.

561

562 B. A remote seller or marketplace facilitator shall not be eligible to enter into a repayment
563 plan with the Commission if the remote seller or marketplace facilitator has defaulted on a
564 repayment plan in the previous two (2) calendar years.

565

566 C. The repayment plan shall include a secured promissory note that substantially complies
567 with the following terms:

568

569 1. The remote seller or marketplace facilitator agrees to pay a minimum of ten percent
570 (10%) down payment on the tax, interest, and penalty amount due. The down payment
571 shall be applied first to penalty, then to accumulated interest, and then to the tax owed.

572

573 2. The remote seller or marketplace facilitator agrees to pay the balance of the tax,
574 penalty and interest owed in monthly installments over a period not to exceed two (2)
575 years.

576

577 3. Interest at a rate of fifteen percent (15%) per annum shall accrue on the principal sum
578 due. Interest shall not apply to penalties owed or to interest accrued at the time the
579 repayment plan is executed or accruing during the term of the repayment plan.

580
581 4. If the remote seller or marketplace facilitator is a corporation or a limited liability entity
582 the remote seller or marketplace facilitator agrees to provide a personal guarantee of the
583 obligations under the repayment plan.

584
585 5. The remote seller or marketplace facilitator agrees to pay all future tax bills in
586 accordance with the provisions of this Chapter.

587
588 6. The remote seller or marketplace facilitator agrees to provide a security interest in the
589 form of a sales tax lien for the entire unpaid balance of the promissory note to be
590 recorded by the Commission at the time the repayment plan is signed. The remote seller
591 or marketplace facilitator shall be responsible for the cost of recording the tax lien.

592
593 D. If a remote seller or marketplace facilitator fails to pay two (2) or more payments as
594 required by the repayment plan agreement, the remote seller or marketplace facilitator shall be
595 in default and the entire amount owed at the time of default shall become immediately due. The
596 Commission will send the remote seller or marketplace facilitator a notice of default. The
597 Commission may immediately foreclose on the sales tax lien or take any other remedy available
598 under the law.

599
600
601

602 **4.10.180 Remote seller or marketplace facilitator record retention.**

603 Remote sellers or marketplace facilitators shall keep and preserve suitable records of all sales
604 made and such other books or accounts as may be necessary to determine the amount of tax
605 that the remote seller or marketplace facilitator is obliged to collect. Remote sellers or
606 marketplace facilitators shall preserve suitable records of sales for a period of six (6) years from
607 the date of the return reporting such sales, and shall preserve for a period of six (6) years all
608 invoices of goods and merchandise purchased for resale, and all such other books, invoices,
609 and records as may be necessary to accurately determine the amount of taxes which the
610 remote seller or marketplace facilitator was obliged to collect under this Chapter.

611
612 **4.10.190 Cessation or transfer of business.**

613 A. A remote seller or marketplace facilitator who sells, leases, conveys, forfeits, transfers, or
614 assigns the majority of their business interest, including a creditor or secured party, shall make
615 a final sales tax return within thirty (30) days after the date of such conveyance.

616
617 B. At least ten (10) business days before any such sale is completed, the remote seller or
618 marketplace facilitator shall send to the Commission, by approved communication (email
619 confirmation, certified first-class mail, postage prepaid) a notice that the remote seller's or
620 marketplace facilitator's interest is to be conveyed and shall include the name, address, and
621 telephone number of the person or entity to whom the interest is to be conveyed.

622
623 C. Upon notice of sale and disclosure of buyer, the Commission shall be authorized to
624 disclose the status of the remote seller's or marketplace facilitator's sales tax account to the

625 named buyer or assignee.

626
627 D. Upon receipt of notice of a sale or transfer, the Commission shall send the transferee a
628 copy of the Alaska Remote Seller Sales Tax Code with this section highlighted.

629
630 E. Neither the Commission's failure to give the notice nor the transferee's failure to receive
631 the notice shall relieve the transferee of any obligations under this section.

632
633 F. Following receipt of the notice, the Commission shall have sixty (60) days in which to
634 perform a final sales tax audit and assess sales tax liability against the seller of the business. If
635 the notice is not mailed at least ten (10) business days before the sale is completed, the
636 Commission shall have twelve (12) months from the date of the completion of the sale or the
637 Commission's knowledge of the completion of the sale within which to begin a final sales tax
638 audit and assess sales tax liability against the seller of the business. The Commission may also
639 initiate an estimated assessment if the requirements for such an assessment exist.

640
641 G. A person acquiring any interest of a remote seller or marketplace facilitator in a business
642 required to collect the tax under this Chapter assumes the liability of the remote seller or
643 marketplace facilitator for all taxes due the Commission, whether current or delinquent, whether
644 known to the Commission or discovered later, and for all interest, penalties, costs, and charges
645 on such taxes.

646
647 H. Before the effective date of the transfer, the transferee of a business shall obtain from the
648 Commission an estimate of the delinquent sales tax, penalty, and interest, if any, owed by the
649 remote seller or marketplace facilitator as of the date of the transfer, and shall withhold that
650 amount from the consideration payable for the transfer, until the remote seller or marketplace
651 facilitator has produced a receipt from the Commission showing that all tax obligations imposed
652 by this Chapter have been paid. A transferee that fails to withhold the amount required under
653 this subsection shall be liable to the Commission and taxing jurisdiction for the lesser of the
654 amount of delinquent sales tax, penalty, and interest due from the remote seller or marketplace
655 facilitator as of the date of transfer, and the amount that the transferee was required to withhold.

656
657 I. In this section, the term "transfer" includes the following:

658
659 1. A change in voting control, or in more than fifty percent (50%) of the ownership
660 interest in a remote seller or marketplace facilitator that is a corporation, limited liability
661 company, or partnership; or

662
663 2. A sale of all or substantially all the assets used in the business of the remote seller or
664 marketplace facilitator; or

665
666 3. The initiation of a lease, management agreement, or other arrangement under which
667 another person becomes entitled to the remote seller's or marketplace facilitator's gross
668 receipts from sales, rentals, or services.

669
670 J. Subsection H of this section shall not apply to any person who acquires their ownership
671 interest in the ongoing business as a result of the foreclosure of a lien that has priority over the
672 Commission's sales tax lien.

673
674 K. Upon termination, dissolution, or abandonment of a corporate business, any officer having
675 control or supervision of sales tax funds collected, or who is charged with responsibility for the
676 filing of returns or the payment of sales tax funds collected, shall be personally liable for any
677 unpaid taxes, interest, administrative costs, and penalties on those taxes if such officer willfully
678 fails to pay or cause to be paid any taxes due from the corporation. In addition, regardless of
679 willfulness, each director of the corporation shall be jointly and severally liable for unpaid
680 amounts. The officer shall be liable only for taxes collected which became due during the period
681 he or she had the control, supervision, responsibility, or duty to act for the corporation. This
682 section does not relieve the corporation of other tax liabilities or otherwise impair other tax
683 collection remedies afforded by law.

684
685 L. A remote seller or marketplace facilitator who terminates the business without the benefit
686 of a purchaser, successor, or assign shall make a final tax return and settlement of tax
687 obligations within thirty (30) days after such termination. If a final return and settlement are not
688 received within thirty (30) days of the termination, the remote seller or marketplace facilitator
689 shall pay a penalty of one hundred dollars (\$100), plus an additional penalty of twenty-five
690 dollars (\$25) for each additional thirty-day period, or part of such a period, during which the final
691 return and settlement have not been made, for a maximum of six (6) additional periods.

692
693 **4.10.200 Use of information on tax returns.**

694 A. Except as otherwise provided in this Chapter, all returns, reports, and information required
695 to be filed with the Commission under this Chapter, and all information contained therein, shall
696 be kept confidential and shall be subject to inspection only by:

697
698 1. Employees and agents of the Commission and taxing jurisdiction whose job
699 responsibilities are directly related to such returns, reports, and information;

700
701 2. The person supplying such returns, reports, and information; and

702
703 3. Persons authorized in writing by the person supplying such returns, reports, and
704 information.

705
706 B. The Commission will release information described in subsection (a) of this section
707 pursuant to subpoena, order of a court or administrative agency of competent jurisdiction, and
708 where otherwise required by law to do so.

709
710 C. Notwithstanding subsection A of this section, the following information is available for
711 public inspection:

712
713 1. The name and address of sellers;

714
715 2. Whether a business is registered to collect taxes under this Chapter;

716
717 3. The name and address of businesses that are sixty (60) days or more delinquent in
718 filing returns or in remitting sales tax, or both filing returns and remitting sales tax, and if so
719 delinquent, the amount of estimated sales tax due and the number of returns not filed.

720

721 D. The Commission may provide the public statistical information related to sales tax
722 collections, provided that no information identifiable to a particular remote seller or marketplace
723 facilitator is disclosed.

724
725 E. Nothing contained in this section shall be construed to prohibit the delivery to a person, or
726 their duly authorized representative, of a copy of any return or report filed by them, nor to
727 prohibit the publication of statistics so classified as to prevent the identification of particular
728 buyers, remote sellers, or marketplace facilitators, nor to prohibit the furnishing of information on
729 a reciprocal basis to other agencies or political subdivisions of the state or the United States
730 concerned with the enforcement of tax laws.

731
732 F. Nothing contained in this section shall be construed to prohibit the disclosure through
733 enforcement action proceedings or by public inspection or publication of the name, estimated
734 balance due, and current status of payments, and filings of any remote seller or marketplace
735 facilitator or agent of any remote seller or marketplace facilitator required to collect sales taxes
736 or file returns under this Chapter, who fails to file any return and/or remit in full all sales taxes
737 due within thirty (30) days after the required date for that business. Entry into any agreement
738 whether pursuant to the provisions of this Chapter or otherwise shall not act as any prohibition
739 to disclosure of the records of that remote seller or marketplace facilitator as otherwise provided
740 in this chapter.

741
742 G. A prospective lessee or purchaser of any business or business interest may inquire as to
743 the obligation or tax status of any business upon presenting to the Commission a release of tax
744 information request signed by the authorized agent of the business.

745
746 H. All returns referred to in this Chapter, and all data taken therefrom, shall be kept secure
747 from public inspection, and from all private inspection.

748
749 **4.10.210 Violations.**

750 A. A remote seller or marketplace facilitator that fails to file a sales tax return or remit sales
751 tax when due, in addition to any other liability imposed by this Chapter, shall pay to the
752 Commission all costs incurred by the Commission to determine the amount of the remote
753 seller's or marketplace facilitator's liability or to collect the sales tax, including, without limitation,
754 reviewing and auditing the remote seller's or marketplace facilitator's business records,
755 collection agency fees, and actual reasonable attorney's fees.

756
757 B. A person who causes or permits a corporation of which the person is an officer or director,
758 a limited liability company of which the person is a member or manager, or a partnership of
759 which the person is a partner, to fail to collect sales tax or to remit sales tax to the Commission
760 as required by this Chapter shall be liable to the Commission for the amount that should have
761 been collected or remitted, plus any applicable interest and penalty.

762
763 C. Notwithstanding any other provision of law, and whether or not the Commission initiates
764 an audit or other tax collection procedure, the Commission may bring a declaratory judgment
765 action against a remote seller or marketplace facilitator believed to meet the criteria to establish
766 that the obligation to remit sales tax is applicable and valid under local, state, and federal law.
767 The action shall be brought in the judicial district of the taxing jurisdiction.

768

769 D. The Commission may cause a sales tax lien to be filed and recorded against all real and
770 personal property of a remote seller or marketplace facilitator where the remote seller or
771 marketplace facilitator has:

772
773 1. Failed to file sales tax returns for two (2) consecutive filing periods as required by the
774 Chapter; or

775
776 2. Failed within sixty (60) days of the end of the filing period from which taxes were due
777 to either (a) remit all amounts due or (b) to enter into a secured payment agreement as
778 provided in this Chapter.

779
780 3. Prior to filing a sales tax lien, the Commission shall cause a written notice of intent to
781 file to be mailed to the last known address of the delinquent remote seller or marketplace
782 facilitator.

783
784 E. In addition to other remedies discussed in this Chapter, the Commission may bring a civil
785 action to:

786
787 1. Enjoin a violation of this Chapter. On application for injunctive relief and a finding of a
788 violation or threatened violation, the superior court shall enjoin the violation.

789
790 2. Collect delinquent sales tax, penalty, interest and costs of collection, either before or
791 after estimating the amount of sales tax due.

792
793 3. Foreclose a recorded sales tax lien as provided by law.

794
795 F. All remedies hereunder are cumulative and are in addition to those existing at law or
796 equity.

797
798 **4.10.220 Penalties for violations.**

799 A. A buyer, remote seller, or marketplace facilitator who knowingly or negligently submits
800 false information in a document filed with the Commission pursuant to this Chapter is subject to
801 a penalty of five hundred dollars (\$500).

802
803 B. A remote seller or marketplace facilitator who knowingly or negligently falsifies or conceals
804 information related to its business activities with the Commission or taxing jurisdiction is subject
805 to a penalty of five hundred dollars (\$500).

806
807 C. A person who knowingly or negligently provides false information when applying for a
808 certificate of exemption is subject to a penalty of five hundred dollars (\$500).

809
810 D. Any remote seller or marketplace facilitator who fails to file a return required under this
811 Chapter by the due date, regardless of whether any taxes were due for the reporting period for
812 which the return was required, shall be subject to a penalty of twenty-five dollars (\$25) for the
813 first sales tax return not timely filed. The filing of an incomplete return shall be treated as the
814 filing of no return.

815
816 E. A remote seller or marketplace facilitator who fails or refuses to produce requested

817 records or to allow inspection of their books and records shall pay to the Commission a penalty
818 equal to three (3) times any deficiency found or estimated by the Commission with a minimum
819 penalty of five hundred dollars (\$500).

820
821 F. A remote seller or marketplace facilitator who falsifies or misrepresents any record filed
822 with the Commission is guilty of an infraction and subject to a penalty of five hundred dollars
823 (\$500) per record.

824
825 G. Misuse of an exemption card is a violation and subject to a penalty of fifty dollars (\$50) per
826 incident of misuse.

827
828 H. Nothing in this Chapter shall be construed as preventing the Commission from filing and
829 maintaining an action at law to recover any taxes, penalties, interest and/or fees due from a
830 remote seller or marketplace facilitator. The Commission may also recover attorney's fees in
831 any action against a delinquent remote seller or marketplace facilitator.

832
833 **4.10.230 Remote sellers with a physical presence in the taxing jurisdiction.**

834 A. Sellers with a physical presence in a Taxing Jurisdiction and no remote or internet-based
835 sales shall report, remit, and comply with standards, including audit authority, of the Taxing
836 Jurisdiction.

837
838 B. Sellers with a physical presence in a Taxing Jurisdiction that also have remote or internet-
839 based sales where the Point of Delivery is in a different Taxing Jurisdictions shall (i) report and
840 remit the remote or internet sales to the Commission; and ii) report and remit the in-store sales
841 to the Taxing Jurisdiction.

842
843 C. Sellers with a physical presence in a Taxing Jurisdiction that also have remote or internet-
844 based sales where the Point of Delivery is in the same Taxing Jurisdictions shall report and
845 remit those remote sales to the Taxing Jurisdiction.

846
847 D. Remote sellers and marketplace facilitators that do not have a physical presence in a
848 Taxing Jurisdiction must report and remit all remote sales to the Commission.

849
850 E. For all purchases the tax rate added to the sale price shall be as provided in the Taxing
851 Jurisdiction's sales tax code, based on the point of delivery.

852
853 F. A marketplace facilitator is considered the remote seller for each sale facilitated through its
854 marketplace and shall collect, report, and remit sales tax to the Commission. A marketplace
855 facilitator is not considered to be the remote seller for each sale or rental of lodging facilitated
856 through its marketplace, wherein the seller is considered to have a physical presence in the
857 Taxing Jurisdiction.

858
859 **4.10.240 Remittance of tax - remote seller held harmless.**

860 A. Any remote seller or marketplace facilitator that collects and remits sales tax to the
861 Commission as provided by law may use an electronic database of state addresses that is
862 certified by the Commission pursuant to subsection C of this section to determine the
863 jurisdictions to which tax is owed.

864

865 B. Any remote seller or marketplace facilitator that uses the data contained in an electronic
866 database certified by the Commission pursuant to subsection C of this section to determine the
867 jurisdictions to which tax is owed shall be held harmless for any tax, charge, or fee liability to
868 any taxing jurisdiction that otherwise would be due solely as a result of an error or omission in
869 the database.

870
871 C. Any electronic database provider may apply to the Commission to be certified for use by
872 remote sellers or marketplace facilitators pursuant to this section. Such certification shall be
873 valid for three years. In order to be certified, an electronic database provider shall have a
874 database that satisfies the following criteria:

875
876 1. The database shall designate each address in the state, including, to the extent
877 practicable, any multiple postal address applicable to one location and the taxing
878 jurisdictions that have the authority to impose a tax on purchases made by purchasers at
879 each address in the state.

880
881 2. The information contained in the electronic database shall be updated as necessary
882 and maintained in an accurate condition. In order to keep the database accurate, the
883 database provider shall provide a convenient method for taxing jurisdictions that may be
884 affected by the use of the database to inform the provider of apparent errors in the
885 database. The provider shall have a process in place to promptly correct any errors
886 brought to the provider's attention.

887
888 **4.10.250 Definitions.**
889 Adoption of definitions does not compel an individual municipality to exempt certain defined
890 items. Each municipality should specifically adopt definitions necessary for consistency to
891 implement both brick-and-mortar sales tax code and provisions related to remote sellers or
892 marketplace facilitators. For definitions that have no applicability to brick-and-mortar sales tax
893 code, municipality may choose to either include definitions in the definitional section of general
894 sales tax ordinance or adopt the common definitions by reference.

895
896 A. "Buyer or purchaser" means a person to whom a sale of property or product is made or to
897 whom a service is furnished.

898
899 B. "Commission" means the Alaska Intergovernmental Remote Sales Tax Commission
900 established by Agreement between local government taxing jurisdictions within Alaska, and the
901 delegated tax collection authority.

902
903 C. "Delivered electronically" means delivered to the purchaser by means other than tangible
904 storage media.

905
906 D. "Entity-based exemption" means an exemption based on who purchases the product or
907 who sells the product. An exemption that is available to all individuals shall not be considered
908 an entity-based exemption.

909
910 E. "Goods for resale" means:
911

912 1. The sale of goods by a manufacturer, wholesaler, or distributor to a retail vendor, and
913 sales to a wholesale or retail dealer who deals in the property sold for the purpose of
914 resale by the dealer.

915
916 2. The sale of personal property as raw material to a person engaged in manufacturing
917 components for sale, where the property sold is consumed in the manufacturing process
918 of, or becomes an ingredient or component part of, a product manufactured for sale by
919 the manufacturer.

920
921 3. The sale of personal property as construction material to a licensed building contractor
922 where the property sold becomes part of the permanent structure.

923
924 F. "Marketplace facilitator" means a person that contracts with remote sellers to facilitate for
925 consideration, regardless of whether deducted as fees from the transaction, the sale of the
926 remote seller's property or services through a physical or electronic marketplace operated by
927 the person, and engages:

928
929 1. Directly or indirectly, through one or more affiliated persons, in any of the following:

930
931 a. Transmitting or otherwise communicating the offer or acceptance between the
932 buyer and remote seller;

933
934 b. Owning or operating the infrastructure, electronic or physical, or technology that
935 brings buyers and remote sellers together;

936
937 c. Providing a virtual currency that buyers are allowed or required to use to purchase
938 products from the remote seller; or

939
940 d. Software development or research and development activities related to any of the
941 activities described in 2 of this subsection c, if such activities are directly related to a
942 physical or electronic marketplace operated by the person or an affiliated person; and

943
944 2. In any of the following activities with respect to the seller's products:

945
946 a. Payment processing services;

947
948 b. Fulfillment or storage services;

949
950 c. Listing products for sale;

951
952 d. Setting prices;

953
954 e. Branding sales as those of the marketplace facilitator;

955
956 f. Order taking;

957
958 g. Advertising or promotion; or

959

960 h. Providing customer service or accepting or assisting with returns or exchanges.

961
962 G. "Member" means a taxing jurisdiction that is a signatory of the Alaska Remote Sales Tax
963 Intergovernmental Agreement, thereby members of the Commission, and who have adopted the
964 Alaska Remote Seller Sales Tax Code.

965
966 H. "Monthly" means occurring once per calendar month.

967
968 I. "Nonprofit organization" means a business that has been granted tax-exempt status by the
969 Internal Revenue Service (IRS). An association, corporation, or other organization where no
970 part of the net earnings of the organization inures to the benefit of any member, shareholder, or
971 other individual, as certified by registration with the IRS.

972
973 J. "Person" means an individual, trust, estate, fiduciary, partnership, limited liability company,
974 limited liability partnership, corporation, or any other legal entity.

975
976 K. "Physical presence" means a seller who establishes any one or more of the following
977 within a local taxing jurisdiction:

978 1. Has any office, distribution or sales house, warehouse, storefront, or any other place of
979 business within the boundaries of the local taxing jurisdiction;

980
981
982 2. Solicits business or receiving orders through any employee, agent, salesman, or other
983 representative within the boundaries of the local taxing jurisdiction or engages in
984 activities in this state that are significantly associated with the seller's ability to establish
985 or maintain a market for its products in this state;

986
987 3. Provides services or holds inventory within the boundaries of the local taxing
988 jurisdiction;

989
990 4. Rents or Leases property located within the boundaries of the local taxing jurisdiction.

991
992 A seller that establishes a physical presence within the local taxing jurisdiction in any calendar
993 year will be deemed to have a physical presence within the local taxing jurisdiction for the
994 following calendar year.

995
996 L. "Point of delivery" means the location at which property or a product is delivered or service
997 rendered.

998
999 1. When the product is not received or paid for by the purchaser at a business location of
1000 a remote seller in a Taxing Jurisdiction, the sale is considered delivered to the location
1001 where receipt by the purchaser (or the purchaser's recipient, designated as such by the
1002 purchaser) occurs, including the location indicated by instructions for delivery as supplied
1003 by the purchaser (or recipient) and as known to the seller;

1004
1005 2. When the product is received or paid for by a purchaser who is physically present at a
1006 business location of a Remote Seller in a Taxing Jurisdiction the sale is considered to
1007 have been made in the Taxing Jurisdiction where the purchaser is present even if delivery

1008 of the product takes place in another Taxing Jurisdiction. Such sales are reported and tax
1009 remitted directly to the Taxing Jurisdiction and not to the Commission;
1010

1011 3. For products transferred electronically, or other sales where the remote seller or
1012 marketplace facilitator lacks a delivery address for the purchaser, the remote seller or
1013 marketplace facilitator shall consider the point of delivery the sale to the billing address of
1014 the buyer.
1015

1016 M. "Product-based exemptions" means an exemption based on the description of the product
1017 and not based on who purchases the product or how the purchaser intends to use the product.
1018

1019 N. "Property" and "product" means both tangible property, an item that can be seen, weighed,
1020 measured, felt, or touched, or that is in any other manner perceptible to the senses; and
1021 intangible property, anything that is not physical in nature (i.e.; intellectual property, brand
1022 recognition, goodwill, trade, copyright and patents).
1023

1024 O. "Quarter" means trimonthly periods of a calendar year; January-March, April-June, July-
1025 September, and October-December.
1026

1027 P. "Receive" or "receipt" means
1028

1029 1. Taking possession of property;
1030

1031 2. Making first use of services;
1032

1033 3. Taking possession or making first use of digital goods, whichever comes first.
1034

1035 The terms "receive" and "receipt" do not include temporary possession by a shipping company
1036 on behalf of the purchaser.
1037

1038 Q. "Remote sales" means sales of goods or services by a remote seller or marketplace
1039 facilitator.
1040

1041 R. "Remote seller" means a seller or marketplace facilitator making sales of goods or
1042 services delivered within the State of Alaska, without having a physical presence in a taxing
1043 jurisdiction, or conducting business between taxing jurisdictions, when sales are made by
1044 internet, mail order, phone or other remote means. A marketplace facilitator shall be considered
1045 the remote seller for each sale facilitated through its marketplace.
1046

1047 S. "Resale of services" means sales of intermediate services to a business the charge for
1048 which will be passed directly by that business to a specific buyer.
1049

1050 T. "Sale" or "retail sale" means any transfer of property for consideration for any purpose
1051 other than for resale.
1052

1053 U. "Sales or purchase price" means the total amount of consideration, including cash, credit,
1054 property, products, and services, for which property, products, or services are sold, leased, or

1055 rented, valued in money, whether received in money or otherwise, without any deduction for the
1056 following:

1057

1058 1. The seller's cost of the property or product sold;

1059

1060 2. The cost of materials used, labor or service cost, interest, losses, all costs of
1061 transportation to the seller, all taxes imposed on the seller, and any other expense of the
1062 seller;

1063

1064 3. Charges by the seller for any services necessary to complete the sale, other than
1065 delivery and installation charges;

1066

1067 4. Delivery charges;

1068

1069 5. Installation charges; and

1070

1071 6. Credit for any trade-in, as determined by state law.

1072

1073 V. "Seller" means a person making sales of property, products, or services, or a marketplace
1074 facilitator facilitating sales on behalf of a seller.

1075

1076 W. "Services" means all services of every manner and description, which are performed or
1077 furnished for compensation, and delivered electronically or otherwise outside the taxing
1078 jurisdiction (but excluding any that are rendered physically within the taxing jurisdiction,
1079 including but not limited to:

1080

1081 1. Professional services;

1082

1083 2. Services in which a sale of property or product may be involved, including property or
1084 products made to order;

1085

1086 3. Utilities and utility services not constituting a sale of property or products, including but
1087 not limited to sewer, water, solid waste collection or disposal, electrical, telephone services
1088 and repair, natural gas, cable or satellite television, and Internet services;

1089

1090 4. The sale of transportation services;

1091

1092 5. Services rendered for compensation by any person who furnishes any such services in
1093 the course of his trade, business, or occupation, including all services rendered for
1094 commission;

1095

1096 6. Advertising, maintenance, recreation, amusement, and craftsman services.

1097

1098 X. "Tax cap" means a maximum taxable transaction.

1099

1100 Y. "Taxing jurisdiction" means a local government in Alaska that has a sales tax and is a
1101 member of the Alaska Remote Sellers Sales Tax Commission.

1102

1103 Z. “Transferred electronically” means obtained by the purchaser by means other than
1104 tangible storage media.

1105
1106 **4.10.270 Supplemental definitions.**

1107 The Commission shall promulgate Supplemental Definitions that are incorporated into this
1108 Remote Seller Sales Tax Code. Supplemental Definitions are available at www.arsstc.org/code.
1109 Provisions of the Supplemental Definitions that are amended, deleted, or added prior to or after
1110 the effective date of the latest amendment to this Chapter shall be applicable for purposes of
1111 this Chapter on the effective date provided for such amendments, deletions, or additions,
1112 including retroactive provisions.

1113 * * *

1114
1115
1116 **5. EFFECTIVE DATE.** This ordinance shall become effective the day after the date
1117 of its passage.

1118
1119 **PASSED, APPROVED, AND ADOPTED** by the Assembly of the City and Borough of
1120 Sitka, Alaska, this 28th day of April, 2020.

1121
1122
1123 _____
1124 Gary L. Paxton, Mayor

1125 ATTEST:

1126
1127 _____
1128 Sara Peterson, MMC
1129 Municipal Clerk

1130
1131 1st reading 4/14/2020

1132 2nd and final reading 4/28/2020

1133
1134 Sponsor: Administrator

CITY AND BOROUGH OF SITKA

RESOLUTION 2019-27

A RESOLUTION AUTHORIZING THE CITY AND BOROUGH OF SITKA TO JOIN THE ALASKA REMOTE SELLER SALES TAX COMMISSION FOR THE PURPOSE OF DEVELOPING, IMPLEMENTING, AND ENFORCING A REMOTE SELLERS SALE TAX CODE AND DESIGNATING A CITY REPRESENTATIVE TO THE COMMISSION

WHEREAS, the inability to effectively collect sales tax on sales of property, products or services transferred or delivered into Alaska in response to orders placed electronically by consumers with remote sellers, is seriously eroding the sales tax base of communities, causing revenue losses and imminent harm to residents through the loss of critical funding for local public services and infrastructure; and

WHEREAS, the harm from the loss of revenue is especially serious in Alaska because the state has no broad-based tax, and sales tax revenues are essential in funding the provision of services by local governments; and

WHEREAS, the failure to collect tax on remote sales creates market distortions by creating tax shelters for businesses that limit their physical presence in the state or cities and boroughs but still sell their goods and services to their consumers, something that becomes easier and more prevalent as technology continues to advance; and

WHEREAS, the structural advantages for remote sellers, including the absence of point-of-sale tax collection, along with the general growth of online retail, make clear that erosion of the sales tax base is and has been occurring and is a growing problem that is likely to only worsen in the near future; and

WHEREAS, remote sellers who make a substantial number of deliveries into or have large gross revenues from Alaska benefit extensively from the Alaska market, affecting the economy generally, as well as local infrastructure; and

WHEREAS, given modern computing and software options, it is neither unusually difficult nor burdensome for remote sellers to collect and remit sales taxes associated with sales into Alaska taxing jurisdictions; and

WHEREAS, the recent decision by the United States Supreme Court in *South Dakota v. Wayfair* allows for the amendment of the sales tax code to account for remote sellers who do not have a physical presence in either the state of Alaska or within the City and Borough of Sitka, but do have a taxable connection with the State of Alaska and the City and Borough of Sitka; and

WHEREAS, the decision in *South Dakota v. Wayfair* provided guidance that included the defensibility of a single-level statewide administration of remote sales tax collection and remittance; and

WHEREAS, in order to implement a single-level statewide sales tax administration, it is the intent of local taxing jurisdictions within Alaska to establish an intergovernmental entity known as the Alaska Remote Seller Sales Tax Commission (the "Commission"); and

WHEREAS, the function and powers of the Commission will be set forth under the Alaska Intergovernmental Remote Seller Sales Tax Agreement (the "Agreement"), a cooperative agreement between Commission members; and

WHEREAS, under the terms of the Agreement, in order to maintain membership in the Commission, the City and Borough of Sitka will be required to adopt certain uniform code provisions for the collection and remittance of municipal sales tax applicable to sales made by remote seller; and

WHEREAS, the uniform remote sales tax code will be presented to the City and Borough of Sitka Assembly for consideration once adopted by the Commission; and

WHEREAS, once adopted, the administration of remote sales tax collection and remittance will be delegated to the Commission; and

WHEREAS, the intent of the Agreement is to enable Alaska's taxing jurisdictions to levy their municipal sales tax to the maximum limit of federal and state constitutional doctrines; and

WHEREAS, the City and Borough of Sitka Home Rule Charter Section 1.03 provides that the municipality may exercise all powers of home rule cities or boroughs not prohibited by law or by Charter and entering into the intergovernmental agreement contemplated by this resolution is not prohibited by law or by Charter.

NOW, THEREFORE, BE IT RESOLVED BY THE ASSEMBLY OF THE CITY AND BOROUGH OF SITKA, ALASKA:

Section 1. Authorization. The Assembly authorizes the Municipal Administrator to negotiate, execute, and submit all necessary documents to obtain and maintain membership in the Alaska Remote Seller Sales Tax Commission.

Section 2. Representation. The Assembly designates the Finance Director as the City and Borough of Sitka's representative on the Commission.

Section 3. Scope of Agreement. The Alaska Intergovernmental Remote Seller Sales Tax Agreement is included as Attachment A.

Section 4. Effective Date. This resolution shall be effective immediately after its adoption.

PASSED, APPROVED, AND ADOPTED by the Assembly of the City and Borough of Sitka, Alaska on this 10th day of December, 2019.



Gary L. Paxton, Mayor

Attest:



Sara Peterson, MMC
Municipal Clerk

1st and final reading 12/10/19

Sponsors: Christianson / Knox

Attachment A

Alaska Intergovernmental
Remote Seller
Sales Tax Agreement

FINAL

October 11, 2019

Alaska Intergovernmental Remote Seller Sales Tax Agreement

This Agreement is made and entered into by the signatories representing Alaska's cities and boroughs to enable them to implement single-level, statewide administration of remote sales tax collection and remittance. The provisions of the Agreement do not apply to administration and collection of sales taxes for the sales of goods and services originating from within the boundaries of a member municipality nor does this Agreement restrict how a member municipality administers and collects sales tax on such sales, nor on sales made by those retailers with a physical presence in the municipality. The authority to set rates and exemptions is maintained by the member municipality.

Article I. Background Principles.

1. The signatories wish to enable local governments to benefit from opportunities for collection of existing sales tax on sales made by remote sellers. Remote sellers are sellers who sell, often through the internet, products or services in a taxing jurisdiction without having a physical presence in the taxing jurisdiction.
2. The collection of remote sales tax provides a level playing field for local businesses and strengthens the ability of local governments to provide public services and infrastructure.
3. The signatories are particularly mindful of the specific holding in, and implications of, the Supreme Court's *South Dakota v. Wayfair* decision, which provides guidance relative to nexus and the legal defensibility of a single-level statewide administration that reduces or removes potential burdens to interstate commerce.
4. Alaska's local governments have the authority to enter into intergovernmental agreements and applicable taxing authority has been delegated to organized boroughs and cities.
5. The signatories desire to establish an intergovernmental entity to enable cooperative centralized administration of sales tax collection, remittance, and enforcement on sales made by remote sellers.

Article II. Purpose.

The purpose of this Agreement is to:

1. Enable cooperative centralized administration of sales tax collection, remittance, and enforcement on sales made by remote sellers using a single statewide intergovernmental entity;
2. Provide for and promote reasonable uniformity and compatibility in significant components of local sales tax levy and collection on sales made by remote sellers and marketplace facilitators in order to facilitate streamlined joint administration; and
3. Facilitate taxpayer and tax collector convenience and compliance in the filing of tax returns, the payment of tax, and in other phases of tax administration of sales made and services provided by remote sellers and marketplace facilitators.

Article III. Definitions.

As used in this Agreement:

1. “Commission” means the Alaska Remote Seller Sales Tax Commission established pursuant to this Agreement.
2. “Local Government” means any home rule, first class, or second class borough, or any home rule, first class, or second class city, or unified municipality in Alaska.
3. “Member” means a Local Government signatory to this Agreement.
4. “Remote seller” means any corporation, partnership, firm, association, governmental unit or agency, or person acting as a business entity that sells property or products or performs services in the State of Alaska or a taxing municipality in the state, using the internet, mail order, or telephone, without having a physical presence in the state or taxing municipality.
5. “Sales tax” means a tax imposed with respect to the transfer for a consideration of ownership, possession, or custody of property or the rendering of services measured by the price of the property transferred or services provided.
6. “Marketplace facilitator” means a person that provides for sellers a platform to facilitate for consideration, regardless of whether deducted as fees from the transaction, the sale of the seller’s products or services (excluding lodging and rentals) through a physical or electronic marketplace operated by the person, and engages:
 - a. Directly or indirectly, through one or more affiliated persons in any of the following:
 - i. Transmitting or otherwise communicating the offer or acceptance between the buyer and seller;
 - ii. Owning or operating the infrastructure, electronic or physical, or technology that brings buyers and sellers together;
 - iii. Providing a virtual currency that buyers are allowed or required to use to purchase products from the seller; or
 - iv. Software development or research and development activities related to any of the activities described in (b) of this subsection (6), if such activities are directly related to a physical or electronic marketplace operated by the person or an affiliated person;
 - b. In any of the following activities with respect to the seller's products:
 - i. Payment processing services;

- ii. Fulfillment or storage services;
- iii. Listing products for sale;
- iv. Setting prices;
- v. Branding sales as those of the marketplace facilitator;
- vi. Order taking;
- vii. Advertising or promotion; or
- viii. Providing customer service or accepting or assisting with returns or exchanges.

Article IV. The Commission.

1. Organization and Management.

- a. The Alaska Remote Seller Sales Tax Commission (the “Commission”) is hereby established as an intergovernmental entity in the state of Alaska. It will be comprised of one designated representative from each Member, who shall have the authority to act on the Member’s behalf.
- b. Each Member will be entitled to one vote.
- c. To assist conducting business when the full Commission is not meeting, the Commission will annually elect a Board of Directors of seven members, including officers. The Board of Directors will act subject to the provisions of this Agreement and as provided in the bylaws of the Commission, as ratified by the members.
- d. No action will be binding unless approved by a majority of the Directors present at a meeting.
- e. The Commission will adopt an official logo.
- f. The Commission will hold an annual meeting rotating the location of the meeting each year, with telephonic participation provided for, in addition to scheduled regular meetings and special meetings as provided by its bylaws. Notices of special meetings must include the reasons for the meeting and the items to be considered.
- g. The Commission will elect annually, from among its members, a Chairman, a Vice Chairman, and a Secretary/Treasurer. The bylaws of the Commission shall provide for nomination and election of officers.
- h. The Commission will contract at formation for support and administrative

functions with the Alaska Municipal League (AML). The Executive Director of the AML will serve as a liaison between the Commission and AML and may appoint necessary staff support. This provision will be revisited within three years of legal formation of the Commission.

- i. The Commission may contract for supplies and professional services, and delegates to AML the same ability on its behalf.
- j. To carry out any purpose or function, the Commission may accept and utilize donations and grants of money, equipment, supplies, materials and services, conditional or otherwise, from any Member or governmental entity.
- k. The Commission may establish one or more offices for the transacting of its business. Upon formation, its registered office and place of business will be the Alaska Municipal League at One Sealaska Plaza, Suite 200, Juneau, AK 99801.
- l. The Members will adopt the initial bylaws of the Commission. The Commission will make its bylaws easily accessible for Members and prospective members. The power to adopt, alter, amend or repeal bylaws is vested in the Board of Directors unless it is reserved to the Members per the bylaws. The bylaws shall contain provisions for the regulation and management of the affairs of the Commission not inconsistent with this Agreement.
- m. The Commission will provide annual reports to its members covering its activities for the preceding fiscal year. The Commission may make additional reports.

2. Committees.

- a. In furtherance of its activities, the Commission may establish advisory and technical committees by a majority vote of the membership body. Membership on a technical committee, may include private persons and public officials. Committees may consider any matter of concern to the Commission, including issues of special interest to any member and issues pertaining to collection of sales tax on behalf of members.
- b. The Commission may establish additional committees by a majority vote of the membership or Board of Directors as its bylaws may provide.
- c. Committees may not take any action but may recommend action to the Board of Directors for consideration.

3. Powers.

In addition to powers conferred elsewhere in this Agreement and in the bylaws, the Commission may:

- a. Study federal, state and local sales tax systems, and particular types of state and local taxes.

- b. Develop and recommend proposals to promote uniformity and compatibility of local sales tax laws with a view toward encouraging the simplification and improvement of local tax law and administration.
- c. Compile and publish information to support and assist members in implementing the Agreement or assist taxpayers in complying with local government sales tax laws.
- d. Do all things necessary and incidental to the administration of its functions pursuant to this Agreement, including:
 - i. Sue and be sued.
 - ii. Administer provisions of uniform sales tax ordinances pursuant to authority delegated by Members
- f. The Commission may create and adopt policies and procedures for any phase of the administration of sales tax collection and remittance in accordance with this Agreement and the Commission's bylaws, including delegated authority to administer taxation or prescribing uniform tax forms. Prior to the adoption of any policy, the Commission will:
 - 1. As provided in its bylaws, hold at least one meeting after due notice to all members and to all taxpayers and other persons who have made timely requests to the Commission for advance notice of its policy-making proceedings.
 - 2. Afford all affected members and interested persons an opportunity to submit relevant written comments, which will be considered fully by the Commission.
- g. The Commission will submit any policy adopted by it to the designated representative of all Members to which they might apply. Each such Member will in turn consider any such policy for adoption in accordance with its own laws and procedures.
- h. Amend this Agreement by majority vote of the Members.

4. Finance.

- a. At least 90 days prior to the start of a new fiscal year, the Board of Directors will adopt a budget of its estimated expenditures for the upcoming fiscal year and submit to Members.
- b. The Commission will follow a July 1 to June 30 fiscal year.
- c. The Commission's budgets must contain specific recommendations for service fees built into statewide administration. Service fees will account for direct staff and software costs, and indirect costs, as justifiable to the Board of Directors.

- d. The Commission will not pledge the credit of any member. The Commission may meet any of its obligations in whole or in part with funds available to it, provided that it takes specific action to set aside such funds prior to incurring any obligation to be met in whole or in part in such manner. Except where the Commission makes use of funds available to it, the Commission may not incur any obligation prior to the allocation and commitment of funds adequate to meet the same.
- e. The Commission must keep accurate accounts of all receipts and disbursements. The receipts and disbursements of the Commission will be subject to the audit and accounting procedures established under its bylaws. All receipts and disbursements of funds handled by the Commission will be audited annually by a certified public accountant and the report of the audit will be included in and become part of the annual report of the Commission to Members.
- f. The accounts of the Commission will be open at any reasonable time for inspection by duly constituted officers of the Members, the State of Alaska, and by any persons authorized by the Commission.
- g. Nothing contained in this Article may be construed to prevent Commission compliance with laws relating to audit or inspection of accounts by or on behalf of any government contributing to the support of the Commission.

Article V. Membership Requirements; Remote Seller Sales Tax Code.

1. To obtain and retain full membership, the Local Government must submit either an Ordinance or Resolution authorizing entry into the Agreement, including to:
 - a. Designate the individual at the municipality that may execute initial binding documents on behalf of the municipality and who will be the Member's representative on the Commission.
2. Once the Commission adopts its bylaws and adopts a uniform Remote Sellers Sales Tax Code, members must submit an Ordinance or Resolution that:
 - a. Delegates remote seller sales tax registration, exemption certification, collection, remittance, and audit authority to the Commission.
 - b. Within one hundred twenty (120) days, adopts, by reference or otherwise, the Remote Seller Sales Tax Code in its entirety as it pertains to collection of sales tax from remote sellers and marketplace facilitators. The Remote Seller Sales Tax Code is provided as "Addendum A".
3. To retain full membership status, changes made to the Agreement or Code should be ratified by the Member within one hundred twenty (120) days of the date the Commission adopts the change.
4. The Member must provide notice of tax or boundary changes to the Commission and must

assure the Commission of the accuracy of rates and exemptions. Rate and exemption changes will take effect within thirty (30) days of the date the Commission receives notice of the tax or boundary change.

Article VI. Sales Tax Collection and Administration.

1. Collection; Registration; Remittance.

- a. Every remote seller and marketplace facilitator meeting the Threshold Criteria of one hundred thousand (\$100,000) in annual sales or 100 annual transactions occurring in Alaska during the current or previous calendar year, shall collect sales taxes from the buyer at the time of sale or service and shall transmit the sales taxes collected to the Commission on a monthly or quarterly basis.
- b. The Commission will remit and report to Members by the last business day of the month.
- c. A remote seller or marketplace facilitator meeting the Threshold Criteria shall apply for a certificate of sales tax registration within thirty (30) calendar days of the adoption of this Remote Seller Sales Tax Code and/or within thirty (30) calendar days of meeting the threshold, whichever occurs later. Registration shall be to the Commission on forms prescribed by the Commission as set out in the remote seller sales tax code.
- d. Upon receipt of a properly executed application, the Commission shall issue the applicant a certificate of registration, stating the legal name of the seller, the primary address, and the primary sales tax contact name and corresponding title. A list of registered sellers in good standing shall be distributed to Members, made public and available on the Commission's webpage.

2. Returns; Confidentiality.

- a. The Commission will provide all sales tax return information to the taxing jurisdiction, consistent with local tax codes.
- b. All returns, reports and information required to be filed with the Commission under this Code, and all information contained therein, shall be kept confidential and shall be subject to inspection only by:
 - i. Employees and agents of the Commission and taxing jurisdiction whose job responsibilities are directly related to such returns, reports and information;
 - ii. The person supplying such returns, reports and information; or
 - iii. Persons authorized in writing by the person supplying such returns, reports and information.

3. Title; Penalty and Interest; Overpayment.

- a. Upon collection by the seller, title to the sales tax vests in the Commission and the member on whose behalf the original tax arose. The Commission shall act as a third-party trustee and remit taxes collected on behalf of the member no later than thirty (30) days after each filing deadline.
- b. The Remote Sellers Sales Tax Code shall establish the per annum interest rate and any applicable penalties for late or non-compliant remote sellers.
- c. Upon request from a buyer or remote seller the Commission shall provide a determination of correct tax rate and amount applicable to the transaction. In the case of an overpayment of taxes, the remote seller shall process the refund and amend any returns accordingly.

4. Audit; Compliance and Enforcement.

- a. The Commission shall have sole audit authority and will make final determinations regarding: (1) whether a remote seller or marketplace facilitator meets Threshold criteria; (2) the accuracy of returns filed by a remote seller or marketplace facilitator with the Commission; and (3) whether a remote seller or marketplace facilitator filing returns with the Commission is in compliance with collection and remittance obligations.
- b. The Commission shall have authority to enforce issues relating to the Remote Sellers Sales Tax Code including, but not limited to, the collection of late fees and penalties, and filing of civil suits and injunctions.

Article VII. Entry into Force and Withdrawal.

1. This Agreement will be in force and effective when formally approved by any seven signatories and will terminate if membership falls below seven.
2. Any Member may withdraw from this Agreement through ordinance or resolution rescinding signatory action and giving notice to the Commission of the effective date of the ordinance, with a minimum of 30 days' notice. Withdrawal will not affect any liability already incurred by or chargeable to a Member prior to the effective date of such withdrawal. The obligations of the Commission to remit and report remain until no longer necessary.

Article VIII. Effect on Other Laws and Jurisdiction.

Nothing in this Agreement may be construed to:

1. Affect the power of any local government to fix rates or tax exemptions, except that all members must adopt and implement the Commission's common definitions and tax code

changes or demonstrate parity or non-applicability.

2. Withdraw or limit the authority of local government with respect to any person, corporation, or other entity or subject matter, except to the extent that such authority is expressly conferred by or pursuant to this Agreement upon another agency or body.
3. Supersede or limit the jurisdiction of any court of the State of Alaska.

Article IX. Construction and Severability.

This Agreement shall be liberally construed so as to effectuate its purposes. The provisions of this Agreement shall be severable and if any phrase, clause, sentence, or provision is declared or held invalid by a court of competent jurisdiction, the validity of the remainder of this Agreement and its applicability to any government, agency, person or circumstance will not be affected. If any provision of this Agreement is held contrary to the charter of any member, the Agreement will remain in full force and effect as to the remaining members and in full force and effect as to the Member affected in all other provisions not contrary to charter.

FAQ June 2019

How did the June 2018 U.S. Supreme Court decision change the sales tax world?

The U.S. Supreme Court on June 21, 2018, upheld the state of South Dakota's right to require online sellers to collect and remit sales tax on orders delivered into the state. The 5-4 decision effectively overturned a Supreme Court decision from 1992 that went against the state of North Dakota. The 2018 case is South Dakota vs. Wayfair (a nationwide online retailer of furniture and home goods).

What were the issues in the court case?

In its ruling, the Supreme Court noted that the South Dakota Legislature had determined "that the inability to collect sales tax from remote sellers was 'seriously eroding the sales tax base' ... causing revenue losses and imminent harm."

The court explained, "The central dispute is whether South Dakota may require remote sellers to collect and remit the tax without some additional connection to the state," such as an office or warehouse or employees. And although the 1992 decision against North Dakota commented that requiring remote sellers to collect and remit sales tax "might unduly burden interstate commerce" without such a physical or legal connection, called nexus, the court's 2018 decision found otherwise. "The administrative costs of compliance, especially in the modern economy with its Internet technology, are largely unrelated to whether a company happens to have a physical presence in a state," the Supreme Court said in its 2018 decision.

Allowing online sellers to avoid collecting sales taxes "has come to serve as a judicially created tax shelter for businesses that decide to limit their physical presence and still sell their goods and services to a state's consumers," the court added.

In its order, the Supreme Court said it overruled the 1992 decision because it was "unsound and incorrect."

Does the court decision require online sellers to collect sales tax?

No, it does not require online merchants of goods and services to do anything unless a state's sales and use tax is written to apply to online orders (remote merchants). If a state chooses not to extend its sales and use tax to online orders, the Supreme Court decision does not require merchants to voluntarily collect and remit the tax. The decision is up to each state.

Does the court decision apply to municipalities?

No, not exactly, not directly. The word "municipality" appears nowhere in the Supreme Court decision. The case, the briefings, the discussion and the order focused solely on state sales and use tax. But, the same reasoning, the same legal questions likely would apply to municipal sales taxes: Are they discriminatory against interstate commerce, do they pose an undue burden on interstate commerce, are they administered fairly to all parties. As Alaska is the only state that allows municipal sales taxes without an overriding set of rules in a state sales tax, Alaska is unique. But we're used to that.

FAQ June 2019

What are the challenges for Alaska municipalities?

Without a clearly defined set of legal standards in the court decision for municipalities, Alaska cities and boroughs have to make their best legally educated guess at what set of tax definitions, rules, exemptions and administrative procedures would be needed to replicate and adhere to the intent of the court opinion allowing taxation of online sales. Such as, no undue burden on interstate commerce, no retroactive taxation, and a system that standardizes tax rules to reduce administrative and compliance costs for remote merchants. There is no checklist of what will work or what is not allowed — Alaska municipalities will have to set their own trail.

What's the path forward for Alaska municipalities that want to collect taxes on online sales?

A coordinated approach is best. In fact, it's probably the only way to succeed. It's hard to imagine that a large, nationwide online merchant, a small remote seller — or a court, in the event of a legal challenge — would accept dozens of municipal codes, each with its own unique set of definitions, administrative rules, limits and exemptions as an acceptable system that standardizes taxes to reduce administrative and compliance costs.

By working together, Alaska cities and boroughs stand the best chance of crafting a workable sales and use tax structure that serves local needs while establishing a legally secure path to collecting municipal taxes from online sales.

What is the Alaska Municipal League doing to help?

The Alaska Municipal League established a working group in 2018 to explore the best answers for bringing Alaska cities and boroughs into the world of collecting tax revenue from online sales. AML is looking into the legal issues, software and administrative costs, including the option of contracting with a third-party vendor with experience in state sales taxes to handle the collection and distribution of tax remittances from online merchants. AML plans to provide frequent updates on its progress to its members, with reports at the board meeting in Anchorage in May, the summer meeting in Soldotna in August, and a final review at the general membership meeting in Anchorage in November.

The idea is that AML would establish a cooperative effort — entirely optional for each Alaska municipality — to participate in a centralized online sales tax collection, administration and enforcement program. Municipalities that join and agree to adopt the required changes to their sales tax codes would benefit from the collective strength of presenting a unified approach to online merchants nationwide. Cities or boroughs that choose not to join still could try on their own to adopt and enforce sales taxes on online merchants.

State law allows Alaska municipalities to sign intergovernmental cooperating agreements — similar to mutual-aid pacts between fire departments. AML's legal review concluded that a cooperative tax administration and collection agreement essentially would be the same and would not require any state legislation.

Is there any guarantee that municipalities can force online sellers to collect the tax?

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There is no guarantee that every online merchant will willingly collect and remit sales taxes to a centralized administration for Alaska municipalities. But the odds of success are much better than 100+ different sales tax administrations statewide.

The deciding factor may be how “homogenized” Alaska’s cities and boroughs are willing to make their tax codes. The more the codes are the same, the better the argument that the municipalities are adhering to the standards the Supreme Court cited in its Wayfair decision.

“Nobody can give you an absolute legal answer” as to how far municipalities can stray from the intent and spirit of the Wayfair decision and still win if taken to court, the vice president and tax counsel for the National Retail Foundation told AML. Her advice: Go with the Streamlined Sales Tax Project’s definitions

What is the Streamlined Sales Tax Project?

The Streamlined Sales Tax Project began in March 2000 with the goal “to find solutions for the complexity in state sales tax systems.” It was, in great part, that complexity that led to the 1992 Supreme Court decision against North Dakota’s efforts to require tax collections by remote merchants.

The result is the Streamlined Sales and Use Tax Agreement, which targets simplifying and modernizing sales and use tax administration to substantially reduce the burden of tax compliance. The agreement focuses on state-level administration of sales and use taxes; uniformity in each state’s state and local tax bases; uniformity of major tax base definitions; central electronic registration for merchants; simplification of state and local tax rates; uniform sourcing rules for all taxable transactions (defining the point of the taxable transaction); and simplified administration of exemptions, tax returns and payments.

As of March 2019, 24 states had adopted the agreement. No federal law requires states to sign on for the Streamlined Sales Tax Project, but doing so makes it easier for states to capture maximum revenues from remote merchants.

The more that Alaska municipalities can follow the Streamlined Sales and Use Tax Agreement, the better the odds of success in achieving full compliance from online merchants.

Can complexity lead to legal objections?

Yes, but it is unknown how much complexity would break the legal back of taxing online sales. In his dissenting opinion in the Wayfair case, Chief Justice John Roberts pointed to the complexity of sales tax laws nationwide. “Correctly calculating and remitting sales taxes on all e-commerce sales will likely prove baffling for many retailers. Over 10,000 jurisdictions levy sales taxes, each with different tax rates, different rules governing tax-exempt goods and services, (and) different product category definitions.” He noted that New Jersey collects sales tax on yarn purchased for art projects but not on yarn made into sweaters. “Texas taxes sales of plain deodorant at 6.25 percent but imposes no tax on deodorant with antiperspirant.” Illinois categorizes Twix bars as food and Snickers candy, and taxes them differently, the chief justice noted, only because Twix includes flour.

FAQ June 2019

Why are Amazon and some merchants already collecting sales tax for Alaska municipalities?

Amazon has started collecting sales tax in several Alaska jurisdictions, though it appears that in most (many?) cases it is collecting tax only on Amazon's own goods and not on sales of third-party merchandise. A coordinated, AML-led approach could remedy this shortcoming by directing municipalities to change their codes to encompass all goods sold online, whether direct by the merchant or fulfillment by a third-party seller. A coordinated effort also would clarify which business is responsible for collecting and remitting the tax: The website that takes the order or the business that fills the order?

As of March 2019, Amazon had yet to register with all Alaska municipalities, and for most municipalities the online merchant's first sales tax returns are not due until a month after the end of the first quarter. After Amazon and other vendors file their first returns, Alaska municipalities will have a better sense of any enforcement issues.

There have been reports that Amazon is misapplying local taxes on some sales that should be tax-exempt. As it is now, each municipality has to contact Amazon individually — or any other online vendor — to educate the merchant on the details of their specific municipal tax code. A single online sales tax administrator for Alaska municipalities would improve the situation.

As to Amazon specifically, in a few cases the online retailer is collecting sales tax for deliveries in Alaska because it has a legal connection — a nexus — in that city or borough, such as an Amazon subsidiary or affiliate that does business in the municipality. But in most cases in Alaska, Amazon is collecting sales tax voluntarily. Unless a municipal code is written as a sales and use tax, or otherwise specifically addresses online sales, merchants such as Amazon are not legally obligated to collect the city or borough sales tax.

What's a 'use tax,' and does it apply to Alaska municipalities?

A "use tax," as part of a "sales and use tax," makes it clear under the law that the tax applies to goods regardless whether they were sold over the counter in the jurisdiction or delivered into the jurisdiction for use. The Streamlined Sales Tax Project model code recommends participating states adopt a sales and use tax. Some Alaska municipalities already have it in code, but most do not. It is unknown at this time if the AML online sales tax project will adopt sales and use tax as its recommended language for municipalities.

How can online merchants determine which municipality gets the taxes?

One significant problem that Alaska municipalities must overcome is to construct a user-friendly online mapping system so that merchants can accurately determine the correct tax jurisdiction. Such as, a buyer may have a Soldotna ZIP code and mailing address but does not live within the city of Soldotna and believes they should not be liable for Soldotna city sales taxes. The same can be said for Interior residents with a North Pole mailing address. (ZIP+4, unfortunately, does not always match municipal boundaries in Alaska, and therefore cannot be used for determining the tax jurisdictions.) Other states and third-party contractors provide online mapping tools for sellers, and third-party vendors could help Alaska develop one that covers the entire state. In addition to creating the "tax look-up map" (as it is called in the state

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of Washington), Alaska municipalities would have to establish a system for keeping the map current with new subdivisions, new addresses for businesses and residences, annexations and such.

Can online vendors handle additional, specific sales taxes?

Yes, such as on alcohol or tobacco taxes, in addition to general sales taxes. Other states levy additional taxes on certain items, such as alcohol, and nothing in the Streamlined Sales Tax Project argues against such additional sales or excise taxes. The third-party vendors that offer administration software for states can accommodate such taxes.

What are some of the tax code decisions that Alaska municipalities will have to make?

Taxation limits

- Several Alaska municipalities have in place a limit on the amount of a single transaction subject to sales tax. For example, in Juneau the sales tax stops charging after a single transaction (an invoice, not a single item) reaches \$12,000 (though there is no limit to taxation of jewelry). In the Kenai Peninsula Borough, the cap is \$500. It is unknown at this time if Alaska municipalities can maintain their disparate application of such “tax caps” and still have a reasonable chance of surviving a legal challenge should an online merchant want to contest the “undue burden” of navigating different tax limitations.

Point of taxation

- Alaska municipalities most certainly will need to define and adopt a common definition for the point of the taxation transaction, especially since this could affect the rate charged and where the tax is remitted. Such as, if a buyer receives the order at a post office in one city but takes it to their residence in another city, where did the taxable transaction occur, and which city gets the money? Where the item was delivered or where it was used? The same difficulty would apply to the online seller as it tries to determine the tax rate — it needs to know which address to check on the tax look-up map, the point of delivery or the residence of the buyer? This definition will need to be consistent for all Alaska municipalities that choose to participate in the AML effort.

Definitions

- Definitions should be consistent among participating municipalities for any tax-exemptions, such as food (taxed or not taxed, or divided between prepared and unprepared, and how to define those terms), sale-for-resale, purchases by senior citizens, manufacturing components, construction materials that will be incorporated into real property in the municipality, farming supplies, funeral supplies, medical equipment, over-the-counter drugs and medical items, sales to and/or by nonprofits, sales by government agencies. The definitions will require a lot of work between municipalities.

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Collection thresholds

- South Dakota sets a significantly higher minimum threshold for annual sales into the state by a remote merchant than for local businesses before the out-of-state business has to collect and remit sales taxes. Whatever Alaska municipalities decide needs to be consistent for all municipalities in the AML program. Otherwise, remote merchants could get caught up in a maze of different registration and reporting standards.
- For example, municipalities may want to exempt small-scale sellers from registering, collecting and remitting, such as businesses with less than \$2,500 a year of sales into the jurisdiction. An example would be an online jewelry maker in New York that might sell \$300 of goods into any one Alaska city in a year. How much do Alaska municipalities want to exempt occasional sellers from collecting sales tax? And should it be the same threshold for remote sellers as in-town businesses?

Examples of taxable decision items

- Do municipalities want to collect sales tax on motor vehicles, boats and airplanes imported into the municipality?
- How will municipalities treat commissions that are retained by online sellers? Is the tax applied to the total price of the goods, or only on the net received by the seller after the commission is deducted?
- Are delivery charges taxable if they are listed separately from the purchase price?
- Are software downloads taxable, such as music and apps and streaming services?
- Are Amazon Prime membership dues taxable?
- Are online subscriptions taxable, such as news sites?

Administrative issues

- How will municipalities handle refunds of sales taxes paid in error by the seller or collected in error by an online seller? Who will issue the refund: The seller or the municipality?
- Will municipalities allow a discount or “commission” of tax collections, intended to partially compensate the merchant for its costs of bookkeeping as the municipality’s tax collector? Should this discount, or retention, be the same for online and local vendors? Many Alaska cities and boroughs allow their local merchants to hold back a small percentage as compensation for their work as a tax collector.
- Can the AML project accommodate seasonal adjustments to a municipality’s tax rates, or special “tax holidays” as municipalities sometimes offer for back-to-school shopping or other annual categories?
- Are intrastate online sales treated differently than interstate sales?



Making the case for a coordinated municipal response to online merchants collecting local sales tax in Alaska

Alaska Municipal League – September 25, 2019

Why now?: The U.S. Supreme Court in June 2018 changed the rules for collecting sales tax on online orders. It removed a long-standing limitation that had blocked states from requiring all online sellers to comply with their sales tax laws. This, in effect, creates a level playing field for local businesses. The Supreme Court decision was clear: It said allowing states to apply their tax laws to online sellers the same as local merchants is a matter of fairness. The court said past practice enabled online sellers to avoid collecting sales taxes “has come to serve as a judicially created tax shelter for businesses that decide to limit their physical presence and still sell their goods and services to a state’s consumers.”

Across the nation, states are working to comply with the Supreme Court decision, namely by ensuring the streamlined, single-level administration of sales tax collection. While this is straightforward in states with a sales tax, there are five states that don’t have a broad-based sales tax, and Alaska the only one that has local governments who do. Alaska’s cities and boroughs are at an administrative and enforcement disadvantage. Remote sellers have been clear that until this is addressed, they will not collect the sales taxes required by individual local governments. To the extent that there have been isolated cases of collections, some of those businesses get it wrong, misapplying taxes and exemptions and shortchanging municipalities or overcharging residents. (Note: Amazon’s current remittance is not based on remote sales, or the *Wayfair* case)

What the Alaska Municipal League is trying to do: The 165-member Alaska Municipal League, a nonprofit statewide organization, has spent the last year researching options for member local governments, and worked with many members to respond to this opportunity. Together, AML and members have developed an intergovernmental agreement, bylaws for a commission, and a remote sales tax code that local governments with sales tax codes will adopt. AML is developing the structure for centralized sales tax administration for remote merchants (out-of-state online sellers) to register and report their tax collections for distribution to the participating cities and boroughs.

The intergovernmental agreement, or compact, is voluntary, but those local governments that do not sign on are less likely to see remote sellers comply with their individual tax codes. The code that should be adopted by each member is generally consistent with most local governments, with provisions for parity and working toward compliance over time. The important thing to know is that each local government maintains its own tax rate and exemptions. The commission that is established will be delegated taxing authority. The board of directors of the commission will be voted on by members and have responsibility for the governance. The commission will contract with AML to administer the centralized administration, with collection, remittance and reporting that meets the need of each local government. This centralized administrator will include software that maintains a tax variability matrix, able to account for differences between members, and a sales tax boundary map so that remote sellers can comply with municipal boundaries.

A Timeline: There is a governance committee comprised of local government finance officers, attorneys and managers, who have drafted all relevant documents. These will need to be reviewed and adopted by any local government that wishes to participate. Adoption means delegating authority to a municipal

official to sign the intergovernmental agreement on behalf of the city or borough, and delegating taxing authority to the Commission. Adoption also means agreeing to the common tax code for remote sales. AML will contract with a software developer and build up a sales tax staff to administer the program.

We envision the governance being established in late November, perhaps at the annual AML conference, with full implementation in January 2020. Adoption will take time for many local governments, and members should deliberate as needed to come to resolution of adoption. The process accommodates joining at any point.

What are the benefits of taxing online sales the same as local sales

The biggest benefit is fairness:

- Fairness in funding public services in the community – the reason each municipality has a sales tax code is to be able to provide essential services for residents.
- Fairness for local merchants – the current system creates an incentive for residents to shop online, which creates additional burdens to brick and mortar stores.
- Fairness so that residents who shop online are charged the correct amount of tax – maintaining the uniqueness of each jurisdiction is important, and remote sellers can't comply with individual government codes without centralization.

“There is little logic in asking consumers who prefer to shop at local businesses to pay more toward funding public services than consumers who shop via their laptops or smartphones,” the independent Institute on Taxation and Economic Policy wrote of tax-free online shopping in a March 2018 report. “Local economies are harmed by this arrangement,” the report said, noting the competitive disadvantage it creates for “businesses that hire local residents, pay local property taxes, and otherwise contribute to the local economy.”

The numbers

Nationwide, e-commerce sales totaled more than \$500 billion in 2018, and the number is growing. Online sales totaled about 14 percent of total U.S. retail sales of \$3.6 trillion last year, according to Commerce Department estimates. The U.S. Government Accountability Office estimates that states lost about \$13 billion from the inability to fully collect taxes on online sales in 2017. The Alaska Municipal League estimates more than \$20 million in annual sales tax receipts could be at stake for those cities and boroughs with a sales tax.

National trends

A growing number of states have amended or are drafting changes to their tax codes to ensure they fairly and fully collect taxes from remote merchants selling goods online, the same as they do with local merchants. More than 20 states have adopted the Streamlined Sales and Use Tax Agreement, a common set of administrative rules and tax definitions to streamline enforcement nationwide.

The risks of doing nothing

The risks are more problems: Confusion for local consumers from erroneously collected sales taxes, further unfair competition that erodes local businesses, and lost municipal revenue as online shopping continues to grow. That is lost revenue Alaska communities cannot afford. At the same time, without centralized administration, the majority of remote sellers will not comply with local tax codes.



CITY AND BOROUGH OF SITKA

Legislation Details

File #: ORD 20-14 Version: 1 Name:
Type: Ordinance Status: AGENDA READY
File created: 4/9/2020 In control: City and Borough Assembly
On agenda: 4/14/2020 Final action:
Title: An Emergency Ordinance of the City and Borough of Sitka requiring all people arriving in Sitka, without exception unless determined a critical healthcare worker, to self-quarantine for 14 days before working for critical workforce infrastructure businesses and requiring such businesses to submit a protection plan to the City and Borough of Sitka that must be approved by the Municipal Administrator (possible executive session)

Sponsors:

Indexes:

Code sections:

Attachments: [01 Motion Ord 2020-14](#)
[02 Ord 2020-14 revised clerical edits](#)
[03 SOA Health Mandate 10](#)
[04 SOA Health Mandate 11](#)
[05 SOA Health Mandate 12](#)

Date	Ver.	Action By	Action	Result
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POSSIBLE MOTION

I MOVE TO approve Emergency Ordinance 2020-14 on first reading requiring all people arriving in Sitka, without exception unless determined a critical healthcare worker, to self-quarantine for 14 days before working for critical workforce infrastructure businesses and requiring such businesses to submit a protection plan to the City and Borough of Sitka that must be approved by the Municipal Administrator.

CITY AND BOROUGH OF SITKA
ORDINANCE NO. 2020-14

AN EMERGENCY ORDINANCE OF THE CITY AND BOROUGH OF SITKA REQUIRING ALL PEOPLE ARRIVING IN SITKA, WITHOUT EXCEPTION UNLESS DETERMINED A CRITICAL HEALTHCARE WORKER, TO SELF-QUARANTINE FOR 14 DAYS BEFORE WORKING FOR CRITICAL WORKFORCE INFRASTRUCTURE BUSINESSES AND REQUIRING SUCH BUSINESSES TO SUBMIT A PROTECTION PLAN TO THE CITY AND BOROUGH OF SITKA THAT MUST BE APPROVED BY THE MUNICIPAL ADMINISTRATOR

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

1. **CLASSIFICATION.** This emergency 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.

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

3. **PURPOSE.** The purpose of this emergency ordinance is to control the ingress to Sitka from outside localities in order to prevent the spread of the virus that causes COVID-19. This emergency ordinance is enacted to protect the life, health and welfare of the persons in Sitka due to the COVID-19 pandemic. This emergency ordinance is also enacted to be consistent with the health mandates of the State of Alaska, while providing individualized orders which address the unique circumstances of Sitka. More specifically:

WHEREAS, COVID-19 is a respiratory disease that can result in serious illness or death and is caused by the SARS-Cov-2 virus (“virus”), a new strain of the coronavirus that has not been previously identified in humans and is easily transmittable person to person; and

WHEREAS, on March 11, 2020, the World Health Organization declared the virus a pandemic; and

WHEREAS, on March 11, 2020, Governor Mike Dunleavy declared a state public health emergency in response to the anticipated outbreak of the virus in Alaska; and

WHEREAS, on March 13, 2020, President Donald Trump declared a national emergency in response to the virus pandemic; and

WHEREAS, on March 15, 2020, Municipal Administrator John Leach declared a local emergency in response to the virus which was continued by the Assembly in Resolution 2020-05; and

WHEREAS, as of April 7, 2020, the State of Alaska had issued 12 COVID-19 Health Mandates in response to the virus; and

WHEREAS, COVID-19 Health Mandates 10, 11, and 12 (copies attached and incorporated by reference) generally mandate self-quarantine for international, interstate, and intrastate travel, and require businesses qualifying as “critical workforce infrastructure” to submit and receive

52 approval from the State of Alaska a plan or protocol to protect its workers and the people of the
53 State of Alaska from the virus, and these mandates are declared to supersede any local or tribal
54 government mandate, order or directive which conflict with these mandates; and

55
56 **WHEREAS**, as of April 8, 2020, the State of Alaska had 226 confirmed COVID-19 cases and 7
57 confirmed deaths from COVID-19; and

58
59 **WHEREAS**, as of April 8, 2020, the neighboring municipalities of the Ketchikan Gateway
60 Borough had 14 confirmed COVID-19 cases, the neighboring municipality of the City and
61 Borough of Juneau had 14 confirmed COVID-19 cases, and the neighboring municipality of the
62 City of Petersburg had 1 confirmed COVID-19 case; and

63
64 **WHEREAS**, as of April 8, 2020, the City and Borough of Sitka had **NO** confirmed COVID-19
65 cases; and

66
67 **WHEREAS**, the Assembly recognizes that an emergency exists due to the COVID-19 pandemic
68 that affects the life, health, and welfare of persons within Sitka; and

69
70 **WHEREAS**, the Assembly further recognizes that COVID-19 Health Mandates 10, 11, and 12
71 fail to adequately protect the people in Sitka due to the unique circumstances it finds itself in
72 while dealing with the COVID-19 pandemic; and

73
74 **WHEREAS**, the City and Borough of Sitka finds itself under unique circumstances in dealing
75 with the COVID-19 pandemic in that it is a community of less than 8,500 residents located on
76 an island with no road access to other communities, limited daily commercial air traffic (one
77 flight in and one flight out), and no operational governmental or commercial marine passenger
78 service, along with limited medical capacity, both personnel and infrastructure, with only one
79 hospital with 25 beds, 22 physicians included in 317 full-time employees, all of which puts the
80 people in Sitka at high risk to the COVID-19 pandemic; and

81
82 **WHEREAS**, the Assembly further recognizes that the emergency which exists due to the
83 COVID-19 pandemic is likely to become exacerbated by the ingress of seasonal workers to
84 Sitka from outside localities over the next several months (e.g., hundreds of seasonal workers
85 are expected to arrive in Sitka over the next several months to work in the fishing industry); and

86
87 **WHEREAS**, the Assembly further recognizes that the local medical capacity needed to handle
88 COVID-19 testing, out-patient care, and in-patient care, is significantly limited, due to a shortage
89 of testing kits, personal protective equipment (PPE), ventilators, and patient isolation space
90 available in Sitka, should there be an increased demand on local medical services from the
91 expected ingress of seasonal workers, and there would be a similar detrimental effect on the
92 medical capacity for all non-COVID-19 medical services; and

93
94 **WHEREAS**, the Assembly acknowledges that the City and Borough of Sitka will need additional
95 protections than provided by the State of Alaska Health Mandates in that they fail to provide the
96 individualized controls necessary to address Sitka's unique circumstances, which can only be
97 managed with local submission and local approval of business protection plans now only
98 required and approved by the State of Alaska; and

99
100 **WHEREAS**, the Assembly further acknowledges that the City and Borough of Sitka will need
101 additional protections than provided by the State of Alaska Health Mandates to respond to the

102 unique emergency circumstances posed by the expected ingress of seasonal workers and the
103 expected strain on the local medical capacity; and

104

105 **WHEREAS**, the State of Alaska's statements in its COVID-19 Health Mandates that those
106 mandates supersede any local or tribal government mandate, order or directive are arbitrary
107 and unreasonable given the unique circumstances described above; and

108

109 **WHEREAS**, while the Assembly further acknowledges that a person's/entities' right to work
110 and/or to engage in business are important, the significant risk posed to life, health, and welfare
111 of persons in Sitka by the COVID-19 pandemic requires the enactment of this emergency
112 ordinance.

113

114 4. **ENACTMENT.** NOW, THEREFORE, BE IT ENACTED by the Assembly of the City and
115 Borough of Sitka:

116

117 **Section 1. Self-quarantine.** All people arriving in Sitka, whether resident, worker or visitor,
118 are **required to self-quarantine for 14 days** and monitor for illness. There are no
119 exceptions for "Alaska Critical Workforce Infrastructure" provided for in Attachment A to
120 State of Alaska COVID-19 Health Mandate 10 (copy attached and incorporated by
121 reference), except as provided in this emergency ordinance. Arriving residents or workers
122 may only work from their place of self-quarantine, not their place of employment, unless they
123 provide or support critical healthcare operations or infrastructure, upon application by the
124 arriving person to and as approved by the Municipal Administrator or designee, after
125 consultation with Dr. Elliott Bruhl MD, FAAP, or designee.

126

127 "Self-quarantine" is defined in Health Mandate 10, except it is expanded by this emergency
128 ordinance, if you are a worker or visitor (not a resident), to prohibit any other individual in
129 your hotel room, rented lodging, workplace provided room, or other designated self-
130 quarantine location.

131

132 **Section 2. Protection Plan.** Any business required under Attachment A of Health Mandate
133 10 to submit a plan or protocol to the State of Alaska, Department of Commerce, Community
134 and Economic Development is also **required to submit a plan or protocol to the City and**
135 **Borough of Sitka** by 3:00 pm April 24, 2020, outlining how you will avoid the spread of
136 COVID-19 in Sitka and not endanger lives in Sitka and not strain or overwhelm local medical
137 services, including medical personnel and medical infrastructure. The plan must be
138 submitted to and approved by the Municipal Administrator or designee, after consultation
139 with Dr. Elliott Bruhl MD, FAAP, or designee, and other consultants if desired. The
140 Municipal Administrator shall respond to a business submitting a plan within three business
141 days of submission, unless extended by the Municipal Administrator for good cause, and, if
142 the plan is rejected, work with the business in good faith to come up with an acceptable
143 plan. **If you have already submitted a plan pursuant to State of Alaska health**
144 **mandates, you are required to submit another plan to the City and Borough of Sitka.**
145 Failure to submit and obtain approval of a plan and to permit arriving workers to work at its
146 workplace before satisfying Section 1 will constitute a violation and subject the violating
147 individual and entity, through its managers, principals, officers and/or directors, to
148 enforcement under Section 3.

149

150 Beyond the requirements for the plan required by the State of Alaska, the plan submitted to
151 the City and Borough of Sitka must specifically include/address the following elements with
152 respect to your workers and operations in Sitka:

- 153
154 (1) the arrival of workers in small cohorts of 50 individuals or less per week;
155
156 (2) the screening and testing (as feasible) of workers upon arrival;
157
158 (3) the movement of workers into self-quarantine immediately upon arrival and testing;
159
160 (4) the prohibition of workers sharing rooms/facilities while in self-quarantine;
161
162 (5) the daily onsite presence and continual availability (24 hours per day) of a certified
163 healthcare provider (not an EMT, a certified nurse or more highly qualified healthcare
164 provider);
165
166 (6) the protocol for triage by the onsite healthcare provider;
167
168 (7) the isolation and triage of all positive test cases, with the assistance of SEARHC;
169
170 (8) the re-testing (as feasible) of all workers after seven days in self-quarantine, with
171 release from self-quarantine only after confirming a negative re-testing result and
172 completion of the 14 day self-quarantine and, upon release, daily screening (in
173 accordance with CDC and Alaska DHSS protocol) with questionnaire and temperature
174 check;
175
176 (9) the designation/hiring of and fulltime (24 hours per day) onsite presence of a
177 quarantine officer responsible to oversee and direct compliance with the plan;
178
179 (10) the prohibition of workers moving within the community outside the close vicinity of
180 their workplace; and
181
182 (11) any other reasonable concerns raised by the Municipal Administrator.
183

184 The decision whether a worker is “able to work” and released from self-quarantine shall be
185 made by the Municipal Administrator, or designee, in collaboration with local medical
186 control, Dr. Bruhl, or designee.
187

188 **Section 3. Enforcement.** The failure to follow this emergency ordinance poses a
189 substantial risk to the life, health and welfare of the persons in Sitka and, accordingly, the
190 City and Borough of Sitka shall be able to and may seek an expedited court order requiring
191 a person, whether an individual or entity, not complying with this emergency ordinance to
192 comply with and enjoin any activity that violates this emergency ordinance. Further, failure
193 to follow this emergency ordinance is punishable by the maximum fines and penalties
194 permitted by law or under the State of Alaska Health Mandates.
195

196 5. **EMERGENCY DECLARATION:** As required by the Home Rule Charter of the City and
197 Borough of Sitka, Section 3.03 “Emergency Ordinances,” the Assembly hereby declares that an
198 emergency exists that affects the life, health, and welfare of persons within Sitka. COVID-19 is
199 a national pandemic that poses an emergent risk to life, health, and welfare of persons within
200 Sitka. While a person’s/entities’ right to work and/or to engage in business are important, the
201 significant risk posed to life, health, and welfare of persons in Sitka by the COVID-19 pandemic
202 requires this emergency ordinance.

203
204 **6. EFFECTIVE DATE.** This emergency ordinance shall become effective on the day it is
205 adopted, as an emergency exists as stated above. A public service announcement shall be
206 widely distributed providing public notice of this emergency ordinance.

207
208 In accordance with the Home Rule Charter of the City and Borough of Sitka, Section 3.03
209 “Emergency Ordinances,” this emergency ordinance may be adopted at the meeting which it is
210 presented and shall expire 61 days after adoption, but this shall not prevent re-enactment of this
211 emergency ordinance if the emergency still exists upon expiration. Accordingly, this emergency
212 ordinance is pre-scheduled for re-enactment under unfinished business at the June 9, 2020,
213 regular meeting of the Assembly.

214
215 **INITIALLY PASSED, APPROVED, AND ADOPTED** by the Assembly of the City and Borough
216 of Sitka this 14th day of April, 2020.

217
218
219 _____
220 Gary L. Paxton, Mayor

221 ATTEST:
222
223 _____
224 Sara Peterson, MMC
225 Municipal Clerk

226
227 1st reading – Emergency Ordinance 4/14/2020 in accordance with Home Rule Charter, Section
228 3.03.

229
230 Re-enactment pre-scheduled for 6/9/2020 to address and extend the 61-day expiration.



Governor Michael J. Dunleavy
STATE OF ALASKA

**** COVID-19 HEALTH MANDATE ****

Issued: March 23, 2020

By: Governor Mike Dunleavy
Commissioner Adam Crum, Alaska Department of Health and Social Services
Dr. Anne Zink, Chief Medical Officer, State of Alaska

To prevent the spread of Coronavirus Disease 2019 (COVID-19), the State of Alaska is issuing its tenth health mandate based on its authority under the Public Health Disaster Emergency Declaration signed by Governor Mike Dunleavy on March 11, 2020.

Given the increasing concern for new cases of COVID-19 around Alaska, Governor Dunleavy and the State of Alaska are issuing the following mandate to go into effect March 25, 2020 at 12:01AM., and will be reevaluated by April 21, 2020.

This mandate is issued to protect the public health of Alaskans. The Governor looks to establish consistent mandates across the State in order to mitigate the impact of COVID-19. The goal is to flatten the curve and prevent the spread of the virus.

The purpose of this mandate to control the ingress to Alaska from outside localities in order to prevent the spread of the virus that causes COVID-19.

Health Mandate 10.1 – International and Interstate Travel – Order for Self-Quarantine
Effective 12:01 am March 25, 2020:

All people arriving in Alaska, whether resident, worker or visitor, are **required to self-quarantine for 14 days** and monitor for illness. Arriving residents and workers in self-quarantine, should work from home, unless you support critical infrastructure (see Attachment A).

Critical infrastructure is vital to keeping Alaska safe, and as a result businesses and employees of critical infrastructure industries must take special care to protect their staff and operations during this pandemic. If your business is included in Attachment A, and your workers must travel to enter Alaska, you must submit a plan or protocol for maintaining critical infrastructure to the Department of Commerce, Community and Economic Development **by 3:00 pm March 24,** outlining how you will avoid the spread of COVID-19 and not endanger the lives of the communities in which you operate, of others who serve as a part of that infrastructure or the ability of that critical infrastructure to function.

Pursuant to the Governor's declaration, the State of Alaska hereby orders the following. Upon arrival in any community in Alaska from another state or nation, you must:

1. Proceed directly from the airport to your designated quarantine location, which is the location identified and affirmed by you on the mandatory State of Alaska Travel Declaration Form.
 - a. If you are a resident, your designated quarantine location is your residence.
 - b. If you are a visitor or worker, your designated quarantine location is your hotel room or rented lodging.
2. Remain in your designated quarantine location for a period of 14 days, or the duration of your stay in Alaska, whichever is shorter.
 - a. You may leave your designated quarantine location only for medical emergencies or to seek medical care.
 - b. Do not visit any public spaces, including, but not limited to: pools, meetings rooms, fitness centers or restaurants.
 - c. Do not allow visitors in or out of your designated quarantine location other than a physician, healthcare provider, or individual authorized to enter the designated quarantine location by Unified Command.
 - d. Comply with all rules or protocols related to your quarantine as set forth by your hotel or rented lodging.
 - e. If you are required to self-quarantine and there are other individuals in your residence, hotel room, or rented lodging, you are required to comply with social distancing guidelines.

This Mandate supersedes any local government travel restrictions.

The failure to follow this order is punishable by a fine of up to \$25,000, or imprisonment of not more than one year, or both pursuant to Alaska Statute 12.55.035 and Alaska Statute 12.55.135

Authority: AS 26.23.020(g)(7)

Attachment A
Alaska Critical Workforce Infrastructure

Functioning critical infrastructure is imperative during the response to the COVID-19 emergency for both public health and safety as well as community well-being. Certain critical infrastructure industries have a special responsibility in these times to continue operations.

At this time, critical industries and entities in Alaska include:

- a. “Healthcare Operations” including hospitals, clinics, dental emergency services, pharmacies, other healthcare facilities, home healthcare services providers, mental health providers, companies and institutions involved in the research and development, manufacture, distribution, warehousing, and supplying of pharmaceuticals, biotechnology therapies, consumer health products, medical devices, diagnostics, equipment, services, or any related and/or ancillary healthcare services. “Healthcare Operations” also includes veterinary care and healthcare services provided to animals. “Healthcare Operations” does not include fitness and exercise gyms and similar facilities.
- b. Businesses providing any services or performing any work necessary to the operations and maintenance of “Essential Infrastructure,” including, but not limited to, the Port of Alaska, public works construction, construction of housing , airport operations, water, sewer, gas, electrical, oil production, mining, logging, roads and highways, public transportation, solid waste collection and removal, internet, and telecommunications systems (including the provision of essential global, national, and local infrastructure for computing services, business infrastructure, communications, and web-based services).
- c. Financial services sector, which includes workers who are needed to process and maintain systems for processing financial transactions and services, such as payment, clearing and settlement services, wholesale funding, insurance services, and capital markets activities; to provide consumer access to banking and lending services, including ATMs, movement of currency (e.g. armored cash carriers); support financial operations, such as those staffing data and security operations centers; appraisals and titling; and, key third-party providers who deliver core services.
- d. First responders, emergency management personnel, emergency dispatchers, court personnel, and law enforcement personnel are critical.
- e. Individuals providing “Essential Governmental Functions” are critical. “Essential Government Functions” means all services needed to ensure the continuing operation of government agencies and provide for the health, safety, and welfare of the public.
- f. Grocery stores, supermarkets, food banks, convenience stores, and other establishments engaged in the retail sale of food and other household consumer products (such as cleaning and personal care products). This includes stores that sell groceries and also sell other non-grocery products, and products necessary to maintaining the safety, sanitation, and essential operation of residences;
- g. Food and agriculture, company cafeterias, cultivation, including farming, livestock, and fishing;

Attachment A
Alaska Critical Workforce Infrastructure

- h. Businesses that provide food, shelter, social services, and other necessities of life for economically disadvantaged or otherwise needy individuals;
- i. Newspapers, television, radio, and other media services;
- j. Gas stations and auto-supply, auto-repair, bicycle-repair, and related facilities;
- k. Hardware stores;
- l. Plumbers, electricians, exterminators, and other service providers who provide services that are necessary to maintaining the safety, sanitation, and essential operation of residences, Essential Activities, and Essential Businesses;
- m. Businesses providing mailing and shipping services, including post office boxes;
- n. Educational institutions facilitating distance learning;
- o. Laundromats, dry cleaners, and laundry service providers;
- p. Restaurants and other facilities that prepare and serve food, but only for delivery or carry out under the restrictions set forth in COVID-19 Health Mandate 003, issued March 17, 2020;
- q. Businesses that supply products needed for people to work from home;
- r. Businesses that supply other essential businesses with the support or supplies necessary to operate;
- s. Businesses that transport goods to grocery stores, supermarkets, convenience stores, engaged in the retail sale of food, household consumer products, delivery of fuel, or other services directly to residences or other critical industries outlined in this health mandate.
- t. Airlines, railroads, taxis, and other private transportation providers providing transportation services;
- u. Home-based care for seniors, adults, or children;
- v. Residential facilities and shelters for seniors, adults, and children;
- w. Professional services, such as legal or accounting services, when necessary to assist in compliance with legally-mandated activities;
- x. Childcare facilities, subject to new recommendations for increased hygiene and social distancing. Childcare facilities should be used only by those who need childcare to work at a critical job.

Alaska Essential Services and Critical Workforce Infrastructure Order
(Formerly “Attachment A”)
Amended March 27, 2020

Issued: March 27, 2020

By: Governor Mike Dunleavy
Commissioner Adam Crum, Alaska Department of Health and Social Services
Dr. Anne Zink, Chief Medical Officer, State of Alaska

To prevent the spread of Coronavirus Disease 2019 (COVID-19), the State of Alaska is issuing this Order based on its authority under the Public Health Disaster Emergency Declaration signed by Governor Mike Dunleavy on March 11, 2020.

This Order amends and supersedes the document formerly referenced as “Attachment A,” and continues to apply to any Mandate referencing Attachment A or Critical Workforce Infrastructure. This Order remains in effect until amended, rescinded, or superseded by further Order of the Governor.

Functioning critical infrastructure is imperative during the response to the COVID-19 emergency for both public health and safety, as well as community well-being. Certain critical infrastructure industries have a special responsibility in these times to continue operations.

I. MANDATORY CLOSURES

- a. All businesses within Alaska, except those specifically exempted below, are required to cease all activities at facilities located within the state, except Minimum Basic Operations, as defined in Section I.c. For clarity, businesses may also continue operations consisting exclusively of employees or contractors performing activities at their own residences (i.e., working from home).
- b. For purposes of this Order, covered businesses include any for-profit, non-profit, or educational entities, regardless of the nature of the service, the function they perform, or corporate or entity structure.
- c. “**Minimum Basic Operations**” include the following, provided that employees comply with Social Distancing Requirements as defined in this Section, to the extent possible, while carrying out such operations:
 - i. The minimum necessary activities to maintain the value of the business’s inventory, ensure security, process payroll and employee benefits, or for related functions.
 - ii. The minimum necessary activities to facilitate employees of the business being able to continue to work remotely from their residences.

II. ESSENTIAL SERVICES AND CRITICAL INFRASTRUCTURE

- a. Businesses exempted from Section I are strongly encouraged to remain in operation while complying with social distancing requirements, by maintaining six-foot social distancing for both employees and members of the public, including, but not limited to, when any customers are standing in line.
- b. For purposes of this Order, Essential Services and Critical Infrastructure industries and entities in Alaska include:
 - i. “**Healthcare Operations**,” including hospitals, clinics, dental emergency services, pharmacies, other healthcare facilities, home healthcare services and providers, mental health providers, companies and institutions involved in the research and development, manufacture, distribution, warehousing, and supplying of

Alaska Essential Services and Critical Workforce Infrastructure Order
(Formerly “Attachment A”)
Amended March 27, 2020

pharmaceuticals, biotechnology therapies, consumer health products, medical devices, diagnostics, equipment, services, or any related and/or ancillary healthcare services. “Healthcare Operations” also includes veterinary care and healthcare services provided to animals.

1. “Healthcare Operations” does not include fitness and exercise gyms and similar facilities.
- ii. **“Essential Infrastructure,”** including businesses providing any services or performing any work necessary to the operations and maintenance of services including, but not limited to, the Port of Alaska, public works construction, construction of housing, airport operations, water, sewer, gas, electrical, oil production, mining, logging, roads and highways, public transportation, solid waste collection and removal, internet, and telecommunications systems (including the provision of essential global, national, and local infrastructure for computing services, business infrastructure, communications, and web-based services).
- iii. **“Financial services sector,”** which includes workers who are needed to process and maintain systems for processing financial transactions and services, such as payment, clearing and settlement services, wholesale funding, insurance services, and capital markets activities; to provide consumer access to banking and lending services, including ATMs, movement of currency (e.g. armored cash carriers); support financial operations, such as those staffing data and security operations centers; appraisals and titling; and, key third-party providers who deliver core services.
- iv. **“First Responders,”** which includes emergency management personnel, emergency dispatchers, court personnel, and law enforcement personnel.
- v. **“Essential Governmental Functions,”** which includes all services needed to ensure the continuing operation of government agencies and provide for the health, safety, and welfare of the public. This includes Department of Defense personnel returning from temporary duty or engaging in mission essential travel. This also includes Office of Children’s Services personnel acting in an official capacity.
- vi. **“Essential Business,”** which includes:
 1. Grocery stores, supermarkets, food banks, convenience stores, and other establishments engaged in the retail sale of food, beverages, and other household consumer products (such as cleaning and personal care products). This includes stores that sell groceries and also sell other non-grocery products, and products necessary to maintaining the safety, sanitation, and essential operation of residences;
 2. Food and agriculture, cultivation, including farming, livestock, fishing and processing;
 3. Businesses that provide food, shelter, social services, and other necessities of life for economically disadvantaged or otherwise needy individuals;
 4. Newspapers, television, radio, and other media services;
 5. Gas stations and auto-supply, auto-repair, bicycle-repair, and related facilities;
 6. Hardware stores;
 7. Plumbers, electricians, exterminators, and other service providers who provide services that are necessary to maintaining the safety, sanitation, and essential operation of residences and critical infrastructure.

Alaska Essential Services and Critical Workforce Infrastructure Order
(Formerly “Attachment A”)
Amended March 27, 2020

8. Businesses providing mailing and shipping services, including post office boxes;
9. Educational institutions facilitating distance learning;
10. Laundromats, dry cleaners, and laundry service providers;
11. Restaurants and other facilities that prepare and serve food, but only for delivery or carry out under the restrictions set forth in COVID-19 Health Mandate 003, issued March 17, 2020;
12. Businesses that supply products needed for people to work from home;
13. Businesses that supply other essential businesses with the support or supplies necessary to operate;
14. Businesses that transport goods to grocery stores, supermarkets, convenience stores, engaged in the retail sale of food, household consumer products, delivery of fuel, or other services directly to residences or other critical industries outlined in this health mandate.
15. Airlines, railroads, taxis, and other private transportation providers providing transportation services;
16. Home-based care for seniors, adults, or children;
17. Residential facilities and shelters for seniors, adults, and children;
18. Professional services, such as legal or accounting services, when necessary to assist in compliance with legally-mandated activities;
19. Childcare facilities, subject to new recommendations for increased hygiene and social distancing. Childcare facilities should be used only by those who need childcare to work at a critical job.
20. All other businesses that can maintain Social Distancing Requirements (defined below) and prohibit congregations of no more than 10 people in the business at a time (including employees).

III. SOCIAL DISTANCING REQUIREMENTS.

- a. “Social Distancing Requirements” includes maintaining at least six-foot social distancing from other individuals, washing hands with soap and water for at least twenty seconds as frequently as possible or using hand sanitizer containing at least 60% alcohol, covering coughs or sneezes (into the sleeve or elbow, not hands), regularly cleaning high-touch surfaces, and not shaking hands.

IV. ADOPTION OF FEDERAL GUIDANCE.

- a. This Order incorporates by reference the Memorandum on Identification of Essential Critical Infrastructure Workers during COVID-19 Response issued by the Cybersecurity and Infrastructure Security Agency of the United States Homeland Security on March 19, 2020. That guidance is located at <https://www.cisa.gov/publication/guidance-essential-critical-infrastructure-workforce>. This order also incorporates federal guidance from the Department of the Treasury and the Department of Defense that are located at <https://home.treasury.gov/news/press-releases/sm956> and <https://media.defense.gov/2020/Mar/22/2002268024/-1/-1/1/DEFENSE-INDUSTRIAL-BASE-ESSENTIAL-CRITICAL-INFRASTRUCTURE-WORKFORCE-MEMO.PDF>

V. **PENALTY FOR NONCOMPLIANCE.**

A violation of a State COVID-19 Mandate may subject a business or organization to an order to cease operations and/or a civil fine of up to \$1,000 per violation.

- a. In addition to the potential civil fines noted above, a person or organization that fails to follow the State COVID-19 Mandates designed to protect the public health from this dangerous virus and its impact may, under certain circumstances, also be criminally prosecuted for Reckless Endangerment pursuant to Alaska Statute 11.41.250. Reckless endangerment is defined as follows:
 - i. A person commits the crime of reckless endangerment if the person recklessly engages in conduct which creates a substantial risk of serious physical injury to another person.
 - ii. Reckless endangerment is a class A misdemeanor.
- b. Pursuant to Alaska Statute 12.55.135, a defendant convicted of a class A misdemeanor may be sentenced to a definite term of imprisonment of not more than one year.
- c. Additionally, under Alaska Statute 12.55.035, a person may be fined up to \$25,000 for a class A misdemeanor, and a business organization may be sentenced to pay a fine not exceeding the greatest of \$2,500,000 for a misdemeanor offense that results in death, or \$500,000 for a class A misdemeanor offense that does not result in death.



SOA March 27 COVID-19 Health Mandate 011: Social Distancing

Alaska DHSS sent this bulletin at 03/27/2020 05:10 PM AKDT

****COVID-19 HEALTH MANDATE****

Issued: March 27, 2020

By: Governor Mike Dunleavy

Commissioner Adam Crum, Alaska Department of Health and Social Services

Dr. Anne Zink, Chief Medical Officer, State of Alaska

To prevent the spread of Coronavirus Disease 2019 (COVID-19), the State of Alaska is issuing its eleventh health mandate based on its authority under the Public Health Disaster Emergency Declaration signed by Governor Mike Dunleavy on March 11, 2020.

Given the increasing concern for new cases of COVID-19 being transmitted via community spread within the state, Governor Dunleavy and the State of Alaska are issuing the following mandate to **go into effect March 28, 2020 at 5:00 pm and will be reevaluated by April 11, 2020.**

This mandate is issued to protect the public health of Alaskans. The Governor looks to establish consistent mandates across the State in order to mitigate the impact of COVID-19. The goal is to flatten the curve and disrupt the spread of the virus.

The purpose of this mandate is to restrict the movement of individuals within the State of Alaska in order to prevent, slow, and otherwise disrupt the spread of the virus that causes COVID-19.

The State of Alaska and the Alaska Department of Health and Social Services (DHSS) acknowledge the importance of social distancing, while maintaining essential healthcare services, public government services, and other essential business activities, to prevent, slow, and otherwise disrupt the spread of COVID-19 in Alaska. It is imperative that Alaskans heed these guidelines.

Health Mandate 011 – Social Distancing

Effective 5 p.m. March 28, 2020:

All persons in Alaska, except for those engaged in essential health care services, public government services, and essential business activities, are mandated to remain at their place of residence and practice social distancing. For the purpose of this mandate, social distancing is defined as maintaining a distance of six feet or greater from any individuals with whom you do not currently reside. Read the “Mandate 11 & 12 FAQ’s”

for more details, which can be found here: <http://dhss.alaska.gov/dph/Epi/id/Pages/COVID-19/default.aspx>

Critical infrastructure includes those items listed in “Alaska’s Essential Services and Critical Infrastructure” (formerly Attachment A) <https://gov.alaska.gov/wp-content/uploads/sites/2/03232020-COVID-19-Health-Mandate-010-Attachment-A.pdf>

I. The Governor orders individuals to abide by the following:

1. Work from home as much as possible (see Alaska Essential Services and Critical Workforce Infrastructure Order).
2. Immediately isolate any family member who is ill. www.cdc.gov/coronavirus/2019-ncov/hcp/guidance-prevent-spread.html#precautions
3. Outdoor activity (e.g., walking, hiking, bicycling, running, fishing or hunting) is permitted when a distance of six or more feet can be maintained between individuals not in the same household.
4. Any individual who exhibits symptoms of illness must not leave their home, including to work, except as necessary to seek or receive medical care.
5. All individuals shall cease participation in public or private gatherings that include non-household members, regardless of the number of people involved. This includes, but is not limited to, weddings, faith gatherings, graduations, and funeral events.
6. Individuals experiencing homelessness are exempt from this mandate but are urged to obtain shelter.

II. The Governor orders the closure of non-essential businesses:

1. All businesses within Alaska, except those listed in Alaska Essential Services and Critical Workforce Infrastructure Order, are required to cease all activities at facilities located within the state except Minimum Basic Operations, as defined in Section II(c). For clarity, businesses may also continue operations consisting exclusively of employees or contractors performing activities at their own residences (i.e., working from home).
2. For purposes of this Mandate, covered businesses include any for-profit, non-profit, or educational entities, regardless of the nature of the service, the function they perform, or corporate or entity structure.
3. **“Minimum Basic Operations”** include the following, provided that employees comply with Social Distancing Requirements as defined in this Section, to the extent possible, while carrying out such operations:
 1. The minimum necessary activities to maintain the value of the business’s inventory, ensure security, process payroll and employee benefits, or for related functions.
 2. The minimum necessary activities to facilitate employees of the business being able to continue to work remotely from their residences.

III. The Governor orders employers to abide by the following:

1. Businesses providing essential services and critical infrastructure will, to the extent reasonably feasible, take reasonable precautions to ensure the health of their service sector and employees.
2. Public-facing businesses providing essential services and critical infrastructure will proactively promote social distancing between employees and others, including, but not limited to, expanding delivery options, drive-through services, limiting the number of individuals in a building, clearly spacing lines to keep individuals six feet apart, or making appointment times to minimize interactions between members of the public.

3. Employers will evaluate which of their employees can feasibly work remotely from home and to the extent reasonable, take steps to enable employees to work from home.

A violation of a state COVID-19 Mandate may subject a business or organization to an order to cease operations and/or a civil fine of up to \$1,000 per violation.

In addition to the potential civil fines noted above, a person or organization that fails to follow the state COVID-19 Mandates designed to protect the public health from this dangerous virus and its impact may, under certain circumstances, also be criminally prosecuted for Reckless Endangerment pursuant to Alaska Statute 11.41.250. Reckless endangerment is defined as follows:

- (a) A person commits the crime of reckless endangerment if the person recklessly engages in conduct which creates a substantial risk of serious physical injury to another person.**
- (b) Reckless endangerment is a class A misdemeanor.**

Pursuant to Alaska Statute 12.55.135, a defendant convicted of a class A misdemeanor may be sentenced to a definite term of imprisonment of not more than one year.

Additionally, under Alaska Statute 12.55.035, a person may be fined up to \$25,000 for a class A misdemeanor, and a business organization may be sentenced to pay a fine not exceeding the greatest of \$2,500,000 for a misdemeanor offense that results in death, or \$500,000 for a class A misdemeanor offense that does not result in death.

This mandate supersedes any local government or tribal mandate, directive, or order.

For the latest information on COVID-19, visit coronavirus.alaska.gov
State of Alaska COVID-19 Mandate 011
Mandates available at <https://gov.alaska.gov/home/covid19-healthmandates/>

POWERED BY



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SOA March 27 COVID-19 Health Mandate 012: Intrastate Travel

Alaska DHSS sent this bulletin at 03/27/2020 05:33 PM AKDT

****COVID-19 HEALTH MANDATE****

Issued: March 27, 2020

By: Governor Mike Dunleavy

Commissioner Adam Crum, Alaska Department of Health and Social Services

Dr. Anne Zink, Chief Medical Officer, State of Alaska

To prevent the spread of Coronavirus Disease 2019 (COVID-19), the State of Alaska is issuing its twelfth health mandate based on its authority under the Public Health Disaster Emergency Declaration signed by Governor Mike Dunleavy on March 11, 2020.

Given the increasing concern for new cases of COVID-19 being transmitted via community spread within the state, Governor Dunleavy and the State of Alaska are issuing the following mandate to **go into effect March 28, 2020 at 8:00 am and will be reevaluated by April 11, 2020.**

This mandate is issued to protect the public health of Alaskans. The Governor looks to establish consistent mandates across the State in order to mitigate the impact of COVID-19. The goal is to flatten the curve and disrupt the spread of the virus.

The purpose of this mandate is to control the movement of individuals within Alaska in order to prevent, slow, and otherwise disrupt the spread of the virus that causes COVID-19.

The State of Alaska and the Alaska Department of Health and Social Services (DHSS) acknowledge the importance of minimizing intrastate travel to avoid introducing new COVID-19 cases into Alaska communities and slow the spread of the virus in state. It is imperative that Alaskans heed these guidelines.

Critical infrastructure is vital to keeping Alaska safe, and as a result businesses and employees of critical infrastructure industries must, to the extent reasonably feasible, take reasonable care to protect their staff and operations during this pandemic. If your business is included in "Alaska's Essential Services and Critical Infrastructure" (formerly Attachment A), you must submit a travel plan or protocol for maintaining critical infrastructure to akcovidplans@ak-prepared.com. The plan should outline how you will avoid the spread of COVID-19 and not endanger the lives of the communities in which you operate, of others who serve as a part of that infrastructure, or the ability of that critical infrastructure to function. **If you have already submitted a plan pursuant to Health Mandate 10.1 related to interstate travel, you do not need to submit another**

plan.

Critical infrastructure includes those items listed in “Alaska’s Essential Services and Critical Infrastructure” (formerly Attachment A) <https://gov.alaska.gov/wp-content/uploads/sites/2/03232020-COVID-19-Health-Mandate-010-Attachment-A.pdf>

Health Mandate 012 – Intrastate Travel – Limiting travel between communities to critical infrastructure or critical personal needs.**Effective 8:00 am March 28, 2020**

All in-state travel between communities, whether resident, worker, or visitor, is prohibited unless travel is to support critical infrastructure, or for critical personal needs. Certain Small Alaskan communities may implement further travel restriction pursuant to “Alaska Small Community Emergency Travel Order - Attachment B.”

Personal travel is prohibited except as necessary to meet critical personal needs or work in critical infrastructure jobs. Critical personal needs include buying, selling, or delivering groceries and home goods; obtaining fuel for vehicles or residential needs; transporting family members for out-of-home care, essential health needs, or for purposes of child custody exchanges; receiving essential health care; providing essential health care to a family member; obtaining other important goods; and engaging in subsistence activities. Travelers are reminded to follow social distancing measures, including, to the extent reasonably feasible, keeping six feet away from others, avoiding crowded places, and limiting public gatherings to less than ten people. Read the “[Mandate 11 and 12 FAQ’s](#)” for more details.

No one traveling to or from any community for critical reasons or critical personal travel may be subject to any automatic quarantine or isolation on arrival except as allowed under Alaska Statutes or Health Mandates.

Air carriers and other travel-related businesses have no duty to verify that intrastate travelers meet the criteria for permissible travel under this health mandate. Air carriers shall inquire if travelers are permitted to travel under this mandate and shall rely upon a traveler’s assurance that they are eligible to travel.

*****This Mandate supersedes any local government or tribal mandate, directive, or order restricting intrastate travel *****

For the latest information on COVID-19, visit coronavirus.alaska.gov

State of Alaska COVID-19 Mandate 012

Mandates available at <https://gov.alaska.gov/home/covid19-healthmandates/>

- [COVID_MANDATE-012_AlaskaSmallCommunityEmergencyTravelOrder_AttachmentB.pdf](#)

POWERED BY



Alaska Essential Services and Critical Workforce Infrastructure Order
(Formerly “Attachment A”)
Amended March 27, 2020

Issued: March 27, 2020

By: Governor Mike Dunleavy
Commissioner Adam Crum, Alaska Department of Health and Social Services
Dr. Anne Zink, Chief Medical Officer, State of Alaska

To prevent the spread of Coronavirus Disease 2019 (COVID-19), the State of Alaska is issuing this Order based on its authority under the Public Health Disaster Emergency Declaration signed by Governor Mike Dunleavy on March 11, 2020.

This Order amends and supersedes the document formerly referenced as “Attachment A,” and continues to apply to any Mandate referencing Attachment A or Critical Workforce Infrastructure. This Order remains in effect until amended, rescinded, or superseded by further Order of the Governor.

Functioning critical infrastructure is imperative during the response to the COVID-19 emergency for both public health and safety, as well as community well-being. Certain critical infrastructure industries have a special responsibility in these times to continue operations.

I. MANDATORY CLOSURES

- a. All businesses within Alaska, except those specifically exempted below, are required to cease all activities at facilities located within the state, except Minimum Basic Operations, as defined in Section I.c. For clarity, businesses may also continue operations consisting exclusively of employees or contractors performing activities at their own residences (i.e., working from home).
- b. For purposes of this Order, covered businesses include any for-profit, non-profit, or educational entities, regardless of the nature of the service, the function they perform, or corporate or entity structure.
- c. “**Minimum Basic Operations**” include the following, provided that employees comply with Social Distancing Requirements as defined in this Section, to the extent possible, while carrying out such operations:
 - i. The minimum necessary activities to maintain the value of the business’s inventory, ensure security, process payroll and employee benefits, or for related functions.
 - ii. The minimum necessary activities to facilitate employees of the business being able to continue to work remotely from their residences.

II. ESSENTIAL SERVICES AND CRITICAL INFRASTRUCTURE

- a. Businesses exempted from Section I are strongly encouraged to remain in operation while complying with social distancing requirements, by maintaining six-foot social distancing for both employees and members of the public, including, but not limited to, when any customers are standing in line.
- b. For purposes of this Order, Essential Services and Critical Infrastructure industries and entities in Alaska include:
 - i. “**Healthcare Operations**,” including hospitals, clinics, dental emergency services, pharmacies, other healthcare facilities, home healthcare services and providers, mental health providers, companies and institutions involved in the research and development, manufacture, distribution, warehousing, and supplying of

Alaska Essential Services and Critical Workforce Infrastructure Order
(Formerly “Attachment A”)
Amended March 27, 2020

pharmaceuticals, biotechnology therapies, consumer health products, medical devices, diagnostics, equipment, services, or any related and/or ancillary healthcare services. “Healthcare Operations” also includes veterinary care and healthcare services provided to animals.

1. “Healthcare Operations” does not include fitness and exercise gyms and similar facilities.
- ii. **“Essential Infrastructure,”** including businesses providing any services or performing any work necessary to the operations and maintenance of services including, but not limited to, the Port of Alaska, public works construction, construction of housing, airport operations, water, sewer, gas, electrical, oil production, mining, logging, roads and highways, public transportation, solid waste collection and removal, internet, and telecommunications systems (including the provision of essential global, national, and local infrastructure for computing services, business infrastructure, communications, and web-based services).
- iii. **“Financial services sector,”** which includes workers who are needed to process and maintain systems for processing financial transactions and services, such as payment, clearing and settlement services, wholesale funding, insurance services, and capital markets activities; to provide consumer access to banking and lending services, including ATMs, movement of currency (e.g. armored cash carriers); support financial operations, such as those staffing data and security operations centers; appraisals and titling; and, key third-party providers who deliver core services.
- iv. **“First Responders,”** which includes emergency management personnel, emergency dispatchers, court personnel, and law enforcement personnel.
- v. **“Essential Governmental Functions,”** which includes all services needed to ensure the continuing operation of government agencies and provide for the health, safety, and welfare of the public. This includes Department of Defense personnel returning from temporary duty or engaging in mission essential travel. This also includes Office of Children’s Services personnel acting in an official capacity.
- vi. **“Essential Business,”** which includes:
 1. Grocery stores, supermarkets, food banks, convenience stores, and other establishments engaged in the retail sale of food, beverages, and other household consumer products (such as cleaning and personal care products). This includes stores that sell groceries and also sell other non-grocery products, and products necessary to maintaining the safety, sanitation, and essential operation of residences;
 2. Food and agriculture, cultivation, including farming, livestock, fishing and processing;
 3. Businesses that provide food, shelter, social services, and other necessities of life for economically disadvantaged or otherwise needy individuals;
 4. Newspapers, television, radio, and other media services;
 5. Gas stations and auto-supply, auto-repair, bicycle-repair, and related facilities;
 6. Hardware stores;
 7. Plumbers, electricians, exterminators, and other service providers who provide services that are necessary to maintaining the safety, sanitation, and essential operation of residences and critical infrastructure.

Alaska Essential Services and Critical Workforce Infrastructure Order
(Formerly “Attachment A”)
Amended March 27, 2020

8. Businesses providing mailing and shipping services, including post office boxes;
9. Educational institutions facilitating distance learning;
10. Laundromats, dry cleaners, and laundry service providers;
11. Restaurants and other facilities that prepare and serve food, but only for delivery or carry out under the restrictions set forth in COVID-19 Health Mandate 003, issued March 17, 2020;
12. Businesses that supply products needed for people to work from home;
13. Businesses that supply other essential businesses with the support or supplies necessary to operate;
14. Businesses that transport goods to grocery stores, supermarkets, convenience stores, engaged in the retail sale of food, household consumer products, delivery of fuel, or other services directly to residences or other critical industries outlined in this health mandate.
15. Airlines, railroads, taxis, and other private transportation providers providing transportation services;
16. Home-based care for seniors, adults, or children;
17. Residential facilities and shelters for seniors, adults, and children;
18. Professional services, such as legal or accounting services, when necessary to assist in compliance with legally-mandated activities;
19. Childcare facilities, subject to new recommendations for increased hygiene and social distancing. Childcare facilities should be used only by those who need childcare to work at a critical job.
20. All other businesses that can maintain Social Distancing Requirements (defined below) and prohibit congregations of no more than 10 people in the business at a time (including employees).

III. SOCIAL DISTANCING REQUIREMENTS.

- a. “Social Distancing Requirements” includes maintaining at least six-foot social distancing from other individuals, washing hands with soap and water for at least twenty seconds as frequently as possible or using hand sanitizer containing at least 60% alcohol, covering coughs or sneezes (into the sleeve or elbow, not hands), regularly cleaning high-touch surfaces, and not shaking hands.

IV. ADOPTION OF FEDERAL GUIDANCE.

- a. This Order incorporates by reference the Memorandum on Identification of Essential Critical Infrastructure Workers during COVID-19 Response issued by the Cybersecurity and Infrastructure Security Agency of the United States Homeland Security on March 19, 2020. That guidance is located at <https://www.cisa.gov/publication/guidance-essential-critical-infrastructure-workforce>. This order also incorporates federal guidance from the Department of the Treasury and the Department of Defense that are located at <https://home.treasury.gov/news/press-releases/sm956> and <https://media.defense.gov/2020/Mar/22/2002268024/-1/-1/1/DEFENSE-INDUSTRIAL-BASE-ESSENTIAL-CRITICAL-INFRASTRUCTURE-WORKFORCE-MEMO.PDF>

V. **PENALTY FOR NONCOMPLIANCE.**

A violation of a State COVID-19 Mandate may subject a business or organization to an order to cease operations and/or a civil fine of up to \$1,000 per violation.

- a. In addition to the potential civil fines noted above, a person or organization that fails to follow the State COVID-19 Mandates designed to protect the public health from this dangerous virus and its impact may, under certain circumstances, also be criminally prosecuted for Reckless Endangerment pursuant to Alaska Statute 11.41.250. Reckless endangerment is defined as follows:
 - i. A person commits the crime of reckless endangerment if the person recklessly engages in conduct which creates a substantial risk of serious physical injury to another person.
 - ii. Reckless endangerment is a class A misdemeanor.
- b. Pursuant to Alaska Statute 12.55.135, a defendant convicted of a class A misdemeanor may be sentenced to a definite term of imprisonment of not more than one year.
- c. Additionally, under Alaska Statute 12.55.035, a person may be fined up to \$25,000 for a class A misdemeanor, and a business organization may be sentenced to pay a fine not exceeding the greatest of \$2,500,000 for a misdemeanor offense that results in death, or \$500,000 for a class A misdemeanor offense that does not result in death.

Alaska Small Community Emergency Travel Order
(Attachment B)
Amended March 27, 2020

Issued: March 27, 2020

By: Governor Mike Dunleavy
Commissioner Adam Crum, Alaska Department of Health and Social Services
Dr. Anne Zink, Chief Medical Officer, State of Alaska

To prevent the spread of the disease caused by the coronavirus (COVID-19), the State of Alaska is issuing this Order based on its authority under the Public Health Disaster Emergency Declaration signed by Governor Mike Dunleavy on March 11, 2020.

This Order remains in effect until amended, rescinded, or superseded by further Order of the Governor. Certain emergency travel is imperative during the COVID-19 pandemic for both public health and safety as well as community well-being.

I. ORDER APPLICABILITY

- a. This Order is applicable to Alaskan communities that are removed from the road system, have a population smaller than 3,000, and do not house a hub hospital managed by the tribal healthcare system (“Small Community”).

II. SMALL COMMUNITY TRAVEL RESTRICTIONS AND EXCEPTIONS

- a. A Small Community (as defined in Subsection I.a. above) may adopt travel restrictions that are more restrictive than otherwise permitted in Health Mandate 012. Small Communities may not prohibit, or restrict in any manner, the following emergency travel:
 - i. Emergency First Responders (includes fire, ambulatory services, and other similar emergency first responders).
 - ii. Law Enforcement acting within their official duties (this includes federal, state, and local law enforcement personnel); and
 - iii. Office of Children’s Services personnel responding to reports of child abuse and neglect and insuring child safety.

III. DUTIES OF AIR CARRIERS AND OTHER TRAVEL RELATED BUSINESSES

- a. Air carriers and other travel related businesses conducting travel to Small Communities shall inquire if travelers are permitted to travel under this Order and shall rely upon a traveler’s assurance that they are eligible to travel. Air carriers and other travel related businesses shall have no other duty or obligation to verify that travelers meet the criteria for permissible travel under this Order.



CITY AND BOROUGH OF SITKA

Legislation Details

File #: ORD 20-15 Version: 1 Name:

Type: Ordinance Status: AGENDA READY

File created: 4/10/2020 In control: City and Borough Assembly

On agenda: 4/14/2020 Final action:

Title: An Emergency Ordinance of the City and Borough of Sitka extending the real property tax assessment appeal deadline for tax year 2020 from April 15 until June 15

Sponsors:

Indexes:

Code sections:

Attachments: [Motion Ord 2020-15](#)
[Ord 2020-15](#)

Date	Ver.	Action By	Action	Result
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Sponsors: Nelson / Christianson

POSSIBLE MOTION

I MOVE TO approve Emergency Ordinance 2020-15
on first reading extending the real property tax
assessment appeal deadline for tax year 2020 from
April 15 to June 15.

CITY AND BOROUGH OF SITKA
ORDINANCE NO. 2020-15

AN EMERGENCY ORDINANCE OF THE CITY AND BOROUGH OF SITKA
EXTENDING THE REAL PROPERTY TAX ASSESSMENT APPEAL DEADLINE
FOR TAX YEAR 2020 FROM APRIL 15 UNTIL JUNE 15

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

1. **CLASSIFICATION.** This emergency 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.

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

3. **PURPOSE.** The purpose of this emergency ordinance is to provide much needed relief to persons assessed real property taxes by extending the deadline for filing an appeal to the board of equalization by a person assessed real property taxes, as provided in Sitka General Code ("SGC") 4.12.100.B, for the 2020 tax year from April 15 until June 15. More specifically:

WHEREAS, the Assembly recognizes that an emergency exists due to the COVID-19 pandemic that affects the life, health, welfare or property of persons owning real property in Sitka; and

WHEREAS, the COVID-19 pandemic has caused great personal hardships and inconveniences that have made it extremely difficult for many persons owning real property in Sitka to meet the deadline for filing an appeal in SGC 4.12.100.B; and

WHEREAS, while the Assembly acknowledges that code deadlines are important, the significant risk posed to life, health, welfare or property of persons in Sitka by the COVID-19 pandemic, and the resulting personal hardships and inconveniences which make it extremely difficult to meet code deadlines, requires the enactment of this emergency ordinance.

4. **ENACTMENT.** NOW, THEREFORE, BE IT ENACTED by the Assembly of the City and Borough of Sitka that the deadline for filing an appeal to the board of equalization by a person assessed real property taxes, as provided in SGC 4.12.100.B, is hereby extended for the 2020 tax year from April 15 until June 15.

5. **EMERGENCY DECLARATION:** In accordance with the Home Rule Charter of the City and Borough of Sitka, Section 3.03 "Emergency Ordinances," the Assembly of the City and Borough of Sitka hereby declares that an emergency exists that affects the life, health, welfare or property of persons within Sitka for those reasons stated above.

6. **EFFECTIVE DATE.** This emergency ordinance shall become effective on the day it is adopted, as an emergency exists as stated above. A public service announcement shall be widely distributed providing public notice of this emergency ordinance.

In accordance with the Home Rule Charter of the City and Borough of Sitka, Section 3.03 "Emergency Ordinances," this emergency ordinance may be adopted at the meeting which it is presented and shall expire 61 days after adoption, but this shall not prevent re-enactment of this emergency ordinance if

53 the emergency still exists upon expiration. Accordingly, this emergency ordinance is pre-scheduled
54 for re-enactment under unfinished business at the June 9, 2020, regular meeting of the Assembly.

55
56 **INITIALLY PASSED, APPROVED, AND ADOPTED** by the Assembly of the City and Borough of
57 Sitka this 14th day of April 14, 2020.

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59 _____

Gary L. Paxton, Mayor

61
62 ATTEST:

63
64 _____
65 Sara Peterson, MMC
66 Municipal Clerk

67
68 1st reading – Emergency Ordinance 4/14/2020 in accordance with Home Rule Charter, Section 3.03.

69
70 Re-enactment pre-scheduled for 6/9/2020 to address and extend the 61-day expiration.

71



CITY AND BOROUGH OF SITKA

Legislation Details

File #: ORD 20-16 Version: 1 Name:
Type: Ordinance Status: AGENDA READY
File created: 4/10/2020 In control: City and Borough Assembly
On agenda: 4/14/2020 Final action:
Title: An Emergency Ordinance of the City and Borough of Sitka extending the sales tax filing and remittance deadlines for first quarter 2020 from April 30 until June 30 and waiving any penalties and interest during the extension

Sponsors:

Indexes:

Code sections:

Attachments: [Motion Ord 2020-16](#)
[Ord 2020-16](#)

Date	Ver.	Action By	Action	Result
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POSSIBLE MOTION

I MOVE TO approve Emergency Ordinance 2020-16 on first reading extending the sales tax filing and remittance deadlines for first quarter 2020 from April 30 to June 30 and waiving penalties and interest during the extension.

CITY AND BOROUGH OF SITKA
ORDINANCE NO. 2020-16

AN EMERGENCY ORDINANCE OF THE CITY AND BOROUGH OF SITKA
EXTENDING THE SALES TAX FILING AND REMITTANCE DEADLINES
FOR FIRST QUARTER 2020 FROM APRIL 30 UNTIL JUNE 30
AND WAIVING ANY PENALTIES AND INTEREST DURING THE EXTENSION

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

1. **CLASSIFICATION.** This emergency 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.

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

3. **PURPOSE.** The purpose of this emergency ordinance is to provide much needed relief to persons required to file sales tax returns and remit sales tax to the City and Borough of Sitka by extending the deadline for filing sales tax returns and remitting sales tax, as required in Sitka General Code (“SGC”) 4.09.270.A, for the first quarter of 2020 from April 30 until June 30, and to waive any penalties and interest, as imposed in SGC 4.09.350.A, incurred during said period of extension. More specifically:

WHEREAS, the Assembly recognizes that an emergency exists due to the COVID-19 pandemic that affects the life, health, welfare or property of persons required to file sales tax returns and remit sales tax to the City and Borough of Sitka; and

WHEREAS, the COVID-19 pandemic has caused great personal hardships and inconveniences that have made it extremely difficult for many persons required to file sales tax returns with the City and Borough of Sitka to meet the deadline for filing a return as required in SGC 4.09.270.A; and

WHEREAS, the COVID-19 pandemic has caused great economic hardships to many of the persons required to remit sales tax to the City and Borough of Sitka; and

WHEREAS, while the Assembly acknowledges that the timely filing of sales tax returns and remittance of sales tax, and the related payment of penalties and interest, is important, the significant risk posed to life, health, welfare or property of persons in Sitka by the COVID-19 pandemic, and the resulting personal hardships and inconveniences and economic hardships, requires the enactment of this emergency ordinance.

4. **ENACTMENT.** NOW, THEREFORE, BE IT ENACTED by the Assembly of the City and Borough of Sitka that the deadlines for filing sales tax returns and for remitting sales tax, as required in SGC 4.09.270.A , are extended for the first quarter of 2020 from April 30 until June 30, and any penalties and interest, as imposed in SGC 4.09.350.A, incurred during said period of extension are hereby waived.

5. **EMERGENCY DECLARATION:** In accordance with the Home Rule Charter of the City and Borough of Sitka, Section 3.03 “Emergency Ordinances,” the Assembly of the City and Borough of Sitka hereby declares that an emergency exists that affects the life, health, welfare or property of persons within Sitka for those reasons stated above.

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6. EFFECTIVE DATE. This emergency ordinance shall become effective on the day it is adopted, as an emergency exists as stated above. A public service announcement shall be widely distributed providing public notice of this emergency ordinance.

In accordance with the Home Rule Charter of the City and Borough of Sitka, Section 3.03 “Emergency Ordinances,” this emergency ordinance may be adopted at the meeting which it is presented and shall expire 61 days after adoption, but this shall not prevent re-enactment of this emergency ordinance if the emergency still exists upon expiration. Accordingly, this emergency ordinance is pre-scheduled for re-enactment under unfinished business at the June 9, 2020, regular meeting of the Assembly.

INITIALLY PASSED, APPROVED, AND ADOPTED by the Assembly of the City and Borough of Sitka this 14th day of April 14, 2020.

Gary L. Paxton, Mayor

ATTEST:

Sara Peterson, MMC
Municipal Clerk

1st reading – Emergency Ordinance 4/14/2020 in accordance with Home Rule Charter, Section 3.03.

Re-enactment pre-scheduled for 6/9/2020 to address and extend the 61-day expiration.



CITY AND BOROUGH OF SITKA

Legislation Details

File #: RES 20-08 Version: 1 Name:
Type: Resolution Status: AGENDA READY
File created: 4/9/2020 In control: City and Borough Assembly
On agenda: 4/14/2020 Final action:
Title: Extending the order for people in the City and Borough of Sitka to hunker down related to COVID-19
Sponsors:
Indexes:
Code sections:
Attachments: [Motion and Res 2020-08](#)

Date	Ver.	Action By	Action	Result
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Sponsors: Eisenbeisz / Knox

POSSIBLE MOTION

I MOVE TO approve Resolution 2020-08 on first and final reading extending the order for people in the City and Borough of Sitka to hunker down related to COVID-19.

CITY AND BOROUGH OF SITKA

RESOLUTION NO. 2020-08

EXTENDING THE ORDER FOR PEOPLE IN THE CITY AND BOROUGH OF SITKA TO HUNKER DOWN RELATED TO COVID-19

WHEREAS, on March 24, 2020, the Assembly of the City and Borough of Sitka adopted Resolution No. 2020-06, Ordering People in the City and Borough of Sitka to Hunker Down related to COVID-19 (known as "CBS COVID-19 Order No. 1"); and

WHEREAS, CBS COVID-19 Order No. 1 terminates in accordance with its stated duration on April 14, 2020; and

WHEREAS, the same local emergency circumstances currently exist with respect to the COVID-19 pandemic as existed when CBS COVID-19 Order No. 1 was enacted; and

WHEREAS, the Assembly desires extend the duration of CBS COVID-19 Order No. 1 until April 28, 2020, or until earlier terminated by resolution of the Assembly; and

WHEREAS, this resolution shall have the same effect as an order issued by the Municipal Administrator pursuant to SGC 2.47.010.C.

NOW, THEREFORE, BE IT RESOLVED by the Assembly of the City and Borough of Sitka:

Section 1. Title. This resolution may also be referred to as "CBS COVID-19 Order No. 2."

Section 2. Extension. CBS COVID-19 Order No. 1 is hereby extended in full force and effective until May 12, 2020, unless earlier terminated by resolution of the Assembly. CBS COVID-19 Order No. 1 is attached hereto and incorporated by reference.

Section 3. Effective Date and Duration. This resolution shall be effective immediately after its adoption. A public service announcement shall be widely distributed providing public notice of the orders in this resolution. This resolution shall remain in effect through May 12, 2020.

PASSED, APPROVED, AND ADOPTED by the Assembly of the City and Borough of Sitka, Alaska on this 14th day of April, 2020.

Gary L. Paxton, Mayor

ATTEST:

Sara Peterson, MMC
Municipal Clerk

1st and final reading 4/14/2020

Sponsors: Eisenbeisz / Knox



CITY AND BOROUGH OF SITKA

Legislation Details

File #: RES 20-07 Version: 1 Name:
Type: Resolution Status: AGENDA READY
File created: 4/9/2020 In control: City and Borough Assembly
On agenda: 4/14/2020 Final action:
Title: Authorizing the Municipal Administrator to apply for and execute a grant with the Economic Development Administration (EDA) for up to \$3,000,000 to support the Critical Secondary Water Source Project and the Northern Southeast Regional Aquaculture Association

Sponsors:

Indexes:

Code sections:

Attachments: [Motion Memo and Res 2020-07](#)

Date	Ver.	Action By	Action	Result
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POSSIBLE MOTION

I MOVE TO approve Resolution 2020-07 on first and final reading authorizing the Municipal Administrator to apply for and execute a grant with the Economic Development Administration (EDA) for up to \$3,000,000 to support the Critical Secondary Water Source Project and the Northern Southeast Regional Aquaculture Association.



City and Borough of Sitka

100 Lincoln Street • Sitka, Alaska 99835

MEMORANDUM

To: Mayor Paxton and Assembly Members

From: John Leach, Municipal Administrator *JL*

Reviewed: Michael Harmon, P.E., Public Works Director *MH*
Cliff Richter, P.E., Municipal Engineer *CMR*
Melissa Haley, Controller *MH*

Date: April 6, 2020

Subject: Pursuit of grant funding for the Critical Secondary Water project

Requested Action

Approve Resolution 2020-07 authorizing the City and Borough of Sitka (CBS) Municipal Administrator to apply for and execute a grant with Economic Development Administration (EDA) for up to \$3 million to support the Critical Secondary Water Source Project and Northern Southeast Regional Aquaculture Association (NSRAA).

Summary

The EDA issued a Notice of Funding Opportunity in October 2019 that solicited applications for design and construction projects that advance economic prosperity in distressed communities.

Applicants can apply for grants totaling up to \$3 million and must match the grant amount 50/50 (i.e., a project must have \$3 million in local match to get \$3 million in grant funds). CBS intends to request the maximum grant amount. Existing project funding will serve as local match.

There is no application deadline, but the funding opportunity will not be available after all available funds have been awarded (first come, first served).

NSRAA and CBS are working on a potential partnership to install a water intake to serve our new water filtration plan and the hatchery.

This action item forms a partnership in applying for a grant to help fund needed

improvements and increase the likelihood of high scores on our application. NSRAA will pay for and own any additional infrastructure needed to serve their facility. These grant funds could be used to assist both parties.

NSRAA will be responsible to pay for all expenses for their needed improvements. CBS will reimburse funds received under this grant program at a 50/50 match ratio based on actual cost for needed NSRAA improvements. If we do not receive grant funds, NSRAA will be required to pay 100% of their cost.

It is proposed to set the limit on the total NSRAA reimbursement at one-third the total grant amount awarded, and for CBS to provide all necessary grant and project administration for NSRAA. CBS would not deduct that cost from their reimbursements.

The grant-scoring criteria award points for such items as:

- The extent to which the project demonstrates support from regional stakeholders;
- The project's ability to foster retention of high-quality jobs
- The extent to which the project will enable the community to become more economically prosperous.

Fiscal Note

The project is fully funded, with the majority of the funding in the form of a low-interest (1.5563%) ADEC loan. The following is the current approved budget breakdown:

Water Fund Working Capital	\$	530,000
<u>ADEC Loan</u>	\$	<u>17,620,000</u>
Total	\$	18,150,000

If this grant is awarded, it would reduce the loan amount dollar for dollar. For example, this could result in an annual reduction of \$117,000 in debt service if \$2 million in grant funds were utilized for CBS infrastructure.

The infrastructure solely owned by NSRAA would be funded by the grant on a cost reimbursement basis for each dollar they put in they would receive one dollar of grant funds. As proposed, that would be up to a maximum of one-third of the total grant amount.

As this project is already funded with an ADEC loan, which consists of both Federal and State funding, federal procurement standards are already being followed and thus no additional burden is anticipated should this grant be awarded.

The actual cost of the NSRAA component of the work is not yet known. The cost will depend on design calculations that have not yet been completed to size the pumping vault, the pumps, the electrical requirements and other design elements.

Background

CBS is in the process of designing a water filtration plant that will provide potable water to our customers when the Blue Lake Dam penstock is not available. The project will require the design and construction of an intake structure in Sawmill Creek to collect raw water and deliver it by gravity to pumps that will, in turn, deliver the water to the new filter plant. The project is fully funded with a combination of Water Fund working capital and a loan from the Alaska Department of Environmental Conservation (ADEC) State Revolving Loan Program. Public Works staff have identified a grant-funding opportunity that would offset some of the ADEC loan and would like to pursue this opportunity.

NSRAA uses the Blue Lake penstock to provide water to its hatchery at Gary Paxton Industrial Park. Because of this, NSRRA will also need a means to deliver water to its hatchery when the penstock is unavailable.

Figure 1 shows the proposed project's key features: a shared intake in Sawmill Creek, a shared raw water line, and individual pumping vaults to deliver raw water to the CBS filter plant and the NSRAA hatchery. The Critical Secondary Water project budget supports the CBS portion of this project but would not provide enough money without the additional grant to build the NSRAA infrastructure. The sharing of this grant could both subsidize the CBS project and support the fishing industry.

Without additional grant funding, CBS would not be able to financially assist NSRAA meet the hatchery's needs when the penstock is unavailable. CBS would need to build an intake and raw water line for our own needs and would still work with NSRAA to share this infrastructure to the extent it works for both parties.

Additional information on the project can be found on the CBS Projects web page:

<https://www.cityofsitka.com/government/departments/publicworks/projects.html>



NORTHERN SOUTHEAST REGIONAL AQUACULTURE ASSOCIATION, INC.
1308 Sawmill Creek Road
Sitka, Alaska 99835
Office: (907) 747-6850 fax:(907) 747-1470 Email:scott_wagner@nsraa.org

MEMORANDUM

To: Mayor Paxton and Assembly Members
From: Scott Wagner, General Manager
Date: March 18, 2020
Subject: Pursuit of grant funding for the Critical Secondary Water project

NSRAA supports Resolution 2020-07 authorizing the City and Borough of Sitka (CBS) Municipal Administrator to apply for and execute a grant with the Economic Development Administration (EDA) for up to \$3 million to support the Critical Secondary Water Source Project and Northern Southeast Regional Aquaculture Association.

NSRAA uses the Blue Lake penstock to provide water to its hatchery at Gary Paxton Industrial Park. NSRRA also needs a means to deliver water to its hatchery when the penstock is unavailable. During planned or emergency penstock outages our facility lacks a reliable means of backup supply. The development of the secondary water source will have economic benefits to all users and industries in Sitka. The commercial salmon fishing sector and processors are strong economic drivers in the community.

NSRAA's Sawmill Creek Hatchery in the Gary Paxton Industrial Park is a large contributor to the local salmon fleet and the region as a whole producing approximately 1.8 million coho salmon smolt and 45 million chum salmon fry annually. Fish reared at Sawmill Creek Hatchery are released at two local sites, Deep Inlet and Crawfish Inlet. Crawfish Inlet, in particular, has been a huge success for the local salmon fleet contributing over \$8.35 million in ex-vessel value in 2019, and a total economic benefit to the salmon fleet in 2018 of over \$14 million dollars. In a dismal wild fish return year in 2019 the Crawfish Inlet project provided approximately 9.4% of the entire value ex-vessel to salmon fishermen in all of SE Alaska.

Additionally, NSRAA is in the process of expanding production at the facility for up to 2 million chinook salmon smolts. The secondary water source will provide water security for NSRAA's existing and proposed future water needs. In a planned penstock outage it would be necessary to reduce or eliminate production from the facility for an entire rearing year. This occurred during the Blue Lake Dam raise project in 2014 and 50% of the coho production was cut as those fish were transferred to Medvejie Hatchery during the penstock outage. In an emergency the reliability of the Blue Lake afterbay pumps source water puts the entire production of the facility at risk of catastrophic loss.

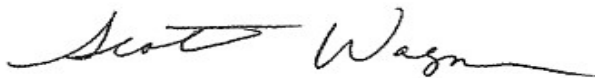
Currently the estimated cost of the NSRAA portion of the project is within the ability of NSRAA to fund and NSRAA is committed to matching its portion of the grant. Partnering with the CBS on the EDA application will help to bolster and demonstrate additional economic benefit to the community. NSRAA appreciates the CBS taking the initiative to seek grant funding for the project which will benefit rate payers and one of the largest economic drivers of the local economy and tax base.

Once the Secondary water source is constructed NSRAA is ready and willing to assist in routine inspection, testing and maintenance. Should the CBS and NSRAA be fortunate enough to secure this grant funding a Memorandum of Understanding would be created delineating the shared responsibilities. The water use agreement with the CBS for Sawmill Creek Industrial Water is a good example of this type of shared arrangement. NSRAA has been actively engaged in the routine inspection, testing and operation of the existing afterbay pumps since they were installed in 2014.

Thank you for the opportunity to provide this support and background information. NSRAA appreciates the mutually beneficial relationship with the CBS. This project will benefit the CBS as well as local fish processors and commercial salmon fishermen which are one of the primary drivers of the local economy and property tax base.

I am available if any assembly members have questions related to this project or arrangement.

Sincerely,

A handwritten signature in black ink that reads "Scott Wagner". The signature is fluid and cursive, with a long horizontal line extending from the end of the name.

Scott Wagner
General Manager

CITY AND BOROUGH OF SITKA

RESOLUTION NO. 2020-07

A RESOLUTION OF THE CITY AND BOROUGH OF SITKA AUTHORIZING THE MUNICIPAL ADMINISTRATOR TO APPLY FOR AND EXECUTE A GRANT WITH THE ECONOMIC DEVELOPMENT ADMINISTRATION (EDA) FOR UP TO \$3,000,000 TO SUPPORT THE CRITICAL SECONDARY WATER SOURCE PROJECT AND THE NORTHERN SOUTHEAST REGIONAL AQUACULTURE ASSOCIATION

WHEREAS, both the City and Borough of Sitka (CBS) Water Division and the Northern Southeast Regional Aquaculture Association (NSRAA) need a means to provide water to their facilities in Gary Paxton Industrial Park when the Blue Lake penstock is unavailable; and

WHEREAS, CBS has developed a preliminary design to construct an intake in Sawmill Creek to meet its water needs; and

WHEREAS, some of the CBS's proposed intake infrastructure could be used to meet NSRAA's needs; and

WHEREAS, CBS has identified a grant-funding opportunity that would benefit from NSRAA's inclusion on the application; and

WHEREAS, CBS is supportive of NSRAA's hatchery operation and recognizes its economic benefits; and

WHEREAS, CBS will reimburse funds received under this grant program at a 50/50 match ratio based on actual cost for needed NSRAA improvements up to a maximum of 1/3rd of the total grant amount awarded to CBS.

NOW, THEREFORE, BE IT RESOLVED by the Assembly of the City and Borough of Sitka to authorize the CBS Municipal Administrator to apply for and execute a grant with the Economic Development Administration (EDA) for up to \$3 million to support future design and construction of water collection and delivery infrastructure to the benefit of both CBS and NSRAA; and to use already allocated project funds for the required 50/50 local match.

PASSED, APPROVED, AND ADOPTED by the Assembly of the City and Borough of Sitka, Alaska on this 14th day of April, 2020.

Gary L. Paxton, Mayor

ATTEST:

Sara Peterson, MMC
Municipal Clerk

1st and final reading 4/14/2020

Sponsor: Administrator



CITY AND BOROUGH OF SITKA

Legislation Details

File #: 20-088 Version: 1 Name:
Type: Item Status: AGENDA READY
File created: 4/9/2020 In control: City and Borough Assembly
On agenda: 4/14/2020 Final action:
Title: Approve hire offer for Scott Elder as Utility Director
Sponsors:
Indexes:
Code sections:
Attachments: [Motion and Memo Utility Director](#)

Date	Ver.	Action By	Action	Result
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POSSIBLE MOTION

I MOVE TO approve the hire offer for Utility Director Scott Elder as recommended by the Municipal Administrator.



City and Borough of Sitka

100 Lincoln Street • Sitka, Alaska 99835

MEMORANDUM

To: Mayor Paxton and Assembly Members

From: John Leach, Municipal Administrator

Date: April 9, 2020

Subject: Utility Director

Background

Sitka's previous Utility Director resigned last fall, and the City has been seeking another Director since then. Jeff Wheeler has been serving as the Acting Director during the interim.

Analysis

Scott Elder has been with the Army Corps of Engineers for the past 9 years working on the Little Goose Lock and Dam Project and the McNary Lock and Dam Project. He received a General Journeyman Electrician license for the State of Oregon following a five-year apprenticeship. He has considerable experience in the repair, disassembly, and overhaul of large fixed industrial hydroelectric generators and pertinent equipment.

Our interview committee consisted of myself, Jeff Wheeler, Erin Clay, and Melissa Haley. The committee unanimously supports the hiring of Scott as our new Utility Director.

Fiscal Note

The Utility Director is funded at Range 44J in the FY21 budget. I made the following offer to Mr. Elder which he has accepted:

Starting wage range 44I, full-time, benefitted
Beginning annual leave balance of 40 hours
Annual leave accrual rate of 152 hours per year per the personnel policy
Sick leave accrual rate in accordance with the personnel policy
Two (2) month severance pay package within a term of five (5) years

Moving allowance up to \$15,000 (large family) based upon approved receipts.

Recommendation

Hire Scott Elder as Sitka's Utility Director under the terms stated above.



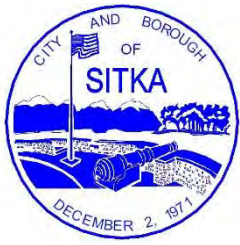
CITY AND BOROUGH OF SITKA

Legislation Details

File #: 20-091 Version: 1 Name:
Type: Item Status: AGENDA READY
File created: 4/10/2020 In control: City and Borough Assembly
On agenda: 4/14/2020 Final action:
Title: Discussion / Direction on No Name Mountain and Granite Creek Master Plan
Sponsors:
Indexes:
Code sections:
Attachments: [Discussion Direction No Name Mtn](#)

Date	Ver.	Action By	Action	Result
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Discussion / Direction
on No Name Mountain and Granite Creek
Master Plan.




City and Borough of Sitka

100 Lincoln Street • Sitka, Alaska 99835

Coast Guard City, USA

Memorandum

To: Mayor Paxton and Assembly Members

Through: John Leach, Municipal Administrator 

From: Amy Ainslie, Director, Planning and Community Development /s
Scott Brylinsky, Special Projects Manager /s

Subject: **No Name Mountain/Granite Creek Master Plan Project, Status Report #4 w/Planning Commission recommendation**

Date: April 3, 2020

Background

The rapid spread of, and response to, COVID-19 is changing how the community does business on all levels. As the situation has developed, staff has considered how to proceed with this project.

Status

Based on current public health protocols, we have cancelled the public meetings previously scheduled for April 7th and 8th, with no plans to reschedule the meetings. We have been in discussions with the consultant team on options for continuing work on the project in light of current public health conditions.

At the April 2 Planning Commission special meeting, the Commission in their role as the steering committee for the project, considered some options for moving forward, which ranged from terminating the project now to continuing under an extended timeframe.

The discussion resulted in the following motion:

Motion by Commissioner Hughey, seconded by Commissioner Weaver, passed 4-0.

M-Hughey/S-Weaver moved to recommend moving forward with the No Name Mountain/Granite Creek Master Plan, using an interactive website in lieu of public meetings and keeping all other contract terms including the completion target of mid-June. This would be re-evaluated in mid-May to gauge the level of public involvement; the project timeline may be extended if the Commission is unsatisfied with the result. Motion passed 4-0 by roll call vote.

Intent of this option would be to realize the full benefit of the project with final study recommendations based on public input. The draft plan would still be presented to the Planning Commission and Assembly in late May as scheduled. However, the interactive webpage would allow members of the community to be engaged and provide input at their convenience over a two-week period, instead of attending a public meeting at a fixed date and location. Notification of the webpage would be posted on

City’s website, local paper, radio, social media, etc. Public participation via the webpage could actually turn out to be greater than with the public meeting. Cons of this option are the community focus is now on public health concerns, and the public may not want to think about or be engaged in the planning study.

Public Outreach to Date

Diverse public input is central to a successful plan. We recognize that some of our most knowledgeable and experienced citizens may not be inclined to attend public meetings, or be technologically comfortable enough to participate via web-based platforms. Both the consultants and staff have made direct outreach to over 50 community members, representing individuals and businesses involved in fields including, but not limited to, earthwork and construction, real estate, and tribal government.

Note on contract terms

The contract provides the city with the option to terminate the contract at the owner’s convenience with 10-days written notice. Consultant must provide all work products to date under this provision.

The contract may be amended by mutual consent of the parties. It is the judgment of staff that the modification to the planning process described in this memo constitutes a change to the tactics of the project, but not the overall goals, deliverables, or timeline of the contract, and therefore does not require a formal contract amendment.

Recommendation and Path Forward

Staff supports the Planning Commission’s recommendation. We believe it provides a path forward on the project as well as providing value for the community. While recognizing that community life, business, and government may temporarily be altered by the COVID-19 outbreak, Sitka still has a future, and some sort of normalcy will eventually return. The need for a land-use plan for this large parcel remains.

As of now no direction has been given to change course on this project. Staff is moving forward with the plan unless direction is given to reconsider.

Action requested

We recognize that the Assembly’s focus at this time is on high-priority public health concerns and other matters requiring immediate action. Staff does not wish to distract from these high priority items unless requested.

No formal action is requested unless the Assembly or any Assembly member indicates a desire for an action item on this project.



CITY AND BOROUGH OF SITKA

Legislation Details

File #: 20-089 Version: 1 Name:

Type: Item Status: AGENDA READY

File created: 4/10/2020 In control: City and Borough Assembly

On agenda: 4/14/2020 Final action:

Title: Discussion / Direction on options available to reduce the economic impacts on citizens / businesses related to the COVID-19 pandemic

Sponsors:

Indexes:

Code sections:

Attachments: [Discussion Direction Economic Impacts](#)

Date	Ver.	Action By	Action	Result
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Sponsors: Nelson / Christianson

Discussion / Direction

on options available to reduce the economic impacts of citizens / businesses related to the COVID-19 pandemic.



CITY AND BOROUGH OF SITKA

Legislation Details

File #: 20-093 Version: 1 Name:

Type: Item Status: AGENDA READY

File created: 4/14/2020 In control: City and Borough Assembly

On agenda: 4/14/2020 Final action:

Title: Discussion on rescheduling the April 21 evaluations of the Municipal Administrator and Municipal Attorney

Sponsors:

Indexes:

Code sections:

Attachments: [Discussion Direction rescheduling evals](#)

Date	Ver.	Action By	Action	Result
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Sponsors: Knox / Eisenbeisz

Discussion / Direction

on rescheduling the April 21 evaluations of the
Municipal Administrator and Municipal Attorney.

Note: The process is established by resolution, see attached, not codified.

Resolutions that govern the evaluation process

RESOLUTION NO. 93-545

A RESOLUTION OF THE CITY AND BOROUGH OF SITKA
AMENDING RESOLUTION 91-474
CHANGING THE EVALUATION OF THE MUNICIPAL ATTORNEY
AND MUNICIPAL ADMINISTRATOR TO ANNUALLY

WHEREAS, timely scheduled performance evaluations of the Municipal Administrator and the Municipal Attorney by the Assembly will serve to promote effective job performance and communication between the Assembly and its appointees; and

WHEREAS, annual evaluations of these positions are sufficient; and

WHEREAS, the Assembly for whom the Administrator and Attorney have worked should do the evaluating.

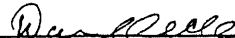
NOW, THEREFORE, BE IT RESOLVED by the Assembly of the City and Borough of Sitka that:

Resolution 91-474 is amended as follows:

Subsection (a) is amended to read: Regular performance evaluations shall occur on the third Tuesdays of April of each calendar year for the Municipal Administrator and the Municipal Attorney.


Subsection (b) is amended to provide that the Municipal Clerk shall provide evaluation forms in March of each year for the Attorney and the Administrator to be completed and submitted to the Municipal Clerk.

PASSED, APPROVED, AND ADOPTED by the Assembly of the City and Borough of Sitka, Alaska on this 24th day of August, 1993.



Dan Keck, Mayor

ATTEST



Colleen Pellett
Municipal Clerk

245

245

RESOLUTION 91-474

A RESOLUTION OF THE ASSEMBLY OF THE CITY AND BOROUGH OF SITKA
AMENDING
RESOLUTION 88-363
TO PROVIDE FOR SEMI-ANNUAL EVALUATIONS
OF THE ADMINISTRATOR AND ATTORNEY

WHEREAS, timely and regularly scheduled performance evaluations of the Municipal Administrator and the Municipal Attorney by the Assembly will serve to promote effective job performance and communication between the Assembly and its appointees; and

WHEREAS, the Assembly has determined that a semi-annual performance evaluation policy should be established.

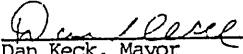
NOW, THEREFORE, BE IT RESOLVED by the Assembly of the City and Borough of Sitka that:

Resolution 88-363 is amended as follows:

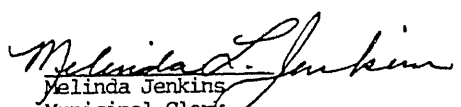
Subsection (a) is amended to read: Regular performance evaluations shall occur on the third Tuesdays of April and October of each calendar year. Special performance evaluations shall be provided as deemed necessary by the Assembly.

Subsection (b) is amended to provide that the Clerk shall provide evaluation forms in September and March of each year to be completed and submitted to the Municipal Clerk.

PASSED, APPROVED, AND ADOPTED by the Assembly of the City and Borough of Sitka, Alaska on this 14th day of May, 1991.


Dan Keck, Mayor

ATTEST:


Melinda Jenkins
Municipal Clerk

CITY AND BOROUGH OF SITKA

RESOLUTION NO. 88-363

A RESOLUTION OF THE ASSEMBLY OF THE
CITY AND BOROUGH OF SITKA
ESTABLISHING A POLICY OF PROCEDURE
RELATING TO PERFORMANCE EVALUATIONS OF THE
ADMINISTRATOR AND THE ATTORNEY

WHEREAS, timely and regularly scheduled performance evaluations of the municipal administrator and the municipal attorney by the Assembly will serve to promote effective job performance and communication between the Assembly and its appointees; and

WHEREAS, the Assembly has determined that a performance evaluation policy should be established as set forth herein,

NOW, THEREFORE, BE IT RESOLVED by the Assembly of the City and Borough of Sitka that:

The following policies and procedures shall be applicable to the performance evaluation of the municipal administrator and the municipal attorney.

(a) Regular performance evaluations shall begin on the third Tuesday of April of each calendar year. Special performance evaluations shall be provided as deemed necessary by the Assembly.

(b) The Assembly shall be provided evaluation forms in March of each year to be completed and submitted to the municipal clerk one week prior to the date of evaluation, to be compiled and correlated by the municipal clerk. The administrator and the attorney shall also complete the evaluation form to be submitted to the Assembly at the evaluation executive session.

(c) The Assembly, upon proper motion for an executive session and a majority vote of the Assembly approving the motion, shall discuss the performance evaluation in an executive session, unless the employee being evaluated requests a public discussion. The evaluation documents shall be considered confidential, unless otherwise requested by the employee.

(d) Performance evaluations shall be based upon evaluation criteria adopted by the Assembly for each position, the position description, and previously set tasks or goals.

(f) As part of the performance evaluation, the pertinent position description shall be reviewed and, if necessary, revised so as to accurately reflect the duties and responsibilities of the position.

PASSED, APPROVED, AND ADOPTED by the Assembly of the City and Borough of Sitka, Alaska this 26th day of JANUARY, 1988.


John E. Dapcevich Mayor

ATTEST:


Dolores Ingwersen CMC
Municipal Clerk