



# CITY AND BOROUGH OF SITKA

ASSEMBLY CHAMBERS  
1332 Seward Ave.  
Room 229  
Sitka, AK  
(907)747-1811

## Meeting Agenda

### City and Borough Assembly

*Mayor Mim McConnell  
Deputy Mayor Matt Hunter  
Vice-Deputy Mayor Benjamin Miyasato  
Aaron Swanson, Steven Eisenbeisz  
Tristan Guevin, and Bob Potrzuski*

*Municipal Administrator: Mark Gorman  
Acting Municipal Attorney: Brian Hanson*

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Tuesday, May 31, 2016

6:00 PM

Assembly Chambers

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Meeting to be held at the Sealing Cove Business Center 601 Alice Loop

#### SPECIAL MEETING

I. CALL TO ORDER

II. FLAG SALUTE

III. ROLL CALL

IV. CORRESPONDENCE/AGENDA CHANGES

V. 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.*

VI. UNFINISHED BUSINESS:

A [ORD 16-18](#) Adjusting the FY16 Budget (second reading - Sitka Seaplane Base repairs)

**Attachments:** [Motion ord 2016-18.pdf](#)

[Memo and Ord 2016-18.pdf](#)

VII. NEW BUSINESS:

- B**      [ORD 16-20](#)      Adopting budgets for Fiscal Year July 1, 2016 through June 30, 2017  
(first reading)

**Attachments:** [Motion ord 2016-20.pdf](#)  
[2016-20 FY17 Budget.pdf](#)

**VIII.      PERSONS TO BE HEARD:**

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

**IX.      EXECUTIVE SESSION**

**X.      ADJOURNMENT**

*Melissa Henshaw  
Acting Municipal Clerk  
Publish: 5/27/2016*



# CITY AND BOROUGH OF SITKA

## Legislation Details

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**File #:** ORD 16-18    **Version:** 1    **Name:**  
**Type:** Ordinance    **Status:** AGENDA READY  
**File created:** 5/17/2016    **In control:** City and Borough Assembly  
**On agenda:** 5/24/2016    **Final action:**  
**Title:** Adjusting the FY16 Budget (second reading - Sitka Seaplane Base repairs)  
**Sponsors:**  
**Indexes:**  
**Code sections:**  
**Attachments:** [Motion ord 2016-18.pdf](#)  
[Memo and Ord 2016-18.pdf](#)

Date	Ver.	Action By	Action	Result
5/24/2016	1	City and Borough Assembly		

## **POSSIBLE MOTION**

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**I MOVE TO** approve Ordinance 2016-18 on second and final reading.

## MEMORANDUM

**To:** Mayor McConnell and Members of the Assembly

**Cc:** Mark Gorman, Administrator  
Jay Sweeney, Chief Finance Director

**From:** Stan Eliason, Harbormaster

**Subject:** Budget Adjustment Approval – Sitka Seaplane Base Rehabilitation Project

**Date:** May 17, 2016

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### **Background**

The Sitka Seaplane Base was originally constructed in 1952 by the Territory of Alaska with funding from the Civil Aeronautics Administration, FAA's predecessor agency. The facility was later improved several times by the State of Alaska and City of Sitka (later the City and Borough of Sitka), acting as co-sponsors. The City and Borough of Sitka became sole sponsor of this facility in 1977 and it was completely replaced in 1978 by WS Construction.

### **Analysis**

While a 30 year useful life is typically used in Alaska communities for harbor facilities, Sitka's strong preventative maintenance program has extended marine facility life beyond 30 years. It should be noted that the Sitka Seaplane Base is approaching 40 years of age. Efforts to develop a replacement seaplane base is ongoing. On January 24<sup>th</sup> 2016, the piling supporting the marginal float to this facility failed. It was also noted that 4 out of the 5 remaining pilings are approaching failure. The facility was closed displacing 4 seaplanes.

PND Engineers of Juneau and CBS Harbor Staff performed an assessment of the facility. It was determined that many integral parts were actually in good condition, given its age. A repair plan has been developed to make this facility useable for based aircraft. By having a functional facility, this will also give the CBS a greater opportunity to obtain grant funding for a new seaplane base.

### **Fiscal Note**

Time is of the essence given that the facility has failed which has essentially condemned the only dedicated public seaplane dock access in Sitka. The Harbor Department solicited local contractors qualified to perform pile driving and repair work of this magnitude. WS Construction was the only local pile driving contractor who responded and is available to do the work immediately. WS Construction's experience from building the float originally, having materials local that can be used and repurposed, and availability is unmatched. Through this solicitation process, and working with WS Construction, a budget of \$170,000 was developed for the project. The Harbor Working Capital has sufficient funds to cover this capital repair

cost. However, this is an unplanned expenditure that will reduce the planned reserves for future master plan capital needs.

It has been suggested that due to this unplanned cost and the additional pressure it places on the Harbor Enterprise Fund, that the Assembly consider providing a grant to the Fund from the Southeast Alaska Economic Development Fund. If the Assembly expresses interest in this approach, staff will prepare an ordinance for a future meeting to appropriate money from the Southeast Alaska Economic Development Fund for transfer to the Harbor Fund.

**Recommendation**

Approve the proposed FY-16 budget adjustment ordinance to fund the Sitka Seaplane Base Rehabilitation Project.

CITY AND BOROUGH OF SITKA

ORDINANCE NO. 2016-18

AN ORDINANCE OF THE CITY AND BOROUGH OF SITKA  
ADJUSTING THE FY16 BUDGET

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

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

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

3. **PURPOSE.** The purpose of this ordinance is to adjust the FY16 budgets for known changes.

4. **ENACTMENT.** The Assembly of the City and Borough of Sitka hereby adjusts the FY16 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, 2015 and ending June 30, 2016 is hereby adjusted as follows:

<u>Account Number</u>	<u>Account</u>	<u>Increase</u>	<u>Decrease</u>
<b><u>FISCAL YEAR 2016 EXPENDITURE BUDGETS</u></b>			
<b><u>CAPITAL PROJECTS</u></b>			
<b>Fund 750 – Float Plane Dock Repairs Project #90817: The Harbor Master is requesting a new appropriation in the amount of \$170,000 for the Float Plane Dock Repairs. These funds will come from the Harbor Department Undesignated Working Capital.</b>			

**EXPLANATION**

Necessary revisions in the FY 2016 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 31<sup>st</sup> Day of May, 2016.

ATTEST:

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Mim McConnell, Mayor

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Sara Peterson, CMC  
Municipal Clerk



# CITY AND BOROUGH OF SITKA

## Legislation Details

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**File #:** ORD 16-20    **Version:** 1    **Name:**  
**Type:** Ordinance    **Status:** AGENDA READY  
**File created:** 5/25/2016    **In control:** City and Borough Assembly  
**On agenda:**    **Final action:**  
**Title:** Adopting budgets for Fiscal Year July 1, 2016 through June 30, 2017 (first reading)  
**Sponsors:**  
**Indexes:**  
**Code sections:**  
**Attachments:** [Motion ord 2016-20.pdf](#)  
[2016-20 FY17 Budget.pdf](#)

Date	Ver.	Action By	Action	Result
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## **POSSIBLE MOTION**

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**I MOVE TO** approve Ordinance 2016-20 on first reading.

CITY AND BOROUGH OF SITKA

ORDINANCE NO. 2016-20

AN ORDINANCE OF THE CITY AND BOROUGH OF SITKA  
ADOPTING BUDGETS FOR THE FISCAL YEAR JULY 1, 2016  
THROUGH JUNE 30, 2017

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

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

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

**3. PURPOSE.** The purpose of this ordinance is to set forth budgetary requirements for the operation of the various divisions, departments and organizations of the City and Borough of Sitka for Fiscal Year 2017.

**4. ENACTMENT. NOW THEREFORE, BE IT ENACTED** by the Assembly of the City and Borough of Sitka, Alaska that the following expenditure budgets for the fiscal period beginning July 1, 2016 and ending June 30, 2017 are hereby adopted as follows:

<u>FUND</u>	<u>REVENUE</u>	<u>EXPENDITURE BUDGET</u>		
<u>GENERAL FUNDS</u>	REVENUE	OPERATIONS	CAPITAL/ TRANSFER	TOTAL
General Fund	\$ 28,288,850	\$ 26,788,850	\$ 1,500,000	\$ 28,288,850
<u>ENTERPRISE FUNDS</u>				
Electric Fund	\$ 18,086,900	\$ 17,268,250	\$ 3,475,000	\$ 20,743,250
Water Fund	\$ 3,590,030	\$ 2,126,252	\$ 75,000	\$ 2,201,252
Wastewater Fund	\$ 4,680,820	\$ 3,177,896	\$ 226,500	\$ 3,404,396
Solid Waste Fund	\$ 3,750,668	\$ 3,563,072	\$ -0-	\$ 3,563,072
Harbor Fund	\$ 3,759,500	\$ 2,267,774	\$ -0-	\$ 2,267,774
Airport Terminal Fund	\$ 486,000	\$ 463,288	\$ -0-	\$ 463,288
Marine Service Center Fund	\$ 265,484	\$ 158,197	\$ -0-	\$ 158,197
Gary Paxton Industrial Park	\$ 7,188,900	\$ 306,972	\$ -0-	\$ 306,972

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<b><u>INTERNAL SERVICE FUNDS</u></b>	REVENUE	OPERATIONS	CAPITAL/ TRANSFER	TOTAL
Management Information Systems Fund	\$ 1,144,022	\$ 1,051,410	\$ -0-	\$ 1,051,410
Central Garage Fund	\$ 1,816,156	\$ 896,929	\$ 821,200	\$ 1,718,129
Building Maintenance Fund	\$ 772,400	\$ 689,961	\$ -0-	\$ 689,961
<b><u>SPECIAL REVENUE FUNDS</u></b>				
Pet Adoption Fund	\$ 960	\$ 2,000	\$ -0-	\$ 2,000
SEACAD Fund	\$ 5,000	\$ 5,000	\$ -0-	\$ 5,000
Sitka Forfeiture Fund	\$ 2,000	\$ 2,000	\$ -0-	\$ 2,000
NARCO Task Force Grant	\$ 130,000	\$ 130,000	\$ -0-	\$ 130,000
State Forfeiture Fund	\$ 2,000	\$ 2,000	\$ -0-	\$ 2,000
Homeland Security Grant	\$ 30,000	\$ 30,000	\$ -0-	\$ 30,000
Library Building Fund	\$ 1,700	\$ -0-	\$ -0-	\$ -0-
Southeast Alaska Economic Development Fund	\$ 37,500	\$ 37,500	\$ -0-	\$ 37,500
GPIP Contingency Fund	\$ 19,000	\$ 19,000	\$ -0-	\$ 19,000
Tobacco Excise Tax Fund	\$ 681,500	\$ 680,000	\$ -0-	\$ 680,000
Fisheries Enhancement Fund	\$ 40,000	\$ 40,000	\$ -0-	\$ 40,000
Commercial Passenger Vessel Excise Tax Fund	\$ 236,900	\$ 81,800	\$ -0-	\$ 81,800
Visitor Enhancement Fund	\$ 433,905	\$ 371,368	\$ -0-	\$ 371,368
Revolving Fund	\$ 38,200	\$ 28,700	\$ -0-	\$ 28,700
Guarantee Fund	\$ 6,200	\$ 6,200	\$ -0-	\$ 6,200
Cemetery Fund	\$ 2,000	\$ 2,800	\$ -0-	\$ 2,800
Rowe Trust Fund	\$ 4,000	\$ 4,000	\$ -0-	\$ 4,000
Library Endowment Fund	\$ 6,500	\$ -0-	\$ -0-	\$ -0-
Bulk Water Fund	\$ 25,000	\$ -0-	\$ -0-	\$ -0-
Seasonal Sales Tax/School Bond Debt Service Fund	\$ 4,551,032	\$ 4,765,998	\$ -0-	\$ 4,765,998
<b><u>PERMANENT FUND</u></b>				
Permanent Fund	\$ 576,000	\$ 1,346,888	\$ -0-	\$ 1,346,888

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<b><u>CAPITAL PROJECT FUNDS</u></b>	REVENUE	OPERATIONS	CAPITAL /TRANSFER	TOTAL
General Capital Project Fund	\$ 1,500,000	\$ -0-	\$ 2,808,666	\$ 2,808,666
GF Contingent on State/Federal Funding	\$ 2,368,060	\$ -0-	\$ 2,368,060	\$ 2,368,060
Electric Capital Project Fund	\$ 3,475,000	\$ -0-	\$ 3,475,000	\$ 3,475,000
Electric Contingent on State/Federal Funding	\$ 2,669,000	\$ -0-	\$ 2,669,000	\$ 2,669,000
Water Capital Project Fund	\$ 75,000	\$ -0-	\$ 75,000	\$ 75,000
Water Contingent on State/Federal Funding	\$ 6,462,322	\$ -0-	\$ 6,462,322	\$ 6,462,322
Wastewater Capital Project Fund	\$ 125,000	\$ -0-	\$ 125,000	\$ 125,000
Wastewater Contingent on State/Federal Funding	\$ 16,961,461	\$ -0-	\$ 16,961,461	\$16,961,461
Solid Waste Capital Project Fund	\$ -0-	\$ -0-	\$ -0-	\$ -0-
Harbor Capital Project Fund	\$ -0-	\$ -0-	\$ -0-	\$ -0-
Harbor Contingent on State/Federal Funding	\$ 1,850,000	\$ -0-	\$ 1,850,000	\$ 1,850,000
MSC Contingent on State/Federal Funding	\$ 8,440,000	\$ -0-	\$ 8,440,000	\$ 8,440,000
<b><u>COMPONENT UNIT</u></b>				
Sitka Community Hospital	\$ 25,573,363	\$ 25,153,387	\$ 419,976	\$ 25,573,363

32 **EXPLANATION**

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

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38 **5. EFFECTIVE DATE.** This ordinance shall become effective on July 1, 2016.

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40 PASSED, APPROVED, AND ADOPTED by the Assembly of the City and Borough of Sitka, Alaska this 14th day  
41 of June, 2016.

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Mim McConnell, Mayor

ATTEST:

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Sara Peterson, CMC  
Municipal Clerk