



CITY AND BOROUGH OF SITKA

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

Meeting Agenda

City and Borough Assembly

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

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

Tuesday, December 27, 2016

6:00 PM

Assembly Chambers

REGULAR MEETING

I. CALL TO ORDER

II. FLAG SALUTE

III. ROLL CALL

IV. CORRESPONDENCE/AGENDA CHANGES

[16-217](#) Reminders, Calendars and General Correspondence

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

[Public Works Update Dec 2016.pdf](#)

V. CEREMONIAL MATTERS

none anticipated

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

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** [16-216](#) Approve the minutes of the December 13 Assembly meeting

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

X. BOARD, COMMISSION, COMMITTEE APPOINTMENTS

- B** [16-215](#) Reappoint Scott Wagner to a term on the Local Emergency Planning Committee

Attachments: [Wagner application.pdf](#)

XI. UNFINISHED BUSINESS:

- C** [ORD 16-44](#) Adjusting the FY17 Budget (CAMA Project, Wayfinding Signage Project, Commercial Passenger Excise Tax Fund)

Attachments: [ORD 2016-44.pdf](#)

[CAMA project documents.pdf](#)

[Wayfinding Signage Project..pdf](#)

- D** [ORD 16-45](#) Amending Sitka General Code Chapter 4.12 entitled "Property Tax" to exempt all personal property except business personal property, and non-light aircraft from personal property taxation

Attachments: [Ord 2016-45 and memos.pdf](#)

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

- E** [ORD 16-47A](#) Amending Sitka General Code at Title 10 "Public Peace, Safety and Morals", Chapter 10.25 "Cellular Phone Use While Driving", by adding Section 10.25.040 entitled "Penalties" (first reading as amended)

Attachments: [Motion ORD 2016-47A.pdf](#)

[Ord 2016-47A.pdf](#)

Additional New Business Items

F [16-214](#) Discussion/Direction/Decision on Municipal Quota Entity

Attachments: [Municipal Quota Entity.pdf](#)

XIII. PERSONS TO BE HEARD:

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

XIV. EXECUTIVE SESSION

XV. ADJOURNMENT

*Sara Peterson, CMC
Municipal Clerk
Publish: December 23*



CITY AND BOROUGH OF SITKA

Legislation Details

File #: 16-217 **Version:** 1 **Name:**
Type: Correspondence **Status:** AGENDA READY
File created: 12/21/2016 **In control:** City and Borough Assembly
On agenda: 12/27/2016 **Final action:**
Title: Reminders, Calendars and General Correspondence
Sponsors:
Indexes:
Code sections:
Attachments: [Reminders and Calendars.pdf](#)
[Public Works Update Dec 2016.pdf](#)

Date	Ver.	Action By	Action	Result
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REMINDERS

<u>DATE</u>	<u>EVENT</u>	<u>TIME</u>
Tuesday, December 27	Regular Meeting	6:00 PM
Tuesday, January 10	Regular Meeting	6:00 PM
<i>Wednesday, January 11</i>	<i>Joint Worksession: Assembly/School Board Location – School District Offices</i>	<i>6:00 PM</i>
<i>Tuesday, January 17</i>	<i>Tentative – Govt to Govt Dinner Location - to be announced</i>	<i>5:30 PM</i>



Assembly Calendar

2015 Jan Feb Mar Apr May Jun Jul Aug Sep Oct Nov Dec 2017

December 2016

Sunday	Monday	Tuesday	Wednesday	Thursday	Friday	Saturday
27 Nov	28	29	30	1 Dec	2	3
Hunter	Hunter 6:00pm Joint Worksession: Hospital Board/Assembly - SCH/SEARHC Collaboration Project	Eisenbeisz 6:00pm Police and Fire Commission - Harrigan Centennial Hall	Eisenbeisz	Eisenbeisz 1:30pm - 3:30pm SEDA Board Meeting	Eisenbeisz	
4	5	6	7	8	9	10
		7:00pm Planning	7:00pm Library Board	12:00pm LEPC	Potrzuski	Potrzuski
11	12	13	14	15	16	17
Potrzuski	Potrzuski	Potrzuski 5:00pm Worksession: Property Tax Administrative Changes 6:00pm <u>Regular Assembly Mtg</u>	Potrzuski 12:00pm Health Needs & Human Services Commission 6:00pm Port & Harbors 6:00pm Historic Preservation	Potrzuski	Potrzuski	Potrzuski
18	19	20	21	22	23	24
Potrzuski	Potrzuski	Potrzuski 12:00pm Tree/Landscape 7:00pm <u>Planning</u>	Potrzuski Guevin	Potrzuski Guevin 6:00pm Hospital Board Meeting	Potrzuski Guevin	Potrzuski Guevin Eisenbeisz
25	26	27	28	29	30	31 <i>Jan</i>
Potrzuski Guevin Eisenbeisz CHRISTMAS	Potrzuski Guevin Eisenbeisz	Potrzuski Guevin Eisenbeisz 6:00pm <u>Regular Assembly Mtg</u>	Potrzuski Guevin Eisenbeisz Hunter 6:00pm Police and Fire Commission - Fire Hall	Potrzuski Guevin Eisenbeisz Hunter	Guevin Eisenbeisz Hunter	Guevin Eisenbeisz Hunter

Assembly Calendar

[2016](#) [Jan](#) [Feb](#) [Mar](#) [Apr](#) [May](#) [Jun](#) [Jul](#) [Aug](#) [Sep](#) [Oct](#) [Nov](#) [Dec](#) [2018](#)

January 2017

Sunday	Monday	Tuesday	Wednesday	Thursday	Friday	Saturday
1 Jan	2	3	4	5	6	7
Guevin Eisenbeisz Hunter	Guevin Eisenbeisz Hunter	Guevin Eisenbeisz 7:00pm Planning	Guevin Eisenbeisz 7:00pm Library Board	Guevin Eisenbeisz 1:30pm - 3:30pm SEDA Board Meeting	Guevin Eisenbeisz	Guevin Eisenbeisz
8	9	10	11	12	13	14
Guevin Eisenbeisz	Guevin Eisenbeisz	Guevin Eisenbeisz 6:00pm <u>Regular Assembly Mtg</u>	Guevin Eisenbeisz 12:00pm Health Needs & Human Services Commission 6:00pm Port & Harbors 6:00pm Historic Preservation 6:00pm Assembly worksession with School Board re: budget - School District Offices	Eisenbeisz 12:00pm LEPC	Eisenbeisz	Eisenbeisz
15	16	17	18	19	20	21
		12:00pm Tree/Landscape 7:00pm Planning				
22	23	24	25	26	27	28
		6:00pm <u>Regular Assembly Mtg</u>	6:00pm Police and Fire Commission - Fire Hall	6:00pm Hospital Board Meeting		
29	30	31	1 Feb	2	3	4
		12:00pm Parks & Rec	7:00pm Library Board	1:30pm - 3:30pm SEDA Board Meeting		

PUBLIC WORKS ASSEMBLY UPDATE
WORK COMPLETED NOVEMBER 2016

Landslide Disaster Repair:

Milestones This Period

- Contractor has removed all debris from the Blue Lake site.
- Reconstruction of the open ditch on Blue Lake and Green Lake Road is 90% complete.
- CBS Insurance adjustor arrived in Sitka to provide a damage assessment of the GPIP Administrative building.

Future Milestones

- Completion of final paperwork and closeout of Category A – Debris Removal.
- Compile a bid package for the repairs to the GPIP Administration Building December 2016 to incorporate results of insurance adjustor damage assessment.

Background

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

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

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

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

Harrigan Centennial Hall (HCH) Renewal:

Milestones This Period

- The Construction Contract Punch List Items were completed for project “Physical Completion”.
- Installation and programming of the AV Equipment Package is approximately 98% complete and there are still outstanding programming issues punch list items being addressed and corrected.
- More Staff training for use of new building systems, operations, and maintenance.
- Furniture, Fixtures, and Equipment (FF&E) procurement is still under way.

Future Milestones

- The major portion of the HCH Furniture Order due to arrive mid-December 2016.

- Complete Kitchen Equipment and Maintenance Equipment procurement.
- Final Completion of the project (closeout of all paperwork).

Background

The current funding includes four State grants totaling \$11,500,000; a \$1,991,271 FY'10 Legislative Grant designated for a lightering facility visitor's center (previously planned for under the O'Connell Bridge), \$1,180,000 FY'11 CPET Head Tax grant, \$1,400,000 Marine Passenger Funds, \$232,620 heat pump grant, and \$66,000 from the Sitka Historical Society for a total project budget/funds of \$16.4 million.

Airport Terminal Upgrades:

Milestones This Period

- The baggage screening consultant submitted preliminary baggage screening layouts to the Architect and CBS for the **TSA baggage screening design grant project**. These layouts were deemed inadequate as this design does not address the many problems that exist with passenger flow, through-put, fish boxes, and baggage during the Visitor season and in fact, further impact these existing problems.
- Staff met and discussed the narrow scope (baggage screening improvements only) of the TSA grant funds. It was determined that it was in the CBS best interest to pursue new PFC funding to address the bigger picture and resolve the airport terminal passenger and baggage flow problems.
- Confirmed the funds remaining from the last PFC can be spent for the baggage make up area corrections and that a new PFC is required to fund the other modifications needed.
- Set a meeting date in January with TSA to discuss the schedule change and put the baggage design on hold for now, as Assembly approval will be required to pursue PFC funding for a more comprehensive design/construction solution.

Future Milestones

- Prepare PFC funding plan for Assembly approval.
- Revise the preliminary TSA Baggage Screening Design Project Schedule to be combined with a comprehensive project schedule (with Assembly approval).

Background

Airport Terminal Master Plan, approved by the Assembly in (2008-date?) called for corrections to three critical Sitka airport terminal building deficiencies, including (1) working conditions in the baggage make-up area and (2) working conditions in the TSA baggage screening area. CBS addressed the third deficiency – the lack of hold-area rest rooms –in 2010.

TSA offered Sitka \$158,569.25 grant funds to design improvements to the TSA Baggage Screening Area. Other areas impacted by these design changes are ineligible for the TSA design funding. It is permitted for the PFC funds previously collected to be spent correcting deficiencies in the other two areas noted in the Master Plan. Additional PFC funding is required for a comprehensive solution to the many issues inherent in the function of the Sitka Airport Terminal Building.

Seaplane Base:

Milestones This Period

- Revised Siting Study completed.

Future Milestones

- Awaiting FAA response to request for Sitka Seaplane Base entry into National Plan of Integrated Airport Systems which would allow for future grant funding. Project in holding status until such time.

Background

In August 2002, the Sitka Seaplane Base Master Plan was completed to include a Condition & Needs Assessment and Master Plan Alternatives Report. The plan considered 12 alternative sites for a new seaplane base and found the north end of Japonksi Island, between the Coast Guard Base and the cove behind the SEARHC buildings on Seward Avenue was the best alternative. In February 2009, the Assembly unanimously approved Resolution 2009-35 "Supporting the development of the Sitka Seaplane Base." This approved staff applying for and executing a Federal Aviation Administration (FAA) Airport Improvement Program grant for up to \$500,000 to develop the siting plan, issues resolution, design, environmental, and permitting phases of the project. Utilizing proceeds from that grant, in June 2012, an updated Sitka Seaplane Base Siting Analysis was completed which considered a new site and redevelopment of the existing site in addition to the previously recommended Japonski site. The Japonski site was again selected as the preferred site. The findings of this study were presented to the Port and Harbors Commission on April 11, 2012 where they unanimously approved further study of the Japonski Island site. Due to a decline in the number of based aircraft, FAA requires an update to the Siting Study prior to application for any potential future grant funds for this project.

Gary Paxton Industrial Park Dock:

Milestones this Period

- Design/Build contract awarded to Turnagain Marine Construction on November 22, 2016.
- Kickoff meeting held on November 30, 2016.
- Assembly approved establishing a project contingency of \$250,000 utilizing \$125,000 from the Bulk Water Fund and \$125,000 from the GPIP Enterprise Fund on first reading on November 22, 2016.

Future Milestones

- Assembly to consider establishment of project contingency on second reading on December 13, 2016.
- Design development in early 2017.
- Construction anticipated June – August 2017.

Background

The project is funded by a designated Legislative Grant, administered by the State of Alaska, Dept. of Commerce, Community & Economic Development, and Division of Community & Regional Affairs. The total amount of the grant is \$7.5 million. The project is administered by Public Works and the GPIP Director, Garry White. A design/build contract was awarded to Turnagain Marine Construction in the amount of \$6,800,000 on November 22, 2016. Substantial completion is anticipated in Fall 2017.

Jeff Davis Street Reconstruction Project:

Milestones This Period

- Contractor cleaned up after Phase I (Sawmill Creek Road to John Brady Street) paving.
- CBS opened all of Jeff Davis to traffic during the winter shutdown period.

Future Milestones

- Substantial completion was initially scheduled for September 30. However, due to the unanticipated replacement of a portion of the sewer main, the project was broken into two phases: north of John Brady (Phase I) and south of John Brady (Phase II). The portion north of John Brady is complete; the section south of John Brady will be completed in Spring 2017 after a winter construction shutdown.

Background

The project includes replacement of approximately 50-year old undersized water main with new, large diameter pipe within Jeff Davis Street and replacing the existing storm drainage infrastructure, pavement, curb, gutter and sidewalks. The project will also improve the sewer service to four homes on Jeff Davis Street currently served by a collection main crossing private property. Funding for the project is provided by the following sources; \$644,000 FY2015 ADEC Grant, \$812,000 FY2014 ADEC Water Loan, \$225,000 from 2016 General Fund and \$110,000 from 2017 General Fund.

Landfill and Crescent Lift Station Replacement:

Milestones This Period

- Opened construction bids for Landfill Lift Station Improvements project. Issued Notice of Award to Coastal Excavation on November 30, 2016.
- Completed 35 percent drawings for Crescent Lift Station Replacement project.

Future Milestones

- Landfill lift station construction complete by mid-April 2017.
- Crescent design to be complete by mid-February 2017. Construction complete by mid-July 2017

Background

The project includes replacement of the Landfill Lift Station and force main pipe at the end of Tilson Street and the Crescent Lift Station adjacent to the Sitka Sound Science Center. The pumps and components of both lift stations are inefficient, obsolete and, in the case of the Landfill Lift Station, corroded due to the landfill leachate it is pumping to the wastewater treatment plant. There have also been four force main break within the past 2 years. Funding for the project is provided by the following sources: Two separate ADEC loans (the Lake, Monastery, Channel and Landfill lift station loan; and a separate Crescent lift station loan) and the wastewater fund.

Eagle Way and Old Harbor Mountain Road Utility and Road Upgrades:

Milestones This Period

- Reviewed project submittals from Contractor.
- Reviewed revision to Eagle Way road section to add parking lane.

Future Milestones

- Construction is anticipated April 2017 with completion required by June 30, 2017.
- Change order to account for Eagle Way road section revisions.

Background

The project will include a minimum of 24-foot-wide paved road, storm drainage, water main and services, and possible pedestrian amenities within Eagle Way. The project will also include a minimum of 24-foot wide paved road and storm drain improvements within Old Harbor Mountain Road. Funding for the project consists of a \$1,500,000 Commerce Community and Economic Development Grant.

Nelson Logging Road Upgrades:

Milestones This Period

- Public Meeting held November 9, 2016

Future Milestones.

- Cultural Investigation Report December 2016
- Wetlands Report December 2016
- Final Design (100%) anticipated February 2017
- Construction is anticipated for Spring 2017.

Background

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

Sitka 2016-17 Paving Project:

Milestones This Period

- Final Design Change order approved 12/6/16

Future Milestones

- Begin 65% design December 2016
- Final Design complete March 2017
- Advertisement for bids early 2017.
- Construction is anticipated in spring/summer 2017.

Background

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

\$ 500,000	CBS Capital Improvement Lincoln Street – Jeff Davis to SNHP FY16
\$1,130,000	CBS Capital Improvement Katlian Avenue FY16
\$ 310,000	CBS Capital Improvement Gavin Street – Brady to Cascade FY15 & FY16
\$ 385,000	CBS Capital Improvement Brady Street Pavement & Sewer FY17
\$ 405,000	CBS Capital Improvement Kashevaroff Street Pavement, Water & Sewer FY17
\$ 50,000	CBS Capital Improvement Sitka Hospital Emergency Entrance FY17
\$ 30,000	CBS Capital Improvement Lincoln Street, Water & Sewer FY17
<u>\$ 50,000</u>	CBS Capital Improvement Katlian Avenue, Water & Sewer FY17
\$ 2,860,000	Total Project Funding

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

Milestones This Period

- Received \$1.8 million dollar grant from Federal Highway Administration. Funds will be made available in October 2018.
- Sitka Trail Works coordinated a public meeting November 29 to solicit input on two alignment options. Meetings also conducted with SEDA (December 8) and Sitka Parks & Rec committee (December 18) for comment.

Future Milestones

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

Background

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

Water

- The water division completed the annual flushing of the distribution system. This is a systematic process that removes sediment that has settled in the pipes. The flushing is done through fire hydrants and blow-offs and takes approximately 9 days to complete. The water crew come in during the early morning hours in order to minimize the disruption to the users. During the flushing, four fire hydrants were found to be in need of repair. Two have since been repaired and parts have been ordered for the others.
- The Senior Water Operator is in the process of updating the lead and copper sample siting program. The lead and copper rule requires homes that meet certain criteria to be sampled. The number of homes sampled is based on population. The CBS is required to take 30 samples in 2017. The Senior Water Operator has worked with the building department on a materials evaluation and is sending letters to homes identified as possibly meeting the criteria asking them to participate in the sampling program. We plan to have this dialed in soon and be prepared to distribute the samples bottles to the homeowners come June.
- David Khan, an Engineer with the ADEC completed the annual Filtration Avoidance Inspection. The CBS has a waiver that allows us to not filter our drinking water. Each year, the ADEC does a physical inspection of our water treatment systems and performs a records review to ensure we are meeting all of the federal requirements. The inspection did not uncover any new deficiencies.

Wastewater

- Wastewater crews have been inspecting underground sewer and storm infrastructure on Katlian with the CCTV equipment in preparation for the paving project.
- The annual cleaning of the list station wet wells has commenced. The Camel is used to remove grease, grit, sludge and debris.
- Wastewater maintenance staff cleaned the air release valves in the wastewater collection system. Air release valves continually release air to protect against surges in the system. Wastewater operations staff provided traffic control while the maintenance was performed.



CITY AND BOROUGH OF SITKA

Legislation Details

File #: 16-216 Version: 1 Name:
Type: Item Status: AGENDA READY
File created: 12/20/2016 In control: City and Borough Assembly
On agenda: 12/27/2016 Final action:
Title: Approve the minutes of the December 13 Assembly meeting
Sponsors:
Indexes:
Code sections:
Attachments: [Consent and Minutes.pdf](#)

Date	Ver.	Action By	Action	Result
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CONSENT AGENDA

POSSIBLE MOTION

**I MOVE TO APPROVE THE CONSENT AGENDA
CONSISTING OF ITEM A**

I wish to remove Item(s) _____

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

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

POSSIBLE MOTION

I MOVE TO approve the minutes of the
December 13th Assembly meeting.



CITY AND BOROUGH OF SITKA

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

Minutes - Draft

City and Borough Assembly

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

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

Tuesday, December 13, 2016

6:00 PM

Assembly Chambers

WORKSESSION 5:00 PM

16-213 Worksession materials

A worksession on property tax administrative changes was conducted by Assessor, Wendy Lawrence.

REGULAR MEETING

I. CALL TO ORDER

II. FLAG SALUTE

III. ROLL CALL

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

Absent: 1 - Potrzuski

IV. CORRESPONDENCE/AGENDA CHANGES

Assembly member Bean requested item H be moved to the end of the agenda after item L. There was no objection.

16-212 Reminders, Calendars and General Correspondence

V. CEREMONIAL MATTERS

16-207 Athletic Awards: 1) Mt. Edgecumbe High School Girls Volleyball Team and 2) Baranof Barracudas Swim Club

Mayor Hunter and Vice Deputy Mayor Eisenbeisz presented awards to the Mt. Edgecumbe High School Girls Volleyball Team for taking first place at the State

Volleyball Tournament in Anchorage. The two also presented awards to Baranof Barracuda Swim Club members Whitney McArthur, Skylar Moore, Jessica Davis, and Kyleigh McArthur for their accomplishment in breaking the Alaska Swimming 400 Medley Relay Race record.

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

16-208 Special Reports: 1) Alaskan Command: Gulf of Alaska Military Exercise, 2) Health Needs and Human Services Commission Update, 3) Rachel Roy: Wayfinding Status Report, 4) Rob Allen: Sitka Community Hospital Update

Colonel Reifel and Dr. Montague provided an overview of the military training exercise, Northern Edge. The Assembly, in November, had approved a resolution in opposition to the training. The two answered questions about the training.

Health Needs and Human Services Commission Chair, Doug Osborne, reported on the work of the Commission and policies it hoped to move forward: 1) raising the legal minimum age for the sale of all tobacco and nicotine products to age 21, 2) adding a tax on sugar sweetened beverages, and 3) addressing the problems associated with single use plastic bags.

Rachel Roy, Executive Director of the Chamber of Commerce, shared an update on the wayfinding signage project. Roy noted the signs were aimed at helping visitors navigate through the community. Project completion was scheduled for Summer/Fall 2017.

Sitka Community Hospital (SCH) CEO, Rob Allen, briefed the Assembly on the SCH/SEARHC Collaboration Project. He noted the SCH Board had approved a non binding letter of intent pending some issues to be addressed. Issues needing to be answered: 1) how Native preference hire would be handled, 2) how equal patient access would be guaranteed, and 3) how the governance would be structured to allow for local control. Allen reported once agreement was reached on these issues, he would report back to the Assembly on next steps.

Robb Farmer, Library Director, told of upcoming programs at the Library.

VII. PERSONS TO BE HEARD

Naomi Bargmann and Lindsay Evan spoke in opposition to the military training exercise, Northern Edge.

Amanda Roberts, representing the SEARHC Tobacco Program, spoke in support of the Tobacco 21 initiative.

Anthony Treas spoke in support of the Health Needs and Human Services Commission's work.

VIII. REPORTS

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

Administrator - Gorman thanked CBS staff involved in the Green Lake Dam repairs. Gorman reported he and Utility Director, Bryan Bertacchi, had participated in a live call-in show with KCAW reporter Emily Kwong answering questions on City finances, electric rates, and challenges the municipality faces.

Attorney - Hanson commended CBS staff involved in the recent landslide depositions and noted much of the outside counsel legal fees associated with the recent landslide litigation would be covered by insurance.

Liaisons - Assembly member Guevin reported on the Investment Committee and Assembly member Knox on the joint worksession between the Planning Commission and Port and Harbors Commission.

IX. CONSENT AGENDA

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

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

Absent: 1 - Potrzuski

- A 16-206** Approve the minutes of the November 22 Assembly meeting

This item was APPROVED ON THE CONSENT AGENDA.

- B 16-210** Approve liquor license renewal applications for: 1) Ernie's Bar and 2) Pizza Express

This item was APPROVED ON THE CONSENT AGENDA.

- C 16-205** Approve the Acting Municipal Administrator list for 2017

This item was APPROVED ON THE CONSENT AGENDA.

X. BOARD, COMMISSION, COMMITTEE APPOINTMENTS

- D 16-209** Appoint Dave Gordon to a three-year term on the Port and Harbors Commission

Knox thanked Gordon for his willingness to serve.

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

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

Absent: 1 - Potrzuski

XI. UNFINISHED BUSINESS:

- E ORD 16-42** Adjusting the FY17 Budget (Sitka Community Hospital, GPIP Multi-Purpose Dock Project, Homeland Security/Fire Department)
- A motion was made by Knox that this Ordinance be APPROVED on SECOND AND FINAL READING. The motion PASSED by the following vote.
- Yes: 5 - Swanson, Guevin, Hunter, Knox, and Bean
- No: 1 - Eisenbeisz
- Absent: 1 - Potrzuski
- F ORD 16-43** Authorizing the lease of 27,893 square feet of ATS 979 tidelands adjacent 4401 Halibut Point Road

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

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

Absent: 1 - Potrzuski

XII. NEW BUSINESS:

- G 16-201** Discussion/Direction on the recruitment process for Municipal Administrator
- Mark Danielson, Human Resources Director, provided an overview of the Administrator hiring process and noted Administrator Gorman's last day of service was scheduled for June 15, 2017. Assembly members discussed hiring options and agreed they would like Danielson to advertise within Alaska. Members did not express a desire to hire a recruiting agency. A salary range was discussed; members were reluctant to start higher than \$125,000, however, after discussion, agreed to a starting base of \$130,000.

A motion was made by Bean requesting Human Resources Director, Mark Danielson, to begin advertising, within Alaska, the position of Administrator at a salary base of \$130,000. The motion PASSED by the following vote.

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

Absent: 1 - Potrzuski

- I ORD 16-47A** Amending Sitka General Code at Title 10 "Public Peace, Safety and Morals", Chapter 10.25 "Cellular Phone Use While Driving", by adding Section 10.25.040 entitled "Penalties" (first reading as amended)

Municipal Attorney, Brian Hanson, answered questions regarding the proposed fine schedule. Hanson stated his recommendations were based on conversations with the Police Department and thorough review of the Code and minor offense table. Without a penalty section, a mandatory court appearance was required which Hanson said was not the intent. He believed the fines to be fair and appropriate for this type of offense.

Assembly members spoke to the serious risks of using a cellphone while driving. Eisenbeisz stated when the cell phone ordinance was proposed earlier this spring, there was mention of the fines being dedicated to EMS. Hanson and Administrator Gorman did not recommend dedicating fees to a certain group as it set an awkward precedence and said fines should go into the General Fund. Eisenbeisz suggested the Assembly consider an alternative fee structure to allow for leniency if people were not aware of the new law: \$25 for the first offense, \$50 for the second offense, \$200 for the third offense and \$500 for a fourth offense.

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

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

No: 1 - Eisenbeisz

Absent: 1 - Potrzuski

A motion was made by Bean to AMEND line 60 to read, "...section, prior offenses must be within the previous five years." The amendment PASSED by the following vote.

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

No: 1 - Hunter

Absent: 1 - Potrzuski

J ORD 16-44 Adjusting the FY17 Budget (CAMA Project, Wayfinding Signage Project, Commercial Passenger Excise Tax Fund)

John Stein spoke in support of funding the wayfinding signage project.

Guevin spoke in support of the \$150,000 appropriation request for the Computer Assisted Mass Appraisal system stating the system would pay dividends by increasing accuracy and revenue. Knox agreed and noted it would create efficiencies and bring balance and equity.

Guevin thanked citizens involved in the wayfinding signage project. Eisenbeisz expressed a desire to see a maintenance plan for the signage.

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

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

Absent: 1 - Potrzuski

K ORD 16-45 Amending Sitka General Code Chapter 4.12 entitled "Property Tax" to exempt all personal property except business personal property, and non-light aircraft from personal property taxation

Knox voiced concern about losing \$130,000 in boat tax that currently funds Harbors. Hunter shared the same concern but noted the CAMA system would create greater efficiencies and increased revenue. The Assembly could then choose to allocate some of that revenue to Harbors or alternatively, increase Harbor rates. Assessor, Wendy Lawrence, clarified that all boats and light aircraft (weight of 12,500 pounds or less) would be exempt.

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

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

Absent: 1 - Potrzuski

L RES 16-25 Changing a property tax revaluation cycle from four to six years

Assessor, Wendy Lawrence, noted this was a formality and brought the City and Borough of Sitka into compliance.

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

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

Absent: 1 - Potrzuski

H ORD 16-46 Amending Sitka General Code Chapter 15.01 "Electric Utility Policies", at Section 15.01.020 "Electrical Rates", by decreasing electrical rates, removing provisions to interruptible rates, and adding Section 15.01.015 "Construction Guidelines", Section 15.01.085 "Carrier Current" and Section 15.01.090 "Rebate Program for Electric Heat Pump Heating Systems" (first reading - repealing Ordinance 2016-38 that was approved by the Assembly on October 11, 2016)

Mayor Hunter informed this ordinance, if approved, would repeal ordinance 2016-38 approved by the Assembly on October 11, 2016.

Assembly member Bean stated he cosponsored this ordinance because of concerns with the way ordinance 2016-38 was advertised and the magnitude of its changes; specifically the interruptible rates. He voiced concern that the interruptible would provide electricity at below market rates to 10 percent of the customer base. Bean felt the public and Assembly didn't have enough time to consider the ramifications of ordinance 2016-38. Bean clarified that he wished for the recent rate increase to remain. Swanson, the second sponsor, said the Assembly was pressed at the time to make a decision on the ordinance, however, he now wished to see certain sections reworked.

Guevin spoke in support of interruptible service noting the interruptible sales would result in more revenue. He wished to see a safety net built into the ordinance to assist those who were unable to pay their utility bill. Hunter also spoke in support of interruptible service. Eisenbeisz said he was not in support of repealing a past Assembly action, however, suggested amending sections individually if desired. Knox and Guevin also agreed to amending sections individually.

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

Yes: 2 - Swanson, and Bean

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

Absent: 1 - Potrzuski

Stan Johnson spoke in support of the amendment. He voiced opposition to a publicly operated utility offering interruptible rates to beat a competitive bid for fuel oil by 10 percent. Utility Director, Bryan Bertacchi, clarified the interruptible rate language was taken from Juneau's Alaska Light and Power Company, whose policies were approved by the Alaska Public Utility Commission.

A motion was made by Bean to AMEND the ordinance to retain all rate increases as proposed in Ordinance 2016-38. The amendment FAILED by the following vote.

Yes: 2 - Swanson, and Bean

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

Absent: 1 - Potrzuski

XIII. PERSONS TO BE HEARD:

None.

XIV. EXECUTIVE SESSION

M 16-211 CBS Procurement Procedures

A motion was made by Bean to convene in executive session to discuss the City and Borough of Sitka procurement policy and matters associated with the Gary Paxton Industrial Park with the immediate knowledge of which could clearly have adverse affect on the finances of the City and Borough of Sitka. The motion PASSED by the following vote.

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

Absent: 1 - Potrzuski

Shannon Haugland, of the Daily Sitka Sentinel, requested the Assembly stay on topic when in executive session and return to public session when appropriate.

Administrator Gorman clarified that per the Charter (Sitka General Code) the Administrator, Attorney and Clerk were automatically included in executive session unless excluded in the motion to go into executive session. He stated it was also staff's recommendation that Michael Harmon, Public Works Director, be included in executive session.

A motion was made by Knox to AMEND the motion to invite in Michael Harmon as necessary. The motion to amend PASSED by the following vote.

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

No: 1 - Bean

Absent: 1 - Potrzuski

The Assembly was in Executive Session from approximately 9:50pm to 10:25pm.

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

A motion was made by Eisenbeisz to EXTEND the meeting by 15 minutes to 10:45pm. The motion to EXTEND PASSED by the following vote.

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

Absent: 1 - Potrzuski

The Assembly was in Executive Session from approximately 10:30pm to 10:37pm.

A motion was made by Knox to convene in Executive Session. The motion PASSED by a unanimous voice vote.

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

A motion was made by Swanson to direct the Municipal Attorney to review the City and Borough of Sitka procurement policies and make recommendations as necessary. The motion PASSED by the following vote.

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

Absent: 1 - Potrzuski

XV. ADJOURNMENT

A motion was made by Swanson to ADJOURN. Hearing no objections, the meeting ADJOURNED at 10:40pm.

ATTEST: _____
Sara Peterson, CMC
Municipal Clerk



CITY AND BOROUGH OF SITKA

Legislation Details

File #: 16-215 Version: 1 Name:
Type: Item Status: AGENDA READY
File created: 12/20/2016 In control: City and Borough Assembly
On agenda: 12/27/2016 Final action:
Title: Reappoint Scott Wagner to a term on the Local Emergency Planning Committee
Sponsors:
Indexes:
Code sections:
Attachments: [Wagner application.pdf](#)

Date	Ver.	Action By	Action	Result
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POSSIBLE MOTION

I MOVE TO reappoint Scott Wagner to a three-year term on the Local Emergency Planning Committee.

NORTHERN



SOUTHEAST REGIONAL AQUACULTURE ASSOCIATION, INC.

(907) 747-6850
FAX (907) 747-1470
Email: scott_wagner@nsraa.org

1308 Sawmill Creek Road

Sitka, Alaska 99835

11/6/2016

To: Local Emergency Planning Committee

Letter of Interest to retain position on the LEPC:

I would like to be considered to remain on the LEPC as a category 5 member (Owners/Operators of Facilities). I have been a resident of Sitka for over 20 years and employed with NSRAA for 20 years. I am the Operations Manager at NSRAA and have been on the LEPC for the past 3 years.

NSRAA is already involved with emergency planning with the city due to the location of our hatchery locations at Sawmill Cove Industrial Park and Medvejie. We are a primary contact in the City of Sitka's Blue Lake Emergency Action Plan. In addition it would be beneficial for NSRAA to be involved with emergency planning at the city level due to our widely scattered location of projects. During an emergency (tsunami, earthquake, etc...) we may have anywhere from 20 to 30 people at remote hatcheries and field camps who may need assistance in the event of a disaster.

Thank you for your time and consideration for this position on the LEPC.

A handwritten signature in black ink that reads "Scott Wagner". The signature is fluid and cursive, with a long horizontal line extending to the right.

Scott Wagner

Operations Manager

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

LEPC name: Sitka Local Emergency Planning Committee

Applicant name: Scott Wagner

Mailing address: 304 Nicole Dr

Residence address: Same

Day phone: 907 738-2729 Home Phone (optional): 907 747-3791

Where employed: NSRAA Job title: Operations Manager

LEPC category/seat that applicant seeks: 5 Owners/Operators of Facilities

Categories: 1) Elected local officials, 2) Law Enforcement, Civil Defense, Fire Fighting, First Aid, Local Envt/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: I am responsible for coordinating operations at multiple facilities within and outside of city limits. Specifically NSRAA operates a hatchery in Sawmill Cove Industrial Park and NSRAA is a primary contact in the City of Sitka's emergency action plan for the Blue Lake Hydroelectric Project. In addition NSRAA is responsible for coordinating emergency response to our remote facilities which are operated 12 months of the year. NSRAA also has resources throughout Baranof which may be beneficial to the community in a disaster.

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

(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.)

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

Scott Wagner 11/6/16
Signature Date

→ To be considered, your application must be complete AND be accompanied by either a letter of interest or resume. Return to:
Sara Peterson, Deputy Clerk
100 Lincoln Street
Fax: 907-747-7403
Email: sara@cityofsitka.com



LOCAL EMERGENCY PLANNING COMMITTEE

NAME	CONTACT NUMBERS	CONTACT NUMBERS	TERM STARTS	EXPIRES	CATEGORY
DAVE MILLER, CHAIR	747-1860	dave.miller@cityofsitka.org	Permanent	Fire Chief*	2
KEN FATE 115 Somer Drive	747-5877 w 747-7410 h	ken@kcaw.org	2/13/07 2/9/10 2/12/13 2/23/16	2/13/10 2/9/13 2/12/16 2/23/19	3
DONNA CALLISTINI 106 Naomi Kanosh Lane	747-7107 w 747-5494	donna.callistini@yahoo.com	10/26/10 11/12/13	10/26/13 11/12/16	3
GAYLE HAMMONS 210 Kruzof Street	738-3028 c	kghammons@gmail.com	7/28/15	7/28/18	3
ANNABEL LUND PO Box 1616	623-0996 h	alund1123@yahoo.com	4/13/10 4/23/13 4/12/16	4/13/13 4/23/16 4/12/19	4
CAROL BERGE 315 Wachussetts Street	747-3636 w 738-3433	clundy@scpsak.org	8/14/12 8/11/15	8/14/15 8/11/18	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	3/10/12 3/15/15 3/24/18	5
CHARLES HOWLETT 209 Moller Ave.	747-0303 w 738-4440 c	bmet@sitkahospital.org	3/9/10 6/11/13 6/28/16	3/9/13 6/11/16 6/28/19	5
SCOTT WAGNER 304 Nicole Drive	747-3791 h 738-2729 c	scott_wagner@nsraa.org	11/12/13	11/12/16	5
MARY ANN HALL 2037 Halibut Point Road	747-7265	ob1jry@gmail.com	8/23/11 8/12/14	8/23/14 8/12/17	6
AUBREY VAUGHAN 315 Seward Street	361-774-1234	ellenvaughan68@gmail.com	10/11/16	10/11/19	6
JEFF ANKERFELT	747-3245	jeffa@sitkapd.com	Permanent	Acting Police Chief*	2
LANCE EWERS	747-3245	lance@sitkapd.com	Permanent	Law Enforcement*	2
CRAIG WARREN	747-3233	craig.warren@cityofsitka.org	Permanent	LEPC Coordinator*	7
Bob Potrzuski	747-3260	assemblypotrzuski@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; Further amended by Resolution 99-727

Meeting: Second Thursday, noon – Fire Hall

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

Quorum Requirement: At least one member from four different categories must be present.

Revised: October 13, 2016



CITY AND BOROUGH OF SITKA

Legislation Details

File #: ORD 16-44 Version: 1 Name:
Type: Ordinance Status: AGENDA READY
File created: 12/5/2016 In control: City and Borough Assembly
On agenda: 12/27/2016 Final action:
Title: Adjusting the FY17 Budget (CAMA Project, Wayfinding Signage Project, Commercial Passenger Excise Tax Fund)

Sponsors:

Indexes:

Code sections:

Attachments: [ORD 2016-44.pdf](#)
[CAMA project documents.pdf](#)
[Wayfinding Signage Project..pdf](#)

Date	Ver.	Action By	Action	Result
12/13/2016	1	City and Borough Assembly		

POSSIBLE MOTION

I MOVE TO approve Ordinance 2016-44 on second and final reading.

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CITY AND BOROUGH OF SITKA

**ORDINANCE NO. 2016-44
AN ORDINANCE OF THE CITY AND BOROUGH OF SITKA
ADJUSTING THE FY17 BUDGET (CAMA PROJECT, WAYFINDING SIGNAGE PROJECT,
COMMERCIAL PASSENGER EXCISE TAX FUND)**

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

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

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

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

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

<u>FISCAL YEAR 2017 EXPENDITURE BUDGETS</u>
CAPITAL PROJECTS
Fund 700 – CAMA Project: The Assessor has requested an appropriation of funds in the amount of \$150,000 for the CAMA (Computer Assisted Mass Appraisal) Project. This is a 4 year project totaling \$150,000 with \$45,000 coming from the Assessing Department FY17 operational budget and the remaining amount from the General Fund unassigned fund balance.
Fund 700 – Wayfinding Signage Project #90831: At the June 25, 2013 meeting, the Assembly approved the concept of installing wayfaring signs and assigned \$300,000 of the fund balance of Fund 194, Commercial Passenger Excise Tax (CPET) Fund for such a purpose. Administration is now requesting an appropriation of \$282,300 of the assigned funds in Fund 194 to be transferred to Fund 700, General Capital Projects Fund; an appropriation in Fund 700 in the amount of \$282,300 to construct and install the signs; and, Assembly action to unassign the remaining balance of \$17,700 in Fund 194 and return the amount to the unassigned fund balance.
SPECIAL REVENUE FUNDS
Fund 194 – Commercial Passenger Vessel Excise Tax Fund: Administration is requesting that an amount of \$150,000 be appropriated from Fund 194, Commercial Passenger Excise Tax (CPET) Fund, for the purpose of transporting cruise ship passengers from Old Sitka to downtown. Use of CPET funds for such purposes is appropriate, as the expenditure solely benefits such passengers.

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EXPLANATION

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

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

PASSED, APPROVED, AND ADOPTED by the Assembly of the City and Borough of Sitka, Alaska this 27th Day of December, 2016.

ATTEST:

Matthew Hunter, Mayor

Melissa Henshaw, CMC
Acting Municipal Clerk

1st reading 12/13/16
2nd reading 12/27/16

CAMA Project

Memorandum

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

From: Wendy Lawrence, Assessing Director
Jay Sweeney, Chief Financial and Administrative Officer

Date: December 7, 2016

Subj: Budget Re-Appropriation for a Computer Assisted Mass-Appraisal System

Summary:

The Assessing Department seeks approval to contract \$150,000 over a four year period to establish a computer-assisted mass-appraisal (CAMA) system for the automated valuation of the Sitka property tax-base. This appropriation is sought primarily to increase efficiencies without substantially increasing costs, and secondarily to achieve regulatory compliance stemming from repeated audit findings indicating the City and Borough of Sitka's assessment valuation system is deficient in demonstrating fair and equitable taxation. The requested capital outlay is proposed to produce the following primary benefits:

- Increase property tax administration efficiencies without substantially increasing costs
- Achievement of regulatory compliance with state law and prevent detrimental regulatory action
- Mitigation of risks to the property taxbase inherent in non-automated systems
 - Revenue escapement
 - Assessment inequities

Implementation of the Municipal Assessment Records System (MARS) by Alaska CAMA Company will automate valuations and utilize technology for increased efficiencies in data collection. This system will reduce the per-parcel valuation time from two hours per parcel to forty-five minutes per parcel, thus increasing efficiencies without substantially increasing costs, and will bring property tax administration into regulatory compliance.

Fiscal Note:

The full contracted software amount is \$150,000, which is to be paid out over a four-year period. If approved, the cost will be provided for by re-appropriating \$45,000 in existing FY17 appropriations in the Assessing Department, and re-appropriating an additional \$105,000 from the General Fund unassigned fund balance. Note that the binding nature of the contract requires that the full amount be appropriated, even though payments will be made over four years. The net fiscal impact is estimated to be approximately \$150,000. This approval will result in an award of a professional services contract which is exempt by charter.

Recommendation:

Approve the re-appropriation of FY17 funds in the amount of 1. \$45,000 from the Assessing Department Temporary Wages and Contract Services accounts, and 2. \$105,000 from the General Fund unassigned fund balance for the establishment of a

Computer Assisted Mass Appraisal System for administration of the property tax assessment function.

Ordinance 2016-44 Background & Reference Information:

The Assessing Department's primary mission is to support general fund government by maintaining the borough's real and personal property taxbase at full and true value (SGC 4.12.040 & AS 29.45.110 (a)).

The assessor shall assess property at its full and true value as of January 1 of the assessment year... The full and true value is the estimated price that the property would bring in an open market and under the then prevailing market conditions in a sale between a willing seller and a willing buyer both conversant with the property and with prevailing general price levels.

The department's work-product results in 23% of the general fund revenue, and is the most stable revenue stream for the City and Borough of Sitka. The Assessing Department is charged with generating valuations for over 4,100 real property accounts, 2,300 personal property accounts, and 540 business personal property accounts each year. The department also administers various property tax exemptions for seniors, disabled veterans, and various exempted non-profit organizations. This mission is accomplished by utilizing systems, which consist of technology and skilled appraisal personnel, to administer and revalue 6,900 accounts annually.

Two key challenges to this mission are the lack of automated systems (CAMA) to revalue each account at full and true value every year, and the necessary sales data to determine full and true value. The former can be mitigated through the passage of this ordinance, and the latter will require the state legislature to mandate disclosure of sales prices at the time of each property transfer. These challenges are nothing new, but what is new is the need to stabilize the property tax revenue stream and increase efficiencies in times of declining alternate revenues.

State Assessor audits in 2010 and 2014 both recommended procurement of an automated valuation system, and the most recent 2016 State Assessor's Audit Finding states:

If a program for substantial and material improvement of the assessment systems is not implemented and supported by the 2017 budget, I as the State Assessor, intend to issue a Letter of Major Error in 2017. Marty McGee, State Assessor, November 16, 2016

Detrimental regulatory action in the form of a Letter of Major Error constitutes regulatory action that will require:

- Expenditure of funds to secure a CAMA system, and
- Could potentially cause Sitka to call back the tax roll, or
- Stop the process of tax collection until corrective action is taken within one year.

The 2016 State Assessor's Audit Criteria regarding key components of an assessment system are based upon the International Association of Assessing Officers Professional Standard on Mass Appraisal for the assurance of the property administration of the property tax. An assessment system must:

1. Have the ability to calibrate and update assessment models on an annual basis

2. Utilize a sales ratio study, and a hold-out sample to test the authenticity of the sales ratio study, on an annual basis
3. Demonstrate the uniform application of valuation (including depreciation) to all taxable property using recognized mass appraisal techniques and supported by statistical tests
4. Keep assessment records in such a manner that information may be extracted via electronic means and statistical analysis and tests may be applied in a timely and efficient manner
5. Make this same information available to the State Assessor and to the general public to review and defend assessed values under appeal before a local board of equalization
6. Implement a plan that property be inspected and records maintained and update demonstrating a minimum six year cycle
7. Have capability for review of sales files and all property inspected each year as well as changes to ownership and changes to taxability status
8. Have the ability to conduct this type of audit should not be time consuming or labor intensive for either the State Assessor or the local government
9. Have documented records, and the system that holds the records, and must be adequate to demonstrate compliance with this expectation under audit or review by the State Assessor.

The State Assessor's Office, as regulatory authority over property taxation statewide, has found that the City and Borough of Sitka's assessment system met criteria Number 4 in full but failed on all other accounts in whole or in part. The City and Borough of Sitka's current assessment system meets the database management criteria, but not the uniform valuation criteria and was thus found deficient for the 2016 audit.

Property Tax Management Systems Consist of Staff and Technology:

The Assessing Department's current systems include a staff of three full time employees and three separate databases which simply store property data and are not yet capable of automated revaluation. These databases do not have automated valuation components, and thus are the primary limiting factor in the assessment function. Staff consists of one field appraiser whose primary responsibility is the collection of property data, one administrative assistant who manages the 6,900 accounts, an assessor who values each property manually.

The objective of mass-appraisal is to produce equitable tax assessment valuations at relatively low costs through automated valuation systems. The lack of one centralized automated valuation system is the main factor preventing all properties from being valued at full and true value each year and thus the focus of this re-appropriation request.

This staff of three utilizes an annual systematic process outlined below, and a CAMA system is an integral part of this process:

- Locating and identifying all taxable property within the borough boundaries;
- Inventorying the quantity and quality of property characteristics that are relevant to value;
- Accurately estimating the full and true value of all property;
- Calculating the taxable value for reach property, minus any eligible exemptions;
- Timely notification of assessed values to all property owners;

- Preparing and certifying the official assessment roll as the basis for annual property tax revenues

Strategic Plan:

In 2015 the Assessing Department established a five-year strategic plan with years one through four focused on the systematic re-inspection of all properties, with full and true value being achieved in year five after automated valuation models could be incorporated into the current database system. Policies were implemented to streamline and simplify processes and thus produce greater efficiency without expansion of current systems. This entailed introduction of technology tools and training to make inspections more productive, and the cross-training of staff in order to increase our valuation production potential. With limited staff and non-automated valuation, the Assessing Department is subject to serious deficiency if a trained staff member were to leave or be out for an extended period; valuation production could significantly slow or cease due to the segmented structure and non-automated nature of the department. Implementing a CAMA system will automate and capitalize this process thus reducing the risk of loss of any one employee and thus production.

These assessment system limitations are resulting in the under-collection of property tax revenues (escapement) and causing assessment inequities between comparable properties. It is estimated that an additional \$1M per year will be collected by establishing a computer-assisted mass-appraisal (CAMA) system for the automated valuation and efficient administration of the property taxbase.

The next step in this strategic plan is to implement a CAMA system that will manage and revalue all 6,900 properties every year, not just a subset, thus keeping the entire taxbase at full and true value. This re-appropriation will move the anticipated revenue recapture from year five to year two by implementing an established CAMA system utilized by Charles Horan, Alaska CAMA Company, LLC.

Why is there Revenue Escapement and how is it Estimated?

Half of the entire population of borough real property accounts have not been revalued within the last six years as required by state law, and it is estimated that about ninety percent of these properties in both the north, south and island areas have not been revalued on average since 2003. Time-trend analysis shows that the market has moved at about one percent per year since then, which translates to values that on average are about fifteen below full and true value. These properties are the basis for the estimated \$1M per year in escaped revenue.

When properties are revalued regularly by segmenting them into six areas each revalued every six years, properties will be maintained at full and true value and equities between comparable properties will then follow thus resulting in fair and equitable taxation. When properties are not kept at full and true value each year we have and under-collection of revenue, and inequities in assessed values between comparable properties. What this means in practicality is that those properties that have been revalued regularly, and are considered to be at full and true value, will be paying the appropriate taxes for general fund services while those not at full and true value will not. This is what we call assessment inequity and needs to be corrected as soon as possible so that taxation across the community is fair and equitable as set forth in AS 29.45.210 (b).

Implementation of the Municipal Assessment Records System (MARS) by Alaska CAMA Company will capitalize this process by automating valuations and utilizing

technology for increased data collection efficiency. This system will take the per-parcel valuation time from two hours per parcel to forty-five minutes per parcel thus increasing efficiency without substantially increasing costs.

Fiscal Impact Analysis:

The net fiscal impact is estimated to be approximately \$150,000. This is estimated by offsetting the total cost of \$(150,000) by the expected revenue gain for FY18 of \$300,000. This approval will result in an award of a professional services contract which is exempt by charter.

The department will have an efficient fully functioning, fully-owned valuation system at the end of this contract and it is anticipated that the department will maintain the system through an annual fee comparable to the minimal maintenance fees within this contract. The associated annual costs are summarized below. The hardware costs estimated to be under \$10,000 are already appropriated within the FY17 Assessing Department/IT Budget, and additional cost savings will be achieved in the amount of \$5,000 for the Marshall & Swift Cost Valuation software that will no longer be needed.

<u>City and Borough of Sitka</u>	<u>Year 1</u>	<u>Year 2</u>	<u>Year 4</u>	<u>Year 4</u>	<u>Totals</u>
<u>License Admin & Maintenance</u>	<u>\$45,000</u>	<u>\$32,000</u>	<u>\$32,000</u>	<u>\$12,000</u>	<u>\$121,000</u>
<u>Fee</u>					
<u>Variable -Install, Modify &</u>	<u>\$15,000</u>	<u>\$14,000</u>			<u>\$29,000</u>
<u>Total</u>	<u>\$60,000</u>	<u>\$46,000</u>	<u>\$32,000</u>	<u>\$12,000</u>	<u>\$150,000</u>

ALASKA CAMA COMPANY, LLC

403 LINCOLN STREET, SUITE 210, SITKA, ALASKA 99835
PHONE NUMBER: (907) 747-6666 FAX NUMBER: (907) 747-7417
commercial@horanappraisals.com

December 7, 2016

Honorable Mayor Matthew Hunter and Assembly Members
City and Borough of Sitka
100 Lincoln St
Sitka, AK 99835

Subject: Computer Assisted Mass Appraisal (CAMA) program for the City and Borough of Sitka Assessment Department

We are proposing to partner with the City and Borough of Sitka Assessment Department to provide a Computer Assisted Mass Appraisal (CAMA) program. Based on our experience, we saw the need to develop a simple, low cost, efficient, and easy to support Municipal Assessment Records System (MARS) software solution that runs on the off-the-shelf FileMaker database.

Our Experience

The Alaska CAMA Company LLC is an outgrowth of Horan and Company LLC, real estate appraisers who have operated in the region for over 40 years. Our qualified staff have been contract assessors and commercial and residential appraisers. We have seven employees operating out of our fully modern, technically capable office located in Sitka, Alaska. The company is led by Charles Horan, an MAI designated appraiser. We have continuously operated as an appraisal firm covering all of Southeast Alaska, providing specialty land appraisals in interior and coastal Alaska. We are the only commercial appraisal firm in Southeast Alaska. We're one of the few appraisal firms in the state with continuous employment of IT support staff.

Through this experience, we saw the need for and provided an electronic assessment program for the Municipality of Skagway in 2009: the second-generation Municipal Assessment Record System (MARS) solution, implemented for a complete real property valuation in the City of Craig for 2015. This tested CAMA program is the only one of its kind developed in the market by a valuation company. Our involvement in the preparation of well over 80 assessment rolls makes us uniquely qualified to understand the needs of the municipalities, as well as the rules and regulations governing assessed valuations in the state of Alaska and the requirements of mass valuation.

The Benefits of the Municipal Assessment Records System (MARS)

MARS operates on the FileMaker database which is fully compatible with the iPad, enabling huge efficiencies in the field. The entire database can be synchronized from the computer desktop to the iPad and taken to the field. The drop down menus, use of typed comments or Siri and the in-file photographic capabilities instantaneously update the property inventory files. This will save hours of field prep time and many more hours



back in the office not having to transcribe field notes and download, then re-upload photos and graphics.

As a valuation tool MARS enables lump sum values to be recorded in the field and described photographically, saving lots of time. Back at the office, similar properties can be batched together and valued at once. MARS is able to use basic valuation curves developed for land and can accommodate residential and commercial value curves derived from the market. This is more accurate and relies less on costly outside valuation sources and fees. The valuation curves can easily be adjusted to reflect changes in the market, allowing quick updates from year to year. MARS has predefined depreciation options and automatically calculates possessory interests. The association with the Alaska CAMA Company creates collaborative opportunities with other assessors using MARS.

The MARS files are easy to understand and read, and can be shared with the public with minimal staff time. They are easy to compare with other assessments or sales to ensure equity and fairness. The MARS records contain all the information necessary for reporting to the state assessor and to affirm the local assessor's compliance with state statutes. These electronic records are easy to back up and require minimal IT support.

One final consideration. If the CBS chooses MARS it will be a significant benefit for our local economy. Our appraisal firm business for the Sitka market only requires about 1.3 equivalent appraisers. In other words, about four of our employees are paid from income generated from outside of Sitka. Not only has the State Assessor endorsed MARS for communities throughout the state, we have had direct inquiries by several other assessors and appraisers and inquiries for proposals from Haines, Nome, Yakutat, Wrangell, Petersburg, Unalaska, and Cordova for the MARS solution. In this environment of increased pressures for local municipalities to be more fiscally responsive the demand for a simple CAMA system will grow. If this demand is served by a firm in Sitka it should add one more full time equivalent job to our economy. We are one of many companies who choose to locate and stay in Sitka even though our work is region-wide. We appreciate your support.

We know Wendy Lawrence has searched for a complete CAMA solution for years and has found what we have found; that MARS works best for small communities. We are excited to implement it with her here in Sitka. Please call me if you have any questions prior to the workshop on December 13. My cell number is 907-738-1666.

Sincerely,



Charles Horan
Alaska CAMA Company, LLC

The Benefits of a Computer Assisted Mass Appraisal (CAMA) System Such as the Municipal Assessment Record System (MARS)

The fully automated simple-to-use MARS is not just designed to reduce department staff time but to enable staff to efficiently produce more consistently updated and equitably assessed values in the time allotted. Historically, assessment offices across the state are understaffed. Most small municipalities are often behind in their valuations cycles, which results in inequitable taxation. Beyond staff frustration and low productivity, public inquiries reveal inadequate and partially complete records, and records which cannot easily be compared to confirm equity. This erodes public trust in the system and the municipal administration.

As state revenues diminish, it is becoming more incumbent upon municipalities to be efficient and equitable in their assessment system. The state assessor is charged with confirming that municipalities have an equitable, verifiable system to estimate the full and true value of each taxable property as of January 1 each tax year. MARS benefits municipalities in the following ways:

- Efficient property data collection (iPad-file sync)
- Efficient, lower cost revaluation (automated depreciation and value curves)
- Easy to update and revalue each year (data preserved year to year)
- Lower risk of data loss (backups easily made)
- Easy to enter data and understand record (builds credibility and trust)
- Easy to share property data (saves time and builds trust)
- Easy to compare property values (builds trust and assures equity)
- Complies with state statutes (calculates exemptions and possessory interests)
- Helps local assessor's office pass state audits
- Easy to sort, batch and report data to finance and other departments.
- Minimal IT support requirements
- Partnership with AK CAMA Company offers the assessing department broader Alaska assessment experience.

The table on the following page, The Benefits of MARS, outlines how MARS makes this happen. The time savings are rough estimates only, meant to conceptually demonstrate that you could save an hour or more per parcel per year for revaluation compared to the conventional system. It should result in work being done more efficiently and in a timelier manner, capturing value changes that have escaped due to lag time.

A more difficult to measure but obvious benefit is the trust, goodwill and cooperation created through transparency, the ease of understanding records and the ability to compare assessments with the public. Inevitably other departments will benefit from the MARS information for planning, public works, financing and other municipal functions. MARS backups can be stored more securely and the system will demonstrate compliance with state statutes for audits by the state assessor.

We look forward to creating a partnership with your municipality to implement MARS, a simple cost efficient solution for assessment recordkeeping and valuation documentation.

Charles Horan

Alaska CAMA Company

December 2016



The Benefits of the Municipal Assessment Record System (MARS) - Sitka			
Current System-Paper Files with Parallel Partial Electronic File	MARS – Full Record Including Graphics on the Computer	The Benefits of Efficiencies	Possible Financial Savings
MARS In the Office*			
Requires filing cabinet, folders and a computer. Not easily understood. Difficult to compare files and share with public. Paper not backed up.	All files on computer can be pulled up in batches and compared. Easily shared between staff, public and other departments.	Significant staff time is saved. More time can be dedicated to updating property record information and valuation. Public confidence increases, generating cooperation.	More professional, organized and efficient work is likely to result in greater equity at fair market value.
MARS Updating Property Inventory*			
Step 1 Prep: Pull the paper files, possibly copy materials, bring camera & paper. 20 minutes per parcel.	Sync computer file to iPad: a matter of minutes for entire database.	Save at least 20 minutes per parcel. Easier to handle.	See Step 3 below
Step 2 In Field: Note description of property with pencil & paper, photograph with camera. About 30 minutes per parcel	Open file in iPad, take a photo in the file, describe with drop down menu, type or use Siri for comments. Similar time ~ 30 minutes.	Easier to use on hand held device rather than pencil/paper/camera etc. May not save much time.	Limited – see Step 3 below.
Step 3: Back At Office: Download photos, label and upload into electronic file. Enter field data into electronic file. Estimate 30 minutes per parcel.	Sync iPad to computer file in a matter of minutes for entire database. Cleanup sketches ~ 10 minutes per parcel	Much faster by about 20 minutes. Less chance for transcribing error. More detail can be taken in the field.	Total savings could be about 40 minutes per parcel.
MARS As A Valuation Tool*			
Properties are valued individually using predetermined formulas for land & Marshall Valuation for buildings. This is time consuming at about 40 minutes per parcel. Computer generated Marshall Valuations cost about \$1.25 each with subscription.	MARS has auto calculations for major improvement values and depreciation. MARS accepts appraiser developed valuation curves for batch valuations of hundreds of parcels at one time.	Two fold benefit: 1) Batch valuations save significant time perhaps up to 20 minutes or more per parcel after input data is developed. 2) Fair equity can be achieved quicker by batch-valuing similar properties.	Could be another 20 minute saving per parcel. The real community benefit would be in the fairness of equitable assessments.

*Time estimates are generalized for typical property for comparative purposes only. Actual time per parcel can vary significantly depending on the condition of the particular file, complexity of property, location, access issues etc.

Who are we?

Real property assessment experience

- * Current contract assessor Skagway since 1975
- * Current contract assessor Craig since 1988
- * Contract assessment Ketchikan annexed area 2009 to 2012
- * Pass contract assessor Haines, Wrangell, Petersburg, Pelican

Develop and use of electronic assessment programs

- * 2004 develop internal commercial market data base inventory
- * 2009 developed electronic assessment record (EAR)
- * 2015 implemented MARS



MARS - Data Collection

- * Sync computer file to iPad – easy file prep
- * Photos taken right into the file
- * Predefined fields for consistent data entry
- * Photo & describe lump sum values
- * Type or Siri for comments
- * Sync iPad to computer file instantaneously

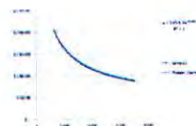


MARS - A Valuation Tool



- * Auto calculations for major improvement values and depreciation
- * Equitable valuations can be achieved quicker
- * Relies less on outside data
- * Accepts appraiser valuation curves for batch valuations
- * Easy to update and revalue each year
- * Partners with ACC creates collaboration with others assessors/Valuation experts

Parcel ID	Address	Area	Value	Assessment	Ratio	Notes
100	100 Main St	1000	100000	100000	1.00	
200	200 Main St	2000	200000	200000	1.00	



MARS - A Reliable Reporter



- * Easy to share property data – saves time
- * Complies with state assessor requirements and statutes
- * Providing a more equitable results
- * Compares assessments – public confidence
- * Shows ratio of assessments to sales
- * Easy reporting to financial software
- * Easy Backups – lowers risk of data lose
- * Minimal IT support

Section	Value	Assessment	Total	Ratio
Land	100,000	100,000	100,000	1.00
Residential	200,000	200,000	200,000	1.00
Commercial	300,000	300,000	300,000	1.00
Exempt & Possessory	0	0	0	0.00
Photos	0	0	0	0.00
Building Sketch	0	0	0	0.00
Documents	0	0	0	0.00
Maps & Graphics	0	0	0	0.00

MARS Creates Transparency

- * Results in -
 - * Credibility
 - * Trust
 - * Good will
 - * Cooperation
 - * Fairness
 - * Equitable valuation



MARS



Alaska CAMA Company

“Creating partnerships with Alaska municipalities to provide simple, cost effective solutions for assessment record keeping and valuation documentation.”

ALASKA CAMA COMPANY, LLC

403 LINCOLN STREET, SUITE 210, SITKA, ALASKA 99835
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commercial@horanappraisals.com

October 28, 2016

Wendy Lawrence, ACAA III
Assessing Director
City and Borough of Sitka
100 Lincoln Street
Sitka, Alaska 99835

Dear Ms. Lawrence,

This is our proposal for a basic four year framework with an agreement to use the license for MARS indefinitely. CBS will own all of the data.

Alaska CAMA Company will provide:

1. The **MARS solution**, including making the needed modifications described in Attachment A as Priority 1 items. This includes the sales report, adding additional owners, adjusting print layouts, creating new tax year and sync and the installation of the MARS solution on CBS's server system. Based on ongoing consultation with CBS we will work to develop the Priority 2 items at your direction and as the budget allows.
2. **Import of data** after negotiating with CBS on proper matching of fields. We will begin with Priority 1 items. This does not include a contingency for mismatched information, anomalies, or inaccurately identified files. Within this budget it's anticipated that some sketches and photos may be auto imported. Additional information such as documents, additional photos or building permit history could be added by CBS over time.
3. **Training** will include in-office sessions on how to use MARS and its valuation functions and hands on training with iPad in the field to photograph and describe, and sketch properties. We will provide documentation as needed. CBS staff are expected to become familiar with how FileMaker works and its resources for training. We will assist CBS in getting building sketches in the field. If CBS wishes ACC will also provide quality rating condition, description, and lump sum methodology it has used in the past.

The City and Borough of Sitka will provide:

1. Assistance in matching up existing fields from Access program or excel to MARS.
2. Presentation of its legacy data in a manner suitable for import into the MARS solution.
3. Its own field work including sketches, photos and field building descriptions, unless provided under separate contract.

4. The market data and analysis for valuation formulas and factors. As an additional service, ACC could assist in this.
5. All hardware and software necessary to operate MARS in the office and in the field. ACC could provide temporary use of its iPads, as available.

Hardware and Software Installation Supplied by CBS

CBS will need to supply

- a suitable server to run FileMaker server software version 14 or later
- A suitable sketch program and field device if needed for field sketching. We will provide information on resources to take sketch information in the field which can be transcribed at the office.
- iPads for each concurrent inspector in the field
- FileMaker Server software version 14 or later
- FileMaker Pro 14 or later for each client station and field device.
- 360 works Mirror Sync for syncing portable devices.

Estimated Cost

The basic fix costs for four years includes the license fee administration and maintenance is \$121,000. The variable costs for installation modifying and training on the Mars program for the first two years is \$29,000. This second category includes the work described by priority in Attachment A. We will bill this phase of the service at a cost at our typical hourly rate ¹ not to exceed the agreed upon maximums of \$29,000 without CBS's agreement. In general, the Priority 1 items are required to get this year's real property assessment roll completed. The Priority 2 items are important, but could possibly be put off until next year. Our proposal is that we work through the Priority 1 items then continue on to Priority 2 items after consulting with CBS to confirm status and direction of our effort.

We could obviously amend or extend his contract as time goes on if the CBS finds it in their interest to do so. The current cost proposal over the four year term is outlined in the following table

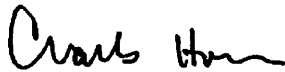
¹ Charles Horan, MAI	\$200
Senior Commercial Appraiser	\$150
Residential Appraiser	\$100
Senior Tech – Henry Robinson	\$100
Administrative Assistants	\$50-\$70

City and Borough of Sitka	Year 1	Year 2	Year 4	Year 4	Totals
License Admin & Maintenance Fee	\$45,000	\$32,000	\$32,000	\$12,000	\$121,000
Variable -Install, Modify & Train	<u>\$15,000</u>	<u>\$14,000</u>		-	\$29,000
Total	\$60,000	\$46,000	\$32,000	\$12,000	\$150,000

The spirit of this agreement is to develop a cooperative partnership to effect the use of MARS for and the 2017 Assessment Roll and beyond. As requested, we will work out professional errors and omissions insurance as required. I've attached a copy of our license agreement for your review, Attachment B.

Please let us know if you need anything else. Thank you once again for considering this simple, effective computer assisted mass appraisal solution.

Sincerely,



Charles Horan, MAI

Alaska CAMA Company, LLC

Attachment A Work Priority

Attachment B Mars License Agreement

Attachment A May 31, 2016 Proposal

Key: ACC = Alaska CAMA Co CBS = City & Borough of Sitka

Description	Priority	Comments	Who
Changes Needed to MARS			
Add Personal Property			
Basic Frame	2	Will need about 4 meetings with Wendy	ACC
Reports	2	Will Need city input on what reports will look like?	ACC
Link with MARS	2	This will need more testing to see if it will work.	ACC
Print screens	2	Will Need city input on what print layouts will look like?	ACC
Reports			
Sales Report-Predefined list & display	1	Runs A/S ratio	ACC
State Ratio Study Report	2	State Stats	ACC
Calculations			
Add auto calculation curve	2	Assignable curves	ACC
Export Arc GIS	2	Export script will need list of fields to export	ACC
Sales History - Table - Portal			
Added date listing price comments	2		ACC
Building permit History			
	1		ACC
Additional owners	1	add one additional owner field first & last name	ACC
Adjust all print layouts	1		ACC
Redo Crate New tax year & Sync	1		ACC
Install MARS on Sitka's server/systems	1		Both

Description	Priority	Comments	Who
Data Import			
Import data from Access-after next 3 items dor	1	4135 records Depending on complexity	ACC
Find matching fields	1		ACC
add missing fields	1	Will need to discuss what fields to keep.	Both
Split or combine data	1		Both
Contingency- City address data anomalies			CBS
Import data from Personal property		could be Lots of manual work 100+	CBS
Import Attachments/Documents	2	This assumes records are stored perfectly and then a script coul	ACC
Import Sketches	1	should only need small tweaks to excising script	ACC
Import Documents	2	Nothing really to import mostly just link to folder	ACC
Import Photos	2	Should be able to import about 75% with changes to script	Both
Building permit History	2	will link to property folder on Z drive	ACC

Description	Priority	Comments	Who
Property Inspections Train and Demo			
Demonstrate field input			
Data on iPad	1		ACC
Sketches on surface	1		ACC
Sync tablets to database	1		ACC
Field Manual instructions			
Quality Rating	2		ACC or CBS
condition - effective age	2		ACC or CBS
Lump Sum	2		ACC or CBS
Office Valuation			
Demonstrate how to use MARS valuation proci	1	Brief Intro - written notes	ACC
show how valuation fields work		Charles Wendy	ACC
auto calculation vs over ride			ACC
Develop Valuation curves or formulas			ACC

Description	Priority	Comments	Who
Other Requirements			
Software			
FileMaker Server	1		CBS
FileMaker Client	1		CBS
Mirror Sync	1		CBS
Apex Sketch	1		CBS
Hard Ware			
Server for FileMaker	1		CBS
iPads	1		CBS
Surface	1		CBS



THE STATE
of **ALASKA**
GOVERNOR BILL WALKER

**Department of Commerce, Community,
and Economic Development**

DIVISION OF COMMUNITY AND REGIONAL AFFAIRS

550 West Seventh Avenue, Suite 1640
Anchorage, Alaska 99501
Main: 907.269.4501/907.269.4581
Programs fax: 907.269.4539

November 16, 2016

Topic: State wide audit of assessment systems

From: Marty McGee, State Assessor

To: Wendy Lawrence, Assessor City and Borough of Sitka

CC: Jay Sweeney, CFO City and Borough of Sitka

Date: November 16, 2016

In 2016 a general audit of all taxing jurisdictions was conducted by the Office of the State Assessor. Questions were asked of all jurisdictions which levy a property tax under AS 29.45.010. The purpose of this audit was to determine the adequacy of the assessment information contained in the data systems of the local taxing jurisdictions, the adequacy of the systems, and the ability of the system to retrieve and report relevant and necessary assessment data in timely and useful manner.

The International Association of Assessing Officers has developed standards on assessment data and data management systems. We are guided by the IAAO standard on Mass Appraisal of Real Property as well as other IAAO professional standards. The Alaska Association of Assessing Officers is working on the development of standards related to professional practice. The information collected by this audit will be used to guide the development of AAAO standards and possible changes by the Office of the State Assessor to the State of Alaska Administrative code.

The expectation of modern assessment practice and the laws of the State of Alaska is that uniform fair and equitable assessed values can be produced using the data in the assessment records and the data storage system of the local taxing jurisdiction. These assessed values are expected to be current and updated on a yearly basis. Mass appraisal uses systems that can group property into categories which have similar market characteristics and statistical tools are used to calibrate value models for these groups of properties. Data held in a computerized electronic data base is a required element in the ability to create, maintain and update these assessment models.

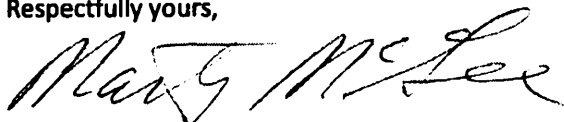
The information provided by the City and Borough of Sitka indicates that the current systems are not adequate to hold, retrieve, analyze and maintain assessment data on a yearly basis. A functional system must be able to sort data pull it down in a useable form and report the data in a timely manner. The request of the audit was to retrieve data in a two week period of time and to produce it in a excel format that associated the specific descriptive data with a unique tax parcel identifier. One focus of the audit was single family residences as a demonstration of the uniformity of assessment for this important element of the tax base. The data provided indicates that the Borough is not able to set uniform and consistent values associated with the replacement cost new or the applied depreciation associated with detached single

family residences using the existing data storage and retrieval systems. The borough also lacks the capability of demonstrating the same information to individual tax payers or in response to a property tax appeal on the ground of uniform and equal taxation as set forth in AS 29.45.210 (b). The data provided suggests that an appellant coming forward with an argument of unequal treatment may have grounds to prevail in that argument if all of the data were considered. The responsive argument that should be provided by the Assessor may not be possible in a timely manner because of the way the data is stored and the amount of time required retrieving, analyzing, and presenting the information to a board of equalization. The identified problem is as much about the system as it is about the data.

Further the data provided indicates a significant deficiency in the assessment process. This is true because the expectation is that the local assessor should pull down, analyze and adjust the assessed values and contributing descriptive information on a yearly basis in preparing the tax roll. The assessor also needs to be able to maintain current records regarding ownership, sales, and changes to exemption status in a timely and efficient manner as part of the yearly assessment process. The assessment data indicates that review of files and inspection of property on a four year cycle is not occurring in Sitka. This review cycle is required by CBS code and by the office of the State Assessor. This condition was noted in the 2014 Audit of assessment records by the Alaska State Assessor.

A problem of this kind can be the basis for a Letter of Major Error under AS 29.45.105. If a letter of major error is issued by the Office of the State Assessor the local jurisdiction has one year to take corrective action. If a program for substantial and material improvement of the assessment systems is not implemented and supported by the 2017 budget I, as the State Assessor, intend to issue a Letter of Major Error in 2017.

Respectfully yours,

A handwritten signature in black ink, appearing to read "Marty McGee". The signature is fluid and cursive, with the first name "Marty" being more prominent than the last name "McGee".

Marty McGee, State Assessor for Alaska.

Wayfinding Signage Project

MEMORANDUM

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

From: Michael Harmon, P.E., Public Works Director
Dan Tadic, P.E., Municipal Engineer *DT*
Kelli Cropper, MPM, Project Manager *KC*

Reviewed: Tori Fleming, Contract Coordinator
Jay Sweeney, Chief Finance and Administrative Officer

Date: December 5, 2016

Subject: Wayfinding Signage CPET Funding - Budget Appropriation

Background:

Wayfinding signage was identified as one of the key projects in the 2010 Sitka Passenger Fee Fund Implementation Plan. On June 25, 2013 the Assembly approved a request from the Tourism Commission and Destination Sitka Working Group to move the Wayfinding Signage Project forward by funding the project utilizing Commercial Passenger Excise Tax proceeds. The Sitka Convention & Visitors Bureau (SCVB) was tasked to manage the project at that time.

Great Destinations Strategies (GDS) was hired by the SCVB in 2014 to develop wayfinding signage design in conjunction with overall branding for Sitka. The Sitka Chamber of Commerce took over project management responsibility in Fall 2015 and worked with GDS to complete the design intent drawings and general specifications in late 2016.

Analysis:

The wayfinding signage design intent and general specifications are complete and the project management has shifted to Public Works to oversee the fabrication and installation of the signage. The project is anticipated to be completed in 2017.

Fiscal Note:

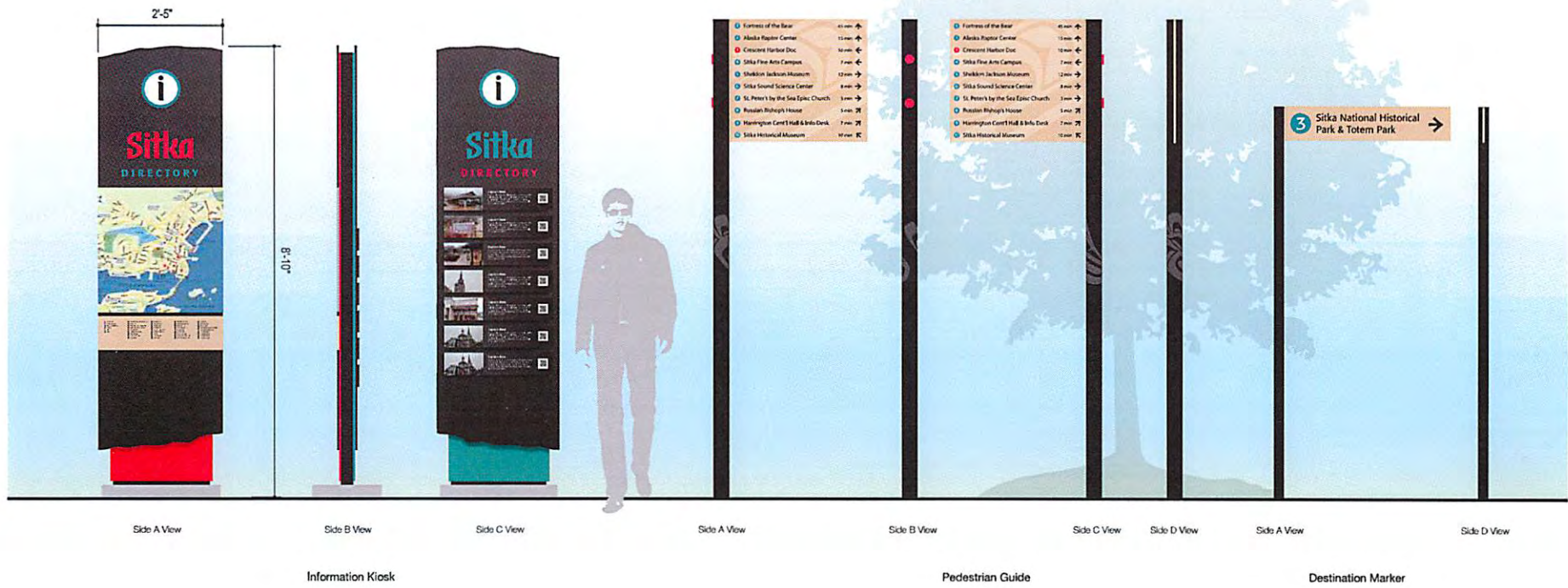
As a result of prior Assembly direction, fund balance and corresponding working capital in the amount of \$300,000 has been assigned within Fund 194, the Commercial Passenger Excise Tax Fund, for the purpose of designing and constructing wayfaring signage.

Although fund balance in Fund 194 was restricted through the prior assignment, Assembly action is still required to appropriate the assigned fund balance for expenditure. As with all appropriations, a supplemental budget ordinance is required.

Finally, as the full amount of the assigned fund balance was not required for the intended purpose, concurrence from the Assembly is requested to unassign the remaining \$17,700 in Fund 194 and return it to the unassigned, undesignated fund balance, available for other appropriations.

Recommendation:

Approve an appropriation in Fund 194, Commercial Passenger Excise Tax Fund, transferring \$282,300 to Fund 700, General capital projects Fund, for the purpose of designing and constructing Wayfaring signs. Approve \$282,300 in Fund 700, General Capital projects Fund, to construct and install wayfaring signs. Finally, unassign \$17,700 in Fund 194 and return it to the unassigned, undesignated fund balance, available for other appropriations.



Placemaking

This is the process of creating attractive streetscapes, gateways, squares, precincts, parks, public art, and trails that will attract people because they are pleasurable, enticing or interesting. The brand planning process revealed several areas in which the attractiveness of Sitka can be improved for both residents and visitors. These include:

- Support the introduction of more public art in Sitka, particularly where it supports the themes of the brand.
- Encourage the development of a compact pedestrian precinct that can function as a gathering place. This should feature restaurants with outdoor seating, coffee shops, specialty retail and entertainment that will be a gathering place for residents and generate a sense of night activity.

Pedestrian Signage and Wayfinding: Signage systems serve vital roles. They inform, guide, and motivate travelers. They are also important in shaping the identity of a place through their style, design, colors, lettering, content and placement. Good signage can contribute significantly toward the satisfaction of visitors. The current wayfinding program will contribute significantly to the presentation of Sitka. Signs play an important role in encouraging people to spend money by effectively guiding them to desired locations.

Interpretation: This practice is aimed at explaining to visitors the significance of an object, a culture or a place – thereby possibly creating an attraction. Three objectives of interpretation are to enhance visitor experiences, to improve visitor knowledge or understanding, and to assist in the protection or conservation of places or cultural resources. It is most commonly used to refer to activities such as guided tours or walks and educational presentations, and to signs, mobile apps, guidebooks and brochures. Interpretation is very common in historic sites, museums, galleries, zoos, and natural areas of significance, as well as in telling the stories of communities. At its best it involves talented storytelling and content that visitors will find memorable, stimulating and worth telling to others.

Encourage thematic interpretation throughout the region, especially for sites of significant natural flora and fauna, settlement and fishing heritage. The signage and information systems used should be uniform throughout the region.



CITY AND BOROUGH OF SITKA

Legislation Details

File #: ORD 16-45 Version: 1 Name:

Type: Ordinance Status: AGENDA READY

File created: 12/5/2016 In control: City and Borough Assembly

On agenda: 12/27/2016 Final action:

Title: Amending Sitka General Code Chapter 4.12 entitled "Property Tax" to exempt all personal property except business personal property, and non-light aircraft from personal property taxation

Sponsors:

Indexes:

Code sections:

Attachments: [Ord 2016-45 and memos.pdf](#)

Date	Ver.	Action By	Action	Result
12/13/2016	1	City and Borough Assembly		

POSSIBLE MOTION

I MOVE TO approve Ordinance 2016-45 on second and final reading.



City and Borough of Sitka

100 Lincoln Street • Sitka, Alaska 99835

Coast Guard City, USA

MEMORANDUM

To: Mayor Hunter and Assembly Members
Mark Gorman, Municipal Administrator

Date: December 21, 2016

From: Wendy Lawrence, Assessing Director
Wendy Lawrence

Subject: Proposed Changes to Personal Property – ORD 2016-45

Personal property is tangible property not affixed to land, and by its very nature is a non-productive property taxation segment. Personal property is moveable and business proprietary, therefore a municipality should tax this property type only if: 1. it is a strong personal property type, and 2. it is relatively easy to administer.

These two criteria were used when analyzing the three scenarios for personal property taxation: full taxation, complete exemption, and exemption of all personal property except business personal property. Full taxation and full exemption scenarios were found to be non-cost-effective, requiring hiring of additional staff and significant loss of revenue respectively. Therefore, the recommendation to exempt all personal property except business personal and non-light aircraft was presented.

Concerns about the exemption of all boats are valid but please keep in mind taxation of boats may meet the strong tax type criteria, but not the ease of administration criteria and thus was recommended for exemption in full. The taxation of boats under the heavily regulated state statute of Title 29.45 is not cost-effective and therefore is not recommended due to the level of regulation it mandates.

The associated revenue loss of \$137,400 will be offset by gains in both real and personal property, and could be recaptured through the following alternative options, with less overhead administrative costs:

1. Continued dedication to the Harbor Department through a General Fund transfer
2. Collection of fees through the harbor billing in an amount equal to those collected through the Assessing Department
3. Establishment of a \$/day guide excise tax for boats & airplanes used in guiding or tourism business activities, and/or an annual permit fee on lodge operators (Example: [Lake and](#)

[Peninsula Borough Chapter 6.50 Imposition of an Annual Permit Fee on Lodge Operators and Professional Guides](#)

If you'd like further information and analysis on any of these options please let me know. Please keep in mind:

- Seventy-eight percent of all municipalities that levy a property tax have exempted personal property taxation in some manner
- All surrounding southeast Alaska communities that levy a property tax have exempted personal property in full incentivizing registration in those communities even though they might be physically located here
- Eighty-six percent of the total \$92,000 received in the form of the Failure to File Fees (\$100 each) were from boats indicating that after three years taxation of boats still remains problematic

Memorandum

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

FROM: Wendy Lawrence, Assessing Director

DATE: December 7, 2016

SUBJECT: Personal Property Changes for Greater Efficiencies in the Administration of the Property Tax

Personal property is tangible property not affixed to land, and by its very nature is a non-productive property tax segment. Therefore 78% of municipalities that levy a property tax have exempted personal property in some manner. Personal property is movable by nature and at times business proprietary in nature (boats & aircraft for example); therefore a municipality should only tax personal property classes that produce a strong and stable revenue stream. In Sitka, administration of the personal property tax consumes about 60% of the Assessing Department's total resources and produces about 8% of the revenue.

Property Tax - Fiscal Year 2016				
Type	Revenue	% of Revenue	No. of Accounts	% of Accts
Real Property	\$ 5,846,800	92%	4,100	59%
Personal Property	\$ 527,500	8%	2,800	41%
Totals	\$ 6,374,300		6,900	

Personal property is further classified as *business personal*, as well as *regular personal property*, and a complete summary of each type, assessed value, and resulting tax revenue can be found in the attached reference information for your review.

This ordinance is presented to exempt all personal property except for business personal property, and commercial jet aircraft (defined by code as non-light aircraft), as this is a strong property segment and is relatively easy to administer. In addition, this ordinance establishes an apportionment valuation formula that is used across the nation to assess scheduled aircraft that travel intra- and interstate. To further clarify, this ordinance retains the business personal property \$25,000 exemption and failure to file fees on business that fail to file timely, and would exempt all boats and light-aircraft, which are now currently taxed.

Fiscal Note:

This ordinance is estimated to produce a net revenue gain of \$168,600

Recommendation:

Approve Ordinance 2016-45.

Ordinance 2016-45 Background & Reference Materials:

Implementing these changes would relieve property tax disincentives to storing boats and vessels here by bringing Sitka’s personal property assessing policies into virtual alignment with Juneau’s and by making it more competitive with other southeast communities. All other southeast communities that levy a property tax (Haines, Petersburg, Skagway, Wrangell and Yakutat) have exempted all personal property in full.

These changes will potentially bring about the following results:

- Shifting of resources from an inefficient to an efficient tax segment (personal to real), by reducing the number of personal property accounts from 2,800 to 600, a more manageable amount given current resources.
- Would eliminate the inequity in taxation between boats and airplanes (flat fee versus full value).
- Incentivize boats and airplanes to be located within the borough in order to stimulate small business activities associated with such property.

These changes would also bring some relief to the challenges inherent in taxing personal property:

- All personal property is moveable, therefore state and local law require the owner to self-report, the honest man’s tax
 - Due to the self-reporting nature, additional policies such as a failure to file fee must be in place in order to ensure timely annual filing
 - The \$100 Failure to File Fee initiated three years ago has been unsuccessful in incentivizing boat and airplane owners to timely report their annual filings; the failure to file rate for boat owners was 35%, and 33% for airplanes
 - This FFF, relevant to the boat flat tax in particular, could potentially be seen as disproportionate by a court challenge
 - Although completely appropriate and necessary for business filings, the failure to file rate for businesses was 25% last year
 - Failure to File Fees totaled \$92,000 last year and 86% of these fees were from boats and airplanes
- Exempting personal property in this manner would not only be a benefit for the public and small businesses at large, but would relieve the burden of administering a non-cost-effective revenue stream.

Fiscal Impact Analysis:

PROPERTY		CURRENT				PROPOSED			
Personal Property Type	No. Accts	Taxation Type	No. Accts	Revenue	Fees	Taxation Type	No. Accts	Revenue	Fees
Business Machinery & Equipment	534	Full Market Value with first \$25,000 of value exempt	534	\$ 355,900	\$ 13,100	Full Market Value with first \$25,000 of value exempt	542	\$ 444,900	\$ 12,000
Motor Vehicles	9820	State Collected Flat Tax	0	\$ 95,000	\$ -	State Collected Flat Tax	0	\$ 96,400	\$ -
Boats & Vessels	2207	Flat Fee	2207	\$ 137,400	\$ 78,100	Exempt	0	\$ -	\$ -
Business Inventory	0	Exempt	0	\$ -	\$ -	Exempt	0	\$ -	\$ -
Private Recreational Equip	86	Exempt	0	\$ -	\$ -	Exempt	0	\$ -	\$ -
Float Houses	16	Full Market Value	16	\$ 3,600	\$ 300	Will be Moved to Real Property	0	\$ 3,700	\$ -
Aircraft									
Light Aircraft	15	Full Market Value	15	\$ 4,700	\$ 500	Exempt	0	\$ -	\$ -
Non-Light Aircraft	4	Full Market Value	4	\$ 13,000	\$ -	Full Market Value	4	\$ 13,200	\$ -
TOTALS	12,682		2,776	\$ 609,600	\$ 92,000		546	\$ 558,200	\$ 12,000
Net Changes					\$ 701,600				\$ 570,200
Fiscal Impact Estimation									
Exemption of all Personal Property Except Business Personal and Non-Light Aircraft (Ordinance 2016-45)									
Revenue Loss (\$570,200 - \$701,600)								\$	(131,400)
Revenue Gain on Real Property Side over Last Year (Assessor's Estimate)								\$	300,000
Net Gain/Loss								\$	168,600

Part 3 - Property Taxation

Table 4 TYPES OF PROPERTY TAX EXEMPTIONS AUTHORIZED

Boroughs/Unified Municipalities	Residential Up to \$50K	FF/EMS Up to \$10K	S/C-DAV Over \$150K	Business Machinery Equipment	Motor Vehicles	Boats & Vessels	Business Inventory	Aircraft
Anchorage, Municipality of	OP-EX-20K ^{10%}			FV ⁸	ST COL	FV/EX ⁶	FV ⁸	FV/EX ¹
Bristol Bay Borough	OP-EX-50K ^{100%}			FV	ST COL	FV	FV	FV/FF
Fairbanks North Star Borough	OP-EX-20K ^{20%}	FF/EMS		EX	EX	EX	EX	EX
Haines Borough	FV			EX	EX	EX	EX	EX
Juneau, City & Borough of	FV			FV ⁴	ST COL ⁹	EX	EX	FV ⁵
Kenai Peninsula Borough	OP-EX-50K ^{100%}	FF/EMS	\$150K	FV ⁴	ST COL	FV/FF ⁶	EX	FV/FF ^{4,12}
Ketchikan Gateway Borough	FV			FV ¹¹	ST COL	FF	EX	FV ¹¹
Kodiak Island Borough	FV			FV ¹³	ST COL	FF ¹⁰	EX	FF
Matanuska-Susitna Borough	FV		\$68K	EX	ST COL	EX	EX ³	EX ¹
North Slope Borough	OP-EX-50K ^{100%}		\$150K	FV	FV	FV	FV	FV
Petersburg Borough	FV	FF/EMS		EX	ST COL	EX	EX	EX
Skagway, Municipality of	FV		\$100K	EX	EX	EX	EX	EX
Sitka, City & Borough of	FV			FV¹⁴	ST COL	FF	EX	FV
Wrangell, City & Borough of	FV			EX	EX	EX	EX	EX
Yakutat, City & Borough of	FV			EX	EX	EX	EX	EX
Cities								
Cordova	FV			EX	ST COL	EX	EX	EX
Craig	FV			FV	FV	FV	FV	FV
Dillingham	FV			FV ¹⁵	ST COL	FV ^{2,15}	FV ¹⁵	FV ¹⁵
Eagle	FV			EX	EX	EX	EX	EX
Nenana	FV			FV	ST COL	FV ²	FV	FV
Nome	FV			FV	ST COL	FV	FV ⁷	EX
Pelican	FV			FV	EX	FF	FV	EX
Unalaska	FV	FF/EMS		FV	ST COL	EX	FV	FV ²
Valdez	OP-EX-20K ^{30%}			EX	EX	EX	EX	EX
Whittier	FV			FV	ST COL	FV	EX	FV
EX	Exempt Property.							
FV	Full and True Value Assessment.							
FF	Optional flat fee collected in lieu of property tax (AS 29.45.050(b)(1)).							
FV/FF	Commercial FV / Private FF.							
OP-EX-20K (%)	(%) indicates partial exemption percentage used, if any, up to the limit of \$20,000. For example: 10% of value up to the maximum of \$20,000. This optional residential exemption limit changed in 2012 from \$20,000 to \$50,000 per AS 29.45.050(a). The North Slope Borough and the Kenai Peninsula Borough are the only two municipalities to raise this limit to the maximum \$50,000.							
OP-EX-50K (%)	(%) indicates partial exemption percentage used, if any, up to the limit of \$50,000. For example: 10% of value up to the maximum of \$50,000. This optional residential exemption limit changed in 2012 from \$20,000 to \$50,000 per AS 29.45.050(a). The North Slope Borough and the Kenai Peninsula Borough are the only two municipalities to raise this limit to the maximum \$50,000.							
FF/EMS	Optional real property primary residential exemption up to \$10,000 for volunteer firefighter & volunteer emergency services personnel (AS 29.45.050(r)).							
S/C-DAV	Senior Citizen/Disabled Veteran optional residential exemption over the \$150,000 mandatory exemption (AS 29.45.050(i)). Amount indicated is the additional exempted value over the mandatory \$150,000. For example Kenai Peninsula Borough has a total exemption of \$300,000.							
ST COL	State collected, annual motor vehicle tax (AS 28.10.431).							
	¹ Aircraft are exempt from taxes (except for scheduled carriers). Exempted aircraft pay a flat tax of \$75-\$125.							
	² Commercial at full value, private exempt.							
	³ The first \$1,000,000 of inventory is exempt.							
	⁴ The first \$100,000 of personal property is exempt.							
	⁵ Commercial jet passenger service full value, other commercial flights flat rate, personal exempt.							
	⁶ Scheduled Commercial Vessels pay a flat fee; all vessels >20' long pay flat fee; additional flat fees or ad-valorem taxes may be applied.							
	⁷ Inventory held for resale is exempt.							
	⁸ Optional Exemption (Up to \$20,000) on personal property.							
	⁹ Commercial Full Value, Private MVRT.							
	¹⁰ Over 5 net tons, \$1 per foot, \$30 minimum; all others exempt.							
	¹¹ Fully exempt in borough, but exempt up to \$25,000 within the City of Ketchikan.							
	¹² Commercial aircraft at full value; private aircraft a flat fee.							
	¹³ The first \$20,000 of business personal property owned by each taxpayer is exempt & distributed pro-rata among all accounts.							
	¹⁴ The first \$25,000 of business personal property owned by each taxpayer is exempt & distributed pro-rata among all accounts.							
	¹⁵ The first \$10,000 of personal property is exempt.							

CITY AND BOROUGH OF SITKA

ORDINANCE NO. 2016-45

AN ORDINANCE OF THE CITY AND BOROUGH OF SITKA AMENDING SITKA
GENERAL CODE CHAPTER 4.12. ENTITLED "PROPERTY TAX" TO EXEMPT ALL
PERSONAL PROPERTY EXCEPT BUSINESS PERSONAL PROPERTY, AND NON-
LIGHT AIRCRAFT FROM PERSONAL PROPERTY TAXATION

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

3. **PURPOSE.** This ordinance amends the property tax code to exempt all personal property except for business personal property, and non-light aircraft, in order to bring greater efficiency to the administration of the property tax.

4. **ENACTMENT.** NOW, THEREFORE, BE IT ENACTED by the Sitka Assembly that the Sitka General Code Chapter 4.12 entitled "Property Tax" is amended to read as follows (new language underlined; deleted language stricken):

SITKA GENERAL CODE
CHAPTER 4.12
PROPERTY TAX

4.12.010 Definitions.

The following terms and phrases whenever used in this chapter shall have the meanings ascribed to them in this section.

A. "Real property" includes:

1. Land itself, whether laid out in lots or otherwise,
2. All buildings, structures, improvements, fixtures of whatsoever kind permanently fixed thereon,
3. Mobile homes, modular homes, trailers, house trailers, trailer coaches and similar property used or intended to be used for residential, office, or commercial purposes and attached to the land or connected to water, gas, electric, or sewage facilities,
4. All possessory rights and privileges belonging or in any way appertaining thereto, including possessory rights to tidelands;

43 B. "Tangible property" means property which may be seen, weighed and measured by
44 the physical senses and capable of being possessed. Stocks and bonds shall not be
45 considered tangible property;

46 C. "Tract" includes all lands, pieces or parcels of land, which may be separately
47 assessed together with the fixtures and improvements thereon;

48 D. "Business property" includes all personal property and real property as hereinabove
49 defined which is used for business purposes;

50 E. "Boat or vessel" means an item designed and constructed for the principal purpose of
51 transporting goods or persons by water. Registration, licensing or documentation shall not
52 be conclusive, but shall be considered along with the use and hull design, including
53 whether or not the item is actually and reasonably used in transporting persons or articles
54 in navigation.

55 1. Materials that have been attached or installed as of January 1st of any year as
56 part of the manufacture of a boat or vessel shall be taxed as a boat or vessel for
57 purposes of this chapter if as of January 1st of any year the product of the
58 manufacture is recognizable as a boat or vessel by a reasonable person.

59 F. "Non-light aircraft" means any aircraft with a maximum gross takeoff weight of
60 greater than 12,500 pounds.

61 G. "Light aircraft" means any aircraft with max gross takeoff weight of 12,500 pounds
62 or less.

63 **4.12.020 Property Subject to Tax.**

64 A. All property within the corporate limits of the city and borough, both real and personal,
65 of every nature, not exempt under the laws of the United States or the state of Alaska is
66 subject to taxation for school and municipal purposes, and taxes upon such property must
67 be assessed, levied and collected as provided herein, except the following property shall
68 not be subject to taxation:

69 1. Personal property consisting of boats and vessels, light aircraft, household
70 goods, jewelry, intangibles and personal effects, including motorcycles and
71 snowmobiles not used in business and all motor vehicles subject to the motor vehicle
72 registration tax.

73 ~~B. All boats and vessels located within the boundaries of the city and borough on~~
74 ~~January 1st of any given year shall be subject to taxation under the same procedures and~~
75 ~~with the same assessment dates and due dates as personal property, except that~~
76 ~~valuation and taxation shall be on the basis of registered and certified length according to~~
77 ~~the schedule set forth below:~~

78 ~~Class and Vessel Size _____ Annual Property Tax~~
79 ~~Class 1 Less than 15 feet in length _____ \$20.00~~

80	Class 2 15 to less than 20 feet in length	\$30.00
81	Class 3 20 to less than 30 feet in length	\$50.00
82	Class 4 30 to less than 50 feet in length	\$100.00
83	Class 5 50 or more feet in length	\$200.00

84 B. For the purpose of assessing, levying, and collecting taxes, any non-light aircraft
85 located within borough limits at any time in a tax year shall be considered taxable personal
86 property and the owner shall file a property tax return indicating the fair market value of the
87 property as of January 1st of each tax year. Property is assumed to be present within the
88 borough year round unless demonstrated otherwise. An aircraft that is in transit and does
89 not receive any benefit or services in the borough during the year is not subject to taxation
90 under this section. If the owner can demonstrate the property was absent one or more
91 days during the tax year, the owner shall file a personal property return indicating (1) the
92 fair market value of the property, and (2) the number of days the property was within the
93 borough. The assessed value of such property shall be determined by the following
94 formula:

95 Assessed value = (fair market value/365 days) x number of days [including partial days] in
96 borough

97 Any non-light aircraft operated by a scheduled carrier which is based outside of the
98 borough shall be assessed in proportion to the number of landings in the borough. For
99 purposes of determining the assessed value of the property, the assessor shall use the fair
100 market value as of January 1st of the current tax year, and shall use the total number of
101 landings in the borough by the property in the previous tax year. It shall be the
102 responsibility of the carrier to provide the borough with a personal property return
103 documenting the total landings for each aircraft. In the event the carrier fails to provide
104 such documentation, the assessor shall assess the property based on its non-apportioned
105 full value as of January 1st of the tax year. For the purpose of this section:

106 1. "Scheduled carrier" shall mean any certified air carrier which maintains a regular
107 schedule of flights within the borough.

108 2. An aircraft is "based outside of the borough" if the airport at which the aircraft is
109 usually based, as indicated by that aircraft's registration, lies outside the borough
110 limits, unless the borough has reason to believe that the aircraft is in fact based
111 within the borough limits. This value shall be determined by the following formula:

112

113 Assessed value = (fair market value/17,520) x total landings
114

115

116

117 **4.12.025 Exemptions.**

118 * * *

119 K. A taxpayer who files a timely business property return with the assessor shall be
120 exempted the first twenty-five thousand dollars of assessed value of business property
121 owned by each taxpayer from taxation as an optional exemption as set forth in
122 AS 29.45.050(c). For taxpayers with multiple business property accounts, the optional
123 exemption will be distributed among all of the accounts pro rata, based on the proportion of
124 the assessed value in each account to the total assessed value of taxpayer's business
125 property. This exemption shall not apply to personal property affixed to land or
126 improvements to land, ~~boats, aircraft,~~ float houses, nor to motor vehicles subject to a
127 registration tax under AS 28.10.431 and as such statute may be hereafter amended,
128 revised, or replaced.

129 * * *

130 **4.12.040 Assessment of property at full and true value.**

131 Property shall be assessed at its full and true value in money, as of January 1st of the
132 assessment year. Assessments on personal property shall not be prorated for the
133 assessment year except as follows: non-light aircraft operated in intrastate, interstate or
134 foreign commerce shall be assessed on an apportionment basis according to 4.12.020.B.
135 In determining the full and true value of property in money, the person making the return or
136 the assessor, as the case may be, shall not adopt a lower or different standard of value
137 because the same is to serve as a basis of taxation, nor shall he adopt as a criterion of
138 value the price for which the property would sell at auction, or at a forced sale, either
139 separately or in the aggregate with all of the property in the taxing district, but he shall
140 value the property at such sum as he believes the same to be fairly worth in money at the
141 time of assessment.

142 * * *

143
144 **5. EFFECTIVE DATE.** This Ordinance shall become effective on the day after the date of its
145 passage.

146
147 **PASSED, APPROVED, AND ADOPTED** by the Assembly of the City and Borough of Sitka, Alaska
148 this 27th day of December, 2016.

149
150
151
152 _____
153 Matthew Hunter, Mayor

154 ATTEST:
155
156 _____
157 Melissa Henshaw, CMC
158 Acting Municipal Clerk

159 1st reading 12/13/16
160 2nd reading 12/27/16



CITY AND BOROUGH OF SITKA

Legislation Details

File #: ORD 16-47A Version: 1 Name:
Type: Ordinance Status: AGENDA READY
File created: 12/6/2016 In control: City and Borough Assembly
On agenda: 12/27/2016 Final action:
Title: Amending Sitka General Code at Title 10 "Public Peace, Safety and Morals", Chapter 10.25 "Cellular Phone Use While Driving", by adding Section 10.25.040 entitled "Penalties" (first reading as amended)

Sponsors:

Indexes:

Code sections:

Attachments: [Motion ORD 2016-47A.pdf](#)
[Ord 2016-47A.pdf](#)

Date	Ver.	Action By	Action	Result
12/13/2016	1	City and Borough Assembly		
12/13/2016	1	City and Borough Assembly		

POSSIBLE MOTION

I MOVE TO approve Ordinance 2016-47A on first reading as amended.

CITY AND BOROUGH OF SITKA

ORDINANCE NO. 2016-47A

AN ORDINANCE OF THE CITY AND BOROUGH OF SITKA AMENDING SITKA GENERAL CODE AT TITLE 10 "PUBLIC PEACE, SAFETY AND MORALS", CHAPTER 10.25 "CELLULAR PHONE USE WHILE DRIVING", BY ADDING SECTION 10.25.040 ENTITLED "PENALTIES"

1. CLASSIFICATION. This ordinance is of a permanent nature and is 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 add a penalties section to chapter 10.25 to specify the maximum penalty for any violation of this chapter and to specify that certain violations of this chapter will have fines specified such that they may be disposed of without a mandatory court appearance.

4. ENACTMENT. NOW, THEREFORE, BE IT ENACTED by the Assembly of the City and Borough of Sitka that the Sitka General Code Title 10, Chapter 10.25, is amended by adding a new section 10.25.040 entitled "Penalties" (new language underlined; deleted language stricken):

Title 10
PUBLIC PEACE, SAFETY AND MORALS

Chapter 10.25
CELLULAR PHONE USE WHILE DRIVING

Sections:

- 10.25.010 Definitions.
10.25.020 Prohibited use.
10.25.030 Exceptions.
10.25.040 Penalties.

10.25.040 Penalties

A. The maximum penalty for violation of the provisions of this chapter is five hundred dollars.

B. In accordance with AS 29.25.070(a), citations for offenses in this chapter may be disposed of as provided in AS 12.25.175-.230, without a court appearance, upon payment of the fine amounts stated herein plus the state surcharge required by AS 12.55.039 and AS 29.25.074. Fines must be paid to the City and Borough of Sitka. The Alaska Rules of Minor Offense Procedure in the Alaska Rules of Court apply to all

52 offenses referenced herein. Citations charging these offenses must meet the
53 requirements of Rule 3 of the Alaska Rules of Minor Offense Procedure. For the first
54 offense, the fine shall be fifty dollars. For the second offense, the fine shall be one
55 hundred dollars. For the third offense, the fine shall be two hundred dollars. For any
56 subsequent offense after three, the defendant must appear in court to answer for the
57 charges. If a person charged with one of these offenses appears in court and is found
58 guilty, the penalty imposed for the offense may not exceed the fine amount for that
59 offense stated herein. These fines may not be judicially reduced. For purposes of this
60 section, prior offenses must be within the previous five years.
61

62 * * *

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

65
66 **PASSED, APPROVED, AND ADOPTED** by the Assembly of the City and Borough of Sitka,
67 Alaska this 10th day of January, 2017.

68
69
70
71 _____
72 Matthew Hunter, Mayor

73 ATTEST:

74
75 _____
76 Sara Peterson, CMC
77 Municipal Clerk

78
79 1st reading 12/13/16
80 1st reading as amended 12/27/16
81 2nd reading 1/10/17



CITY AND BOROUGH OF SITKA

Legislation Details

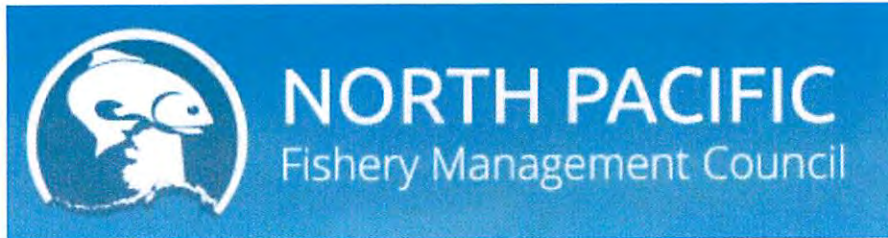
File #: 16-214 Version: 1 Name:
Type: Item Status: AGENDA READY
File created: 12/20/2016 In control: City and Borough Assembly
On agenda: 12/27/2016 Final action:
Title: Discussion/Direction/Decision on Municipal Quota Entity
Sponsors:
Indexes:
Code sections:
Attachments: [Municipal Quota Entity.pdf](#)

Date	Ver.	Action By	Action	Result
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DISCUSSION ~ DIRECTION ~ DECISION

Municipal Quota Entity

Sponsors: Bean/Knox



NORTH PACIFIC FISHERY MANAGEMENT COUNCIL
Fishery Management Plan Amendment Proposal

12/20/16

Name of Proposer:

City and Borough of Sitka

Address:

100 Lincoln Street
Sitka Alaska 99835

Telephone: 907 747-1811

Fishery:

IFQ and New

Brief Statement of Proposal:

Municipal Quota Entity (MQE) would be designed to provide the City and Borough of Sitka (CBS) an opportunity to purchase quota shares and lease quota shares to local fisherpersons. MQE would promote local economic growth, employment, and opportunities for the next generation of fishermen. SQE would be two parts:

- 1) Reserving a portion of the total allowable catch to be landed by rod and reel, and non-hydraulic means on boats less than 35'. This approach would allow local people- who are not fulltime commercial fishermen- to supplement their income by using their equipment, knowledge, skills and ability to catch and sell quota.
- 2) Allowing CBS to purchase quota in order to lease the back to local fulltime commercial fishermen through a merit based application process outlined, tracked and managed by CBS.

Objectives of Proposal:

On its face SQE is similar to previous proven allocative measures, but with several major variances, primarily in its design. The objective of MQE would to ease some of the unforeseen consequences of the IFQ and MQE programs by granting the CBS the procedural guarantee to purchase quota in order to allow local fishermen who were left out, as well as new fishermen, a way to participate in longline fisheries.

Need and Justification for Council Action:

According to section 8 of the national standards management measures shall, consistent with the conservation requirements of this Magnuson Stevens Act and take into account the importance of

fishery resources to fishing communities by the sustained participation of such communities, and to the extent practicable, minimize adverse economic impacts on such communities.

Foreseeable impacts:

By in large this proposal is a win-win for the community and the economy of Sitka and would solve some of the unforeseen consequences of the IFQ program.

Are there alternative solutions?

Enact a derby style fishery, and allocate a percentage of the total allowable catch to be caught on rod and reel by local residence.