



# CITY AND BOROUGH OF SITKA

ASSEMBLY CHAMBERS  
330 Harbor Drive  
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 Michelle Putz*

*Municipal Administrator: Mark Gorman  
Municipal Attorney: Robin L. Koutchak  
Municipal Clerk: Sara Peterson, CMC  
Municipal Clerk: Colleen Ingman, MMC*

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Monday, May 4, 2015

5:00 PM

Assembly Chambers

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### 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. 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 [15-063](#) Authorize reducing the personal property tax non-file fee from \$100 to \$20 for the 2015 tax year

*Attachments:* [Supporting documentation](#)

VII. UNFINISHED BUSINESS:





## Legislation Details

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**File #:** 15-063      **Version:** 1      **Name:**  
**Type:** Item      **Status:** AGENDA READY  
**File created:** 4/28/2015      **In control:** City and Borough Assembly  
**On agenda:** 5/4/2015      **Final action:**  
**Title:** Authorize reducing the personal property tax non-file fee from \$100 to \$20 for the 2015 tax year  
**Sponsors:**  
**Indexes:**  
**Code sections:**  
**Attachments:** [Supporting documentation](#)

Date	Ver.	Action By	Action	Result
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## POSSIBLE MOTION

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**I MOVE TO** authorize reducing the personal property tax non-file fee from \$100 to \$20 for the 2015 tax year.

## Memorandum

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

FROM: Wendy Lawrence, Assessing Director 

SUBJECT: Modification of Personal Property Non-file Fee

DATE: April 29, 2015

All taxable personal property (business personal property, boats, and airplanes) is required to be self-reported by February 15<sup>th</sup> annually (SGC 4.12.050(a)). Because this segment is self-reported a \$100 personal property non-filing fee was implemented in 2014 to incent owners to report taxable property in a timely manner.

The department asks for Assembly consideration in reducing the personal property non-filing fee of \$100 for the 2015 tax year to \$20 for the following reasons:

- For Tax Year 2014 this \$100 fee was implemented with approximately 50% reporting compliance that first year; the fee was waived for all in this initial year.
- For Tax Year 2015 this \$100 fee has remained in effect and the department experienced approximately 70% reporting compliance; the department is recommending that this fee be reduced but not waived for this tax year.
- Some property owners were apparently still unaware of their responsibility to report and have requested a waiver of the fee.
- A waiver request process was initiated in 2015, and applications for waiver are attached.

**The Assessing Department recommends that this fee be reduced for all personal property filers in Tax Year 2015 in accordance with the Assembly's authority to do so as noted above due to these factors, including those requesting a waiver.**

#### **4.12.055 Failure to file return—Fee—Penalty.**

A. A taxpayer who fails to file a return as provided in Section 4.12.050(A) shall be subject to a fee of one hundred dollars for the cost of the assessor's preparation of a valuation based on information available or obtained by the assessor for the taxable property as allowed under Section 4.12.030 (also referred to as "forced filing"). The taxpayer shall be notified of the fee as of the date of mailing of business property and personal property assessment notices.

B. A person or entity that knowingly makes a false affidavit to a business property or personal property return required by this section relative to the amount, location, kind or value of property subject to taxation with the intent to evade the taxation is guilty of a violation. Upon conviction, the violator shall be subject to penalty as provided in Section 1.12.010.

(Ord. 13-29 § 4 (part), 2013.)



# CITY AND BOROUGH OF SITKA PENALTY FEE WAIVER

RECEIVED APR 07 2015

## "4.12.055 Failure to file return—Fee—Penalty.

A taxpayer who fails to file a return as provided in Section 4.12.050(A) shall be subject to a fee of one hundred dollars for the cost of the Assessor's preparation of a valuation based on information available or obtained by the Assessor for the taxable property as allowed under Section 4.12.030 (also referred to as "forced filing"). The taxpayer shall be notified of the fee as of the date of mailing of business property and personal property assessment notices." Ordinance 13-29

Date 4-7-2015

Name John Bartlett

Address PO Box 1672

To: The City and Borough of Sitka Assembly

I John Bartlett hereby request the \$100.00 fine for the late filing of the 2015 Personal Property declaration be waived for the following reason:

I am in & out of town, and don't always get to  
paperwork. The stuff I do get to usually, is Bills,  
As a property manager filling out forms for organizations are  
in this case for the City is NOT 1st thing on my list.  
Boats & trailers are licensed & registered with the State of  
Alaska. Seems filing is just adding more paperwork to the  
guy working, when license & registration is available on line.

I thus affirm that I have reviewed the details provided herein and I am satisfied that this fee waiver request is made in good faith. I ~~do~~ still have paperwork on desk, just haven't got to it.

John Bartlett  
Printed Name (required)

John Bartlett  
Signature (required)

738-6639  
Daytime Phone No.

jbhwb@schmolckneehaus.com  
Email Address

Board of Equalization Action taken on May 4, 2015:    Granted     Denied

\_\_\_\_\_  
Municipal Clerk, City & Borough of Sitka



# CITY AND BOROUGH OF SITKA PENALTY FEE WAIVER

## "4.12.055 Failure to file return—Fee—Penalty.

A taxpayer who fails to file a return as provided in Section 4.12.050(A) shall be subject to a fee of one hundred dollars for the cost of the Assessor's preparation of a valuation based on information available or obtained by the Assessor for the taxable property as allowed under Section 4.12.030 (also referred to as "forced filing"). The taxpayer shall be notified of the fee as of the date of mailing of business property and personal property assessment notices." Ordinance 13-29

Date 3/9/15

Name Jeremy D. Bingham

Address 3102 H.P.R.

Sitka, AK 99835

To: The City and Borough of Sitka Assembly

I Jeremy D Bingham hereby request the \$100.00 fine for the late filing of the 2015 Personal Property declaration be waived for the following reason:

See Attached

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I thus affirm that I have reviewed the details provided herein and I am satisfied that this fee waiver request is made in good faith.

Jeremy D Bingham  
Printed Name (required)

Jeremy Bingham  
Signature (required)

907-738-2464  
Daytime Phone No.

bingdingak@yahoo.com  
Email Address

Board of Equalization Action taken on May 4, 2015:    Granted     Denied

\_\_\_\_\_  
Municipal Clerk, City & Borough of Sitka

03/09/2015

This fee is disproportionate to the tax due. It is approximately 300% of the \$33.00 property tax obligation assessed for my skiff. Fees are intended to be punitive, not destructive in nature.

I, like many Sitkans, find it a financial struggle to live in our city. I find myself left with no choice but to work two jobs just to endure in the economic environment here, working long hours with little to no personal time. This leaves precious little free time to even use my skiff. I humbly request the City and Borough waive this grievous fee and consider restructuring the fee schedule to be more equitable in fee levying so as to be more proportional to tax amounts.

Thank you for your time.

A handwritten signature in black ink, appearing to read "Jeremy Bingham", with a long horizontal flourish extending to the right.

Jeremy J Bingham

9077382464

bingdingak@yahoo.com

3102 H.P.R.

Sitka AK, 99835





# CITY AND BOROUGH OF SITKA PENALTY FEE WAIVER

## "4.12.055 Failure to file return—Fee—Penalty.

A taxpayer who fails to file a return as provided in Section 4.12.050(A) shall be subject to a fee of one hundred dollars for the cost of the Assessor's preparation of a valuation based on information available or obtained by the Assessor for the taxable property as allowed under Section 4.12.030 (also referred to as "forced filing"). The taxpayer shall be notified of the fee as of the date of mailing of business property and personal property assessment notices." Ordinance 13-29

Date \_\_\_\_\_

Name Penny Brown

Address 4013 HPR

Sitka AK 99835

To: The City and Borough of Sitka Assembly

I Penny Brown hereby request the \$100.00 fine for the late filing of the 2015 Personal Property declaration be waived for the following reason:

I have been a seasonal business owner in Sitka for many years and spend my winters traveling.  
I was out of town most of January and part of February 2015.

I thus affirm that I have reviewed the details provided herein and I am satisfied that this fee waiver request is made in good faith.

Penny Brown  
Printed Name (required)

Penny Brown  
Signature (required)

907 747 5329  
Daytime Phone No.

pk.brown@hotmail.com  
Email Address

Board of Equalization Action taken on May 4, 2015: Granted  Denied

\_\_\_\_\_  
Municipal Clerk, City & Borough of Sitka



# CITY AND BOROUGH OF SITKA PENALTY FEE WAIVER

RECEIVED MAR 30 2015

### "4.12.055 Failure to file return—Fee—Penalty.

A taxpayer who fails to file a return as provided in Section 4.12.050(A) shall be subject to a fee of one hundred dollars for the cost of the Assessor's preparation of a valuation based on information available or obtained by the Assessor for the taxable property as allowed under Section 4.12.030 (also referred to as "forced filing"). The taxpayer shall be notified of the fee as of the date of mailing of business property and personal property assessment notices." Ordinance 13-29

Date March 25 2015  
Name David A. Coleman  
Address P.O. Box 6082  
Sitka, AK 99835

To: The City and Borough of Sitka Assembly

I David A. Coleman hereby request the \$100.00 fine for the late filing of the 2015 Personal Property declaration be waived for the following reason:

Sirs, I respectfully request relief of property tax filing penalty simply because of not receiving mail for several months this past winter. I was traveling abroad and on vacation, my mail was forwarded back East to family. My remote location were unreliable postal destinations. I returned home to Sitka not until

I thus affirm that I have reviewed the details provided herein and I am satisfied that this fee waiver request is made in good faith.

March 13<sup>th</sup>, 2015. Thank you for your kind and generous consideration.  
David A. Coleman Sincerely,  
Printed Name (required) Signature (required)

752-0957  
Daytime Phone No.

\_\_\_\_\_  
Email Address

Board of Equalization Action taken on May 4, 2015: Granted  Denied

\_\_\_\_\_  
Municipal Clerk, City & Borough of Sitka



# CITY AND BOROUGH OF SITKA PENALTY FEE WAIVER

RECEIVED MAR 24 2015

## "4.12.055 Failure to file return—Fee—Penalty.

A taxpayer who fails to file a return as provided in Section 4.12.050(A) shall be subject to a fee of one hundred dollars for the cost of the Assessor's preparation of a valuation based on information available or obtained by the Assessor for the taxable property as allowed under Section 4.12.030 (also referred to as "forced filing"). The taxpayer shall be notified of the fee as of the date of mailing of business property and personal property assessment notices." Ordinance 13-29

Date 3-20-15  
Name Mitch Cowan  
Address 2716 HPIR  
#13

To: The City and Borough of Sitka Assembly

I Mitch Cowan hereby request the \$100.00 fine for the late filing of the 2015 Personal Property declaration be waived for the following reason:

Fairly simple: THIS NOTICE IS SENT OUT WHILE I'M OFF VISITING FAMILY OUT OF STATE IN THE WINTER WHEN I'M NOT WORKING. AN E-MAIL WOULD HAVE NOTIFIED ME OF THE URGENCY AND I COULD HAVE EASILY RESPONDED. THIS MIGHT BE A SOLUTION TO BE EMBRACED.

I thus affirm that I have reviewed the details provided herein and I am satisfied that this fee waiver request is made in good faith.

MITCH COWAN  
Printed Name (required)

Mitch Cowan  
Signature (required)

738-6542  
Daytime Phone No.

wildhorsesalaska@yahoo.com  
Email Address

Board of Equalization Action taken on May 4, 2015: Granted  Denied

\_\_\_\_\_  
Municipal Clerk, City & Borough of Sitka



# CITY AND BOROUGH OF SITKA PENALTY FEE WAIVER

RECEIVED MAR 27 2015

## "4.12.055 Failure to file return—Fee—Penalty.

A taxpayer who fails to file a return as provided in Section 4.12.050(A) shall be subject to a fee of one hundred dollars for the cost of the Assessor's preparation of a valuation based on information available or obtained by the Assessor for the taxable property as allowed under Section 4.12.030 (also referred to as "forced filing"). The taxpayer shall be notified of the fee as of the date of mailing of business property and personal property assessment notices." Ordinance 13-29

Date 27 MAR 2015

Name LARRY CREWS

Address 129 Knutson Dr  
Sitka AK 99831

To: The City and Borough of Sitka Assembly

I LARRY CREWS hereby request the \$100.00 fine for the late filing of the 2015 Personal Property declaration be waived for the following reason:

I was out of town from NOV 15 2014 TO  
MARCH 24 2015. DURING THAT TIME THE ASSESSMENT  
NOTICES WERE MAILED OUT + REQUIRED TO BE SENT BACK.  
I HAVE ALWAYS PAID MY BILL ON TIME + EXPECT TO PAY  
IT AGAIN IN AUGUST WHEN DUE.

I thus affirm that I have reviewed the details provided herein and I am satisfied that this fee waiver request is made in good faith.

Larry Crews  
Printed Name (required)

[Signature]  
Signature (required)

907-738-4705  
Daytime Phone No.

CREWSL@Yahoo.com  
Email Address

Board of Equalization Action taken on May 4, 2015: Granted  Denied

\_\_\_\_\_  
Municipal Clerk, City & Borough of Sitka



# CITY AND BOROUGH OF SITKA PENALTY FEE WAIVER

RECEIVED MAR 13 2015

## "4.12.055 Failure to file return—Fee—Penalty.

A taxpayer who fails to file a return as provided in Section 4.12.050(A) shall be subject to a fee of one hundred dollars for the cost of the Assessor's preparation of a valuation based on information available or obtained by the Assessor for the taxable property as allowed under Section 4.12.030 (also referred to as "forced filing"). The taxpayer shall be notified of the fee as of the date of mailing of business property and personal property assessment notices." Ordinance 13-29

Date 03/12/15  
Name Cleveland Eells  
Address Po Box 2309 HPR  
#26

To: The City and Borough of Sitka Assembly

I Cleveland Eells hereby request the \$100.00 fine for the late filing of the 2015 Personal Property declaration be waived for the following reason:

I never received the form  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

I thus affirm that I have reviewed the details provided herein and I am satisfied that this fee waiver request is made in good faith.

Cleveland Eells

Printed Name (required)

Cleveland Eells

Signature (required)

407-738-8420

Daytime Phone No.

Cleveland.eells@hotmail.com

Email Address

Board of Equalization Action taken on May 4, 2015: Granted  Denied

\_\_\_\_\_  
Municipal Clerk, City & Borough of Sitka



# CITY AND BOROUGH OF SITKA PENALTY FEE WAIVER

RECEIVED APR 06 2015

### "4.12.055 Failure to file return—Fee—Penalty.

A taxpayer who fails to file a return as provided in Section 4.12.050(A) shall be subject to a fee of one hundred dollars for the cost of the Assessor's preparation of a valuation based on information available or obtained by the Assessor for the taxable property as allowed under Section 4.12.030 (also referred to as "forced filing"). The taxpayer shall be notified of the fee as of the date of mailing of business property and personal property assessment notices." Ordinance 13-29

Date 4/2/15  
Name Thomas W. Emerson  
Address P.O. Box 102  
Keyport, WA 98345

To: The City and Borough of Sitka Assembly

I Thomas Emerson hereby request the \$100.00 fine for the late filing of the **2015** Personal Property declaration be waived for the following reason:

My wife called this office on Nov 17 and asked if this form could be mailed in November. The answer was yes and this form was mailed Nov 18. I have complied for more than 25 years with the requirements of this office and there has been no change in my personal property. Ever! We absolutely mailed the form last November.

I thus affirm that I have reviewed the details provided herein and I am satisfied that this fee waiver request is made in good faith.

Thomas Emerson  
Printed Name (required)

[Signature]  
Signature (required)

360-649-0064  
Daytime Phone No.

annemerson@gmail.com  
Email Address

Board of Equalization Action taken on May 4, 2015: Granted  Denied

\_\_\_\_\_  
Municipal Clerk, City & Borough of Sitka

RECEIVED

3/2/2015

MARK Gorman

MAR - 2 2015

City & Borough of Sitka

my Name is Edward Kimmel

I Recvd This in the mail 2/28/2015

(I had Been on vacation) I have had

This boat for over 30 years. This is

The First Time I have known about

This + don't believe I should be fined

without prior notice, I LEFT 12/14/2014

So will contest this change of policy

and think the fine should be

elimated. Please feel free to call

me, THANK YOU

Box 1881

Edward Kimmel

752-0226

To Mark Gorman

7/24/2015

My name is Edward Kimmel + I've lived in Sitka 36 years. Because of a illness I was forced to retire + live in the lower class income. I'm not the only one but most people in this class won't come forward. I spent the holidays with my kids (4 who can't afford to move back to Sitka) I got a tax card + \$100<sup>00</sup> charge for late fee, NO NOTICE I have a 17 foot skiff that I had in the harbor 30 years till all the increases. We have had increases in sewer, water, elect + now talk about senior tax changes + more tax increases. I live on ~~the~~ 1/2<sup>0</sup> of the average Sitka income + can't afford all these increases + fines. The school fixed there problems. I know Rob Allen will fix the hospital. Why can't the city + assembly fix there problems without raising more + more taxes. You may share this letter with the assembly.

Thank You

Edward Kimmel

Box 1881

752-0226

kimmel5@hotmail.com

(what about \$100<sup>00</sup> fine?)

RECEIVED

APR 24 2015

City & Borough of Sitka



Didn't Recv. till 2/28/2015

Edward Kimmel  
752-0226

\* NO Prior NOTICE \*

## **IMPORTANT NOTICE OF CHANGE IN POLICY**

**Failure to file the enclosed Personal Property Return by February 15, 2015 will cost you a fee of \$100.00.**

*SGC 4.12.055. Failure to file return - Fee - Penalty.*

*(A) A taxpayer who fails to file a return as provided in SGC 4.12.50A shall be subject to a fee of \$100.00 for the cost of the assessor's preparation of a valuation based on information available or obtained by the assessor for the taxable property as allowed under SGC 4.12.030 (also referred to as "forced filing"). The taxpayer shall be notified of the fee as of the date of mailing of business property and personal property assessment notices.*

*(B) A person or entity that knowingly makes a false affidavit to a business property or personal property return required by this section relative to the amount, location, kind or value of property subject to taxation with the intent to evade the taxation, is guilty of a violation. Upon conviction, the violator shall be subject to penalty as provided in SGC 1.12.010.*

**The Assessing Department is asking for your assistance in providing accurate ownership information for all taxable personal property (boats, float houses & aircraft).**

When you buy or sell taxable personal property you are required to notify our office within 15 days of acquisition. If the property was sold after January 1<sup>st</sup>, you are still responsible for the taxes for the **entire year**.

Assessment notices are sent to the last known owner of record. If the property was sold prior to January 1<sup>st</sup> and you failed to notify this office of the change in ownership and ignored the assessment notice, you will be responsible for the taxes.

**Change of ownership forms** are available in our office or on the City of Sitka web site at:

<http://www.cityofsitka.com/government/departments/assessing/index.html>.

**City & Borough of Sitka**  
**PERSONAL PROPERTY STATEMENT**  
**FILING DUE DATE: FEBRUARY 15, 2015**  
100 Lincoln Street, Sitka, AK 99835  
Phone (907) 747-1822



KIMMEL, EDWARD  
P.O. BOX 1881  
SITKA, AK, 99835-1801

Account#

J-5995-041-000-0101

Description

17' 1980 OLYMPIC "THE GAMBLER"

**TO THE TAXPAYER:**

**EVERY PERSON SHALL** according to law, submit to the assessor, a return of any property owned or controlled by him/her as of January 1 of each year, which must be filed and returned to the assessor's office on or before February 15 of the same year. Any filings received after that date will be deemed delinquent and will be subject to a \$100.00 fee.

**If you fail to file this return**, your assessed value will be based on an estimated amount, (also referred to as a "forced filing"), and you will be subject to a fee of **\$100.00**.

**Please Note:** The City & Borough of Sitka does not pro-rate taxes. If you have sold or removed property after January 1, you will owe the tax for the entire year.

**INSTRUCTIONS FOR PERSONAL PROPERTY STATEMENT**

This return is subject to audit.

On the reverse side of this form, list all boats, float houses, and aircraft owned by you on January 1 of the current year which are normally kept in the City & Borough of Sitka, even though they may be temporarily out of the Borough on January 1. **DO NOT LIST** automobiles, ATV's, snowmobiles, household goods, or jewelry.

1. **ADDITIONS** - Add any additional boats/planes/float house you own that are kept in the Borough.
2. **DECLARE LOCATION** - List the physical location where the boat/plane/float house is normally kept in the City & Borough of Sitka.
3. **SIGN** - Statement must be signed by the property owner or agent.
4. **RETURN** completed/signed form to the Assessor's office no later than February 15, **ANNUALLY**

Property that is used in the operation of a business and/or owned by a business should be filed on a Business Property Statement.

**\*REMOVING PERSONAL PROPERTY FROM THE ASSESSMENT ROLL\***

**REMOVED FROM BOROUGH** - Provide a signed statement indicating when the property was removed from the City & Borough of Sitka

**CHANGES OF OWNERSHIP** - Provide a copy of the bill of sale or a written statement including the new owner name & address, date of sale, and sale price.

**DESTROYED VESSELS** - Provide proof that the numbers from the issuing authority (Alaska DMV or National Vessel Documentation Center) were surrendered prior to January 1 YEAR.

**DESTROYED AIRCRAFT** - Provide proof that the numbers from the issuing authority (FAA) were surrendered prior to January 1 YEAR, and submit an "Aircraft Statement of Condition" form and supporting documentation.

**THE OTHER SIDE MUST BE FILLED OUT AND SIGNED**

# PERSONAL PROPERTY RETURN

NO CHANGE FROM PREVIOUS YEAR



DUE DATE: FEBRUARY 15, ANNUALLY

List below all taxable personal property owned by you and located within the City & Borough of Sitka, including the location where the items are normally kept. Please review the information for accuracy. A valid filing requires your signature and date. The completed & signed form must be received by the Borough Assessor's office (or postmarked) by February 15 annually, in order to avoid late or non-filing fees and penalties.

## WATERCRAFT

Year 1979	Make Olympic	Model Runabout	Length (FT) 17	AK# AK-7908 K	ADFG#	CDOC#
PHYSICAL LOCATION (I.e. Harbor Name, storage facility name, property address)			Year Purchased	Purchase Price	BOAT NAME	
180 Price St #10 Sitka			1981	\$3000 <sup>00</sup>	Gambler	

Year	Make	Model	Length (FT)	AK#	ADFG#	CDOC#
PHYSICAL LOCATION (I.e. Harbor Name, storage facility name, property address)			Year Purchased	Purchase Price	BOAT NAME	

## AIRCRAFT

Year	Make	Model	Registration # (N#)		Floats/Skis
PHYSICAL LOCATION (I.e. Airstrip name, storage facility name, property address)			Year Purchased	Purchase Price	
Year	Make	Model	Registration # (N#)		Floats/Skis
PHYSICAL LOCATION (I.e. Airstrip name, storage facility name, property address)			Year Purchased	Purchase Price	

## FLOAT HOUSE

Float Size	House Size	Length (FT)	Location	Date Acquired	Purchase Price

I DECLARE OWNERSHIP OR CONTROL OF THE TAXABLE PERSONAL PROPERTY DETAILED ON THIS STATEMENT, AS OF JANUARY 1, 2015 I AM AWARE THAT FAILURE TO PROPERLY LIST MY ASSETS AND FILE BY THE DEADLINE MAY SUBJECT ME TO FEES & PENALTIES AS PROVIDED FOR IN CITY CODE AND STATE LAW.

Edward Kimmel  
PRINTED NAME (REQUIRED)

Edward Kimmel  
SIGNATURE (REQUIRED)

2/28/2015  
DATE (REQUIRED)

752-0226  
DAYTIME PHONE NUMBER

Same  
CELL PHONE NUMBER

Kimmel5@hotmail.com  
EMAIL ADDRESS



# CITY AND BOROUGH OF SITKA PENALTY FEE WAIVER

## "4.12.055 Failure to file return—Fee—Penalty.

A taxpayer who fails to file a return as provided in Section 4.12.050(A) shall be subject to a fee of one hundred dollars for the cost of the Assessor's preparation of a valuation based on information available or obtained by the Assessor for the taxable property as allowed under Section 4.12.030 (also referred to as "forced filing"). The taxpayer shall be notified of the fee as of the date of mailing of business property and personal property assessment notices." Ordinance 13-29

Date 3/18/2015  
Name Robert A. Nisbet  
Address 722 Lake St  
Sitka, AK 99835

To: The City and Borough of Sitka Assembly

I, Robert A. Nisbet Sr. hereby request the \$100.00 fine for the late filing of the **2015** Personal Property declaration be waived for the following reason:

We never been late paying our utilities, prop-  
erty & personal taxes. We're busy doing  
renovation in our house & it got lost in a  
shuttle, when my wife found it, it was too  
late so we rush to the city hall & dropped it  
in the mail check box. Non filing fee of \$200.00  
seems not right for being late.

I thus affirm that I have reviewed the details provided herein and I am satisfied that this fee waiver request is made in good faith.

Robert A Nisbet Sr  
Printed Name (required)

[Signature]  
Signature (required)

907-752-5050  
Daytime Phone No.

connan722@gmail.com  
Email Address

Board of Equalization Action taken on May 4, 2015: Granted  Denied

\_\_\_\_\_  
Municipal Clerk, City & Borough of Sitka



# CITY AND BOROUGH OF SITKA PENALTY FEE WAIVER

RECEIVED APR 01 2015

### "4.12.055 Failure to file return—Fee—Penalty.

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Date 4/1/15  
Name Robert Roles  
Address 4804 HPR  
Sitka AK 99835

To: The City and Borough of Sitka Assembly

I [Signature] hereby request the \$100.00 fine for the late filing of the 2015 Personal Property declaration be waived for the following reason:

We didn't receive a notice. We have had a lot of trouble with mail on HPR with our carrier. He gives me mail to other boxes & we receive a lot of other people's mail.

I thus affirm that I have reviewed the details provided herein and I am satisfied that this fee waiver request is made in good faith.

[Signature]  
Printed Name (required)

[Signature]  
Signature (required)

907-747-4965  
Daytime Phone No.

bobby.roler@KLOContributor.com  
Email Address

Board of Equalization Action taken on May 4, 2015: Granted  Denied

\_\_\_\_\_  
Municipal Clerk, City & Borough of Sitka



CITY AND BOROUGH OF SITKA  
PENALTY FEE WAIVER

RECEIVED APR 10 2015

**"4.12.055 Failure to file return—Fee—Penalty.**

A taxpayer who fails to file a return as provided in Section 4.12.050(A) shall be subject to a fee of one hundred dollars for the cost of the Assessor's preparation of a valuation based on information available or obtained by the Assessor for the taxable property as allowed under Section 4.12.030 (also referred to as "forced filing"). The taxpayer shall be notified of the fee as of the date of mailing of business property and personal property assessment notices." Ordinance 13-29

Date 04-09-15

Name WAYNE TARANOFF

Address 104 Rockfish Way  
SITKA AK 99835

To: The City and Borough of Sitka Assembly

I WAYNE TARANOFF hereby request the \$100.00 fine for the late filing of the 2015 Personal Property declaration be waived for the following reason:

SEE ATTACHED NOTE

I thus affirm that I have reviewed the details provided herein and I am satisfied that this fee waiver request is made in good faith.

WAYNE R TARANOFF  
Printed Name (required)

Wayne R Taranoff  
Signature (required)

(907) 738 6677  
Daytime Phone No.

wtara  
x WTARA@HOTMAIL.COM  
Email Address XND CAPS

Board of Equalization Action taken on May 4, 2015: Granted  Denied

\_\_\_\_\_  
Municipal Clerk, City & Borough of Sitka

Hello,

I feel our fee(s) should be waived this year for several reasons. We have had well over \$300 worth of frustration and aggravation and still are not sure if we are being fined \$100 or \$300 as we were told both and it has not been clarified. We do not recall getting the tax form this year and were told that does not matter, that the city is not required to send them out and it is up to owners to remember to come in and get one. I complained that the city should have at least put out PSAs to alert us and was told and I quote "We put out tons of PSAs!". My wife was very upset, almost to the point of tears, feeling responsible because she considers it her duty to be on top of noting the PSAs. Neither of us remember hearing it on Problem Corner so I called and found the city had not placed a PSA with KIFW, the station most listened to. I called the city back and asked just where the ton of PSAs were posted and after much avoidance was told "at an assembly meeting, various other meetings, Raven Radio, and the newspaper. We subscribe to the paper and hadn't seen them. We called them and they had no record of the PSA. We had used so rebought a weeks worth of papers to check from the beginning of Feb and found no PSAs reminding of the papers being due Feb 15, including Thursday Feb 14!!! I think the fact that we were deliberately lied to, alone, is enough to warrant waiving the fee, but it continues. Because we were lied to we cancelled one boat stall and electricity immediately and said we would end the other at the end of the quarter. We went in to the harbor office to sign for final cancelation. After some discussion we decided to go another quarter on the remaining stall. We said we needed it taken off auto charge because the card we were using was almost MAXED OUT. The person did a bunch of data entry and told us all was good. As we were walking out the door Sarah asked "So we are going to be sent a bill for this, right?" And the answer was "Yes". On April 7 we got a notice from our credit card company of a charge from the C&B on March 31. We called the harbor office back and were told we had to contact the electrical dept because they couldn't take it off auto charge there and the person that said they had taken it off just made a mistake! I immediately called the billing office and left a message of the error of charging our card. Several days later I had to call again to get it resolved. We keep having to pay for city mistakes either with money or frustration and aggravation trying to resolve them. We currently have a problem regarding a power pole that has been going on over 10 years now and I still have not gotten any consistent information and have been waiting over a month for a return call on just trying to find out Who Ownes the pole!! We have heard "I'm sorry someone just made a mistake" so many times that it now sounds hollow. Waiving this years fee(s) would mean a lot to us.

Thank you,

Wayne & Sarah Taranoff



CITY AND BOROUGH OF SITKA
PENALTY FEE WAIVER

RECEIVED APR 08 2015

4.12.055 Failure to file return—Fee—Penalty.

A taxpayer who fails to file a return as provided in Section 4.12.050(A) shall be subject to a fee of one hundred dollars for the cost of the Assessor's preparation of a valuation based on information available or obtained by the Assessor for the taxable property as allowed under Section 4.12.030 (also referred to as "forced filing"). The taxpayer shall be notified of the fee as of the date of mailing of business property and personal property assessment notices." Ordinance 13-29

Date 4/06/2015
Name Glen A. Wardle
Address P.O. Bx 112152
Anchorage AK 99511

To: The City and Borough of Sitka Assembly

Glen Wardle hereby request the \$100.00 fine for the late filing of the 2015 Personal Property declaration be waived for the following reason:

I sent the document in early January, prior to leaving on vacation in Thailand. Upon returning in February the document was returned. The stamp that I used said, Forever Love on it, which was not a legal postage stamp. I resent to document in February.

I thus affirm that I have reviewed the details provided herein and I am satisfied that this fee waiver request is made in good faith.

Glen A. Wardle Glen A. Wardle
Printed Name (required) Signature (required)

907-346-3705 akborn@alaskalife.net
Daytime Phone No. Email Address

Board of Equalization Action taken on May 4, 2015: Granted [ ] Denied [ ]

Municipal Clerk, City & Borough of Sitka





# CITY AND BOROUGH OF SITKA PENALTY FEE WAIVER

RECEIVED MAR 31 2015

### "4.12.055 Failure to file return—Fee—Penalty.

A taxpayer who fails to file a return as provided in Section 4.12.050(A) shall be subject to a fee of one hundred dollars for the cost of the Assessor's preparation of a valuation based on information available or obtained by the Assessor for the taxable property as allowed under Section 4.12.030 (also referred to as "forced filing"). The taxpayer shall be notified of the fee as of the date of mailing of business property and personal property assessment notices." Ordinance 13-29

Date 3/29/15  
Name Joseph Weyhmitter  
Address PO BOX 413  
TWSP Wa. 98856

To: The City and Borough of Sitka Assembly

I Joseph Weyhmitter hereby request the \$100.00 fine for the late filing of the 2015 Personal Property declaration be waived for the following reason:

out of County - Death in family  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

I thus affirm that I have reviewed the details provided herein and I am satisfied that this fee waiver request is made in good faith.

Joseph Weyhmitter  
Printed Name (required)

J. Weyhmitter  
Signature (required)

360-531-1004  
Daytime Phone No.

SUGAR BOAT 45 @ Email.com  
Email Address

Board of Equalization Action taken on May 4, 2015: Granted  Denied

\_\_\_\_\_  
Municipal Clerk, City & Borough of Sitka



# CITY AND BOROUGH OF SITKA PENALTY FEE WAIVER

## "4.12.055 Failure to file return—Fee—Penalty.

A taxpayer who fails to file a return as provided in Section 4.12.050(A) shall be subject to a fee of one hundred dollars for the cost of the Assessor's preparation of a valuation based on information available or obtained by the Assessor for the taxable property as allowed under Section 4.12.030 (also referred to as "forced filing"). The taxpayer shall be notified of the fee as of the date of mailing of business property and personal property assessment notices." Ordinance 13-29

Date 3-17-15

Name ROBERT REID

Address 506 O'CAIN STREET  
SITKA AK 99835

I WILL PAY  
OWE 50<sup>00</sup>  
FLAT TAX IN AUGUST FOR  
MY 21 FOOT BOAT.

To: The City and Borough of Sitka Assembly

I, ROBERT REID hereby request the \$100.00 fine for the late filing of the 2015 Personal Property declaration be waived for the following reason:

1. IF YOU TAKE THE TIME TO LOOK AT MY LONG HISTORY IN FILING AND PAYMENT TO THE CITY YOU WILL SEE I HAVE A GOOD RECORD.
2. THIS WAS SIMPLY A MISTAKE WHERE SOME MAIL GOT MISPLACED IN OUR HOUSEHOLD.
3. \$100 SEEMS WILDLY EXCESSIVE FOR A PENALTY AS I HAVE FILED THE SAME RETURN ON THIS BOAT SINCE 1997 AND I CHECKED THE BOX SAME AS LAST YEAR.
4. THE FEE IS "FOR THE COST OF THE ASSESSORS PREPARATION" ~~IF THE COST WAS~~ WHAT WAS
5. THIS COULD CAUSE MORE HARM THAN GOOD AS IT SEEMS EXCESSIVE THE COST.

I thus affirm that I have reviewed the details provided herein and I am satisfied that this fee waiver request is made in good faith.

PLEASE FIND A BETTER WAY.

ROBERT REID  
Printed Name (required)

Robert Reid  
Signature (required)

907 738-2673  
Daytime Phone No.

ROBERTLREID@HOTMAIL.COM  
Email Address

Board of Equalization Action taken on May 4, 2015:    Granted     Denied

\_\_\_\_\_  
Municipal Clerk, City & Borough of Sitka

Confidential filing

Date: 3-4-15

Address: 617 Katlian St #B6



## Legislation Details

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**File #:** ORD 15-27    **Version:** 1    **Name:**  
**Type:** Ordinance    **Status:** SECOND READING  
**File created:** 4/20/2015    **In control:** City and Borough Assembly  
**On agenda:** 5/4/2015    **Final action:**  
**Title:** Amending SGC Chapter 4.44, "Southeast Alaska Economic Development Fund"  
**Sponsors:**  
**Indexes:**  
**Code sections:**  
**Attachments:** [Motion Ord 2015-27 second reading](#)  
[ORD 15-27 SE Economic Dev Fund](#)

Date	Ver.	Action By	Action	Result
4/23/2015	1	City and Borough Assembly		

## POSSIBLE MOTION

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**I MOVE TO** approve Ordinance 2015-27 on second and final reading.

## **POSSIBLE MOTION**

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**I MOVE TO** approve Ordinance 2015-27 on first reading.

# Memo

**To :** Assembly, City and Borough of Sitka

**From:** Mark Gorman, Administrator.



**Date:** March 4, 2015

**Re:** Request for Transfer From The Southeast Alaska Economic Development Fund to Electric Fund, Contingent Upon Passage of Amending Ordinance

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Mayor McConnell and Assembly Members,

At the April 14 Assembly meeting, Administration will be putting forward an ordinance to amend Section 4.44 of the Sitka General Code, the Southeast Alaska Economic Development Fund, to restrict use of the Fund for Municipal purposes and to authorize transfers from the Fund in addition to loans.

The proposed ordinance states that any transfers from the Fund will be for purposes of promoting efficiency within government operations (for example, investing in new technology) or for lessening the fee and rate burden to be borne by our citizens.

As presented in previous Assembly meetings, our Electric Fund is on a course to not meet its required Rate Covenant, as set forth in its bonding ordinance, unless either (1) rates are substantially raised, (2) some sort of temporary rate subsidization is supplied, or (3) some combination of both.

Accordingly, Administration is recommending, contingent upon passage of the proposed ordinance amending the code governing the Southeast Alaska Economic Development Fund, that an amount of \$2,500,000 be transferred from the Fund into the Electric Fund Rate Stabilization Fund, effective no later than June 30, 2015, as to be accomplished in FY2015. This detail is important in ensuring that the Rate Covenant is met in FY2016.



## Memorandum

April 8, 2015

To: Mark Gorman, Municipal Administrator  
From: Christopher Brewton, Utility Director  
Subject: **Project Scoping – Installation of Additional Interruptible Electric Boilers in CBS Buildings**

### Introduction

Installing interruptible electric boilers in CBS owned buildings currently heated by oil fired boilers is an opportunity for electric load growth. Three interruptible electric boilers have previously been installed in buildings owned by CBS. To qualify as an interruptible load, the electric boilers must have a backup system that can provide heating when the utility demand requires that the electric boiler be turned off (interrupted). At the three facilities with interruptible electric boilers already installed, the preexisting oil fired boilers have remained in place to provide redundancy.

Installing an interruptible electric boiler, as opposed to a fixed electric heating system, provides the additional benefits of:

- system redundancy,
- a lower (interruptible) electric rate for the consumer, and
- flexibility for the utility in the event of significant load growth in the future.

Due to the requirement for a redundant heating system, disadvantages to installing an interruptible electric boiler, as opposed to a fixed electric heating system include:

- additional maintenance costs and
- additional space requirements.

The objective of this memo is to summarize preliminary scoping efforts as to the suitability of CBS owned buildings for installation of interruptible electric boilers.

### Methodology

All buildings owned by CBS were considered for installation of additional interruptible electric boilers. Diesel consumption estimates were obtained from the CBS Diesel Fuel contract documents. Please note that the CBS Diesel Fuel contract is based off of historic fuel consumption, which is greater than recent years due to facility upgrades and warmer weather.



Therefore the electric consumption and revenue will likely be less than described below during warmer years, such as 2014.

Estimated diesel consumption was converted to equivalent annual electric usage, assuming an oil heating efficiency of 70%. Information regarding the three existing interruptible electric boilers was used to estimate the potential boiler footprint and the scale of facility upgrades required to accommodate a new electric boiler. Electric Department staff then performed site visits and met with building maintenance staff at the five facilities with the largest heating loads that do not already have heating system conversions or upgrades planned. The largest systems were selected because the payback period on installation costs are likely to be shorter for larger systems.

### Results and Discussion

Given the information obtained during the site visits, the Electric Department assigned buildings owned by CBS an ease of installation level, with "1" being the easiest locations to install an interruptible electric boiler and "3" being the locations requiring the most facility and distribution system modifications. The perceived ease of installation was based upon the space available near the existing boiler(s), the proximity to electric service and the estimated distribution system upgrades required to serve the additional load. Table 1 includes a summary of buildings owned by CBS that initial scoping indicates may be suitable for installation of interruptible electric boilers.

Table 1. City Building Heating Energy Usage and Estimated Equivalent Electric Revenue.

Priority	Building	Approximate Annual Usage (gallons)	Equivalent Annual Usage (MWh)	Equivalent Annual Electric Revenue
1	Baranof Elementary School	25,000	710	\$ 72,900
2	Keet Gooshi Heen Elementary School	30,000	852	\$ 87,500
	Airport Terminal	20,000	568	\$ 58,300
	Fire Hall	9,600	273	\$ 28,000
3	Public Services Complex: Main Building	8,500	241	\$ 24,800
<b>Totals</b>		<b>93,100</b>	<b>2,644</b>	<b>\$ 271,500</b>

Preliminary discussions with Electric Department staff indicate that all new electric boilers will require transformer upgrades. Keet Gooshi Heen Elementary School is expected to be the only location that would also require a feeder upgrade.

The three existing interruptible electric boilers are maintained by Electric Department staff. If additional electric boilers are installed, additional Electric Department staffing will likely be necessary to perform required maintenance.

### ***Sitka Community Hospital***

Sitka Community Hospital has two oil-fired boilers and two high-pressure steam boilers. The facility relies heavily on the high-pressure steam boilers, which are responsible for the majority of the facility's diesel consumption. High-pressure electric boilers are expensive to install and maintain. A high-pressure electric boiler would also require significant electric service upgrades. During preliminary scoping, conversion to an interruptible electric boiler was deemed to likely be cost prohibitive, due to the complexity of both installation and maintenance.

### ***Harrigan Centennial Hall, Kettleson Memorial Library, Wastewater Treatment Plant***

Heat pump installations are already planned for these three facilities.

### ***Sitka Animal Shelter, Public Services Complex Garage and Lineman's Shop, Other Small City Facilities***

Small facilities owned by the city are excellent candidates for electric boilers or heat pumps. The heating load of small facilities likely do not justify the cost of installing and maintaining redundant (interruptible) systems.

### ***Historical Interruptible Sales***

The following table indicates revenue produced by the three (3) existing systems presently in service from June 2012 – present, with the exception of the Sitka High School where that facility was on line from March 2014 to present. These periods include times when interruptibles were off line for maintenance or curtailment, such as preparing for and during the recent Blue Lake Generation outage.

<b>Location</b>	<b>Electric Consumption (kWh)</b>	<b>Revenue (\$)</b>	<b>Displaced Fuel Oil (gal)</b>
City/State Building	976,800	\$97,196.87	25,705
Blatchley Middle School	2,252,160	\$238,094.89	59,267
<u>Sitka High School</u>	<u>1,589,400</u>	<u>\$157,529.22</u>	<u>41,826</u>
Total	4,818,360	\$492,820.98	126,798

CITY AND BOROUGH OF SITKA

ORDINANCE NO. 2015-27

AN ORDINANCE OF THE CITY AND BOROUGH OF SITKA, ALASKA AMENDING SITKA GENERAL CODE CHAPTER 4.44, "SOUTHEAST ALASKA ECONOMIC DEVELOPMENT FUND"

1. CLASSIFICATION. This ordinance is of a permanent nature and is intended to become a part of the Sitka General Code.

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

3. PURPOSE. The purpose of this ordinance is to amend the Sitka General Code pertaining to the Southeast Alaska Economic Development Fund by permitting a portion of the corpus of the Fund to be permanently transferred to another fund of the City and Borough of Sitka without requirement for repayment, and, to establish guidelines for participation loans and loan guarantees to private enterprise.

4. ENACTMENT. NOW, THEREFORE, BE IT ENACTED by the Assembly of the City and Borough of Sitka that Section 4.44 of the Sitka General Code is amended to read as follows (deleted language is stricken and new language us underlined):

Chapter 4.44
SOUTHEAST ECONOMIC DEVELOPMENT FUND

Sections:

- 4.44.010 Establishment.
4.44.020 Participation Loans to Private Enterprise
4.44.0530 Procedure for deciding upon applications for loan guarantees. Loans or Transfers to Other Municipal Funds
4.44.040 Repayments and Investment Earnings On The Fund Corpus

4.44.010 Establishment.

There shall be established a southeast economic development fund ("fund"), for qualifying private-sector loans and transfers to other Municipal funds, and, for financial institution participation loans to private enterprises. Loans or transfers to other Municipal funds shall be for purposes of promoting the efficiency and effectiveness

41 of Municipal government, or, for improvements which shall lessen rate and fee burdens on citizens. Loans to  
42 private enterprises shall be for purposes of expanding the Municipality's economic base, generating commerce  
43 external to Sitka, and creating family wage jobs in Sitka. Only the assembly can authorize any loan or transfer  
44 from this fund.

45 **4.44.020 Participation Loans And Loan Guarantees To Private Enterprise**

46 A. Any loan or loan guarantee to a private-enterprise shall be a participation loan in conjunction with a financial  
47 institution. No loans shall be made by the Fund directly to a private enterprise.

48 B. Proposals for participation loans or loan guarantees shall be prepared by the participating financial  
49 institution and presented to the Assembly for approval by the participating institution.

50 C. The Municipal Administrator shall be responsible for developing and administrating administrative policies  
51 governing participation loans and loan guarantees to private enterprise

52 **4.44.0530 Procedure for deciding upon applications for loan guarantees. Loans and**  
53 **Transfers to Other Municipal Funds**

54 A. Application forms can be obtained from the finance director for loans from this fund. Completed application  
55 forms will be submitted to the assembly.

56 B. The finance director shall certify in writing the following to the municipal administrator and assembly  
57 regarding any submitted application form:

58 1. The funds to make the loan are available and shall be accounted for in future reports to the  
59 assembly;

60 2. The remaining fund balance if the full amount of the loan is awarded; and

61 3. The applicant has all necessary licenses and permits to do business with the city and  
62 borough, and the applicant is not delinquent on any of their accounts with the city and borough,  
63 including sales taxes, property taxes, hotel, motel, bed and breakfast transient room rental tax,  
64 and utility payments.

65 GA. Any proposed loan or transfer from the Fund to another Municipal fund shall be proposed to the Assembly  
66 by the Administrator with justification as to the benefits to be derived from the loan or transfer. The assembly

67 shall decide whether to approve the loan or transfer, including whether to grant the full amount requested or a  
68 lesser amount, and whether to set any conditions.

69 DB. Any loan granted from the Fund to another Municipal fund requires interest to be charged at a rate to be  
70 determined by the assembly.

71 C. This is a revolving fund, ~~with loan repayments and interest earned on loans deposited in the fund.~~

72 **4.44.040 Repayments and Interest Earnings on the Fund Corpus**

73 A. All loan repayments, including both interest principal repayments, shall be re-deposited into the Fund.

74 B. Investment earnings on the undisbursed corpus of the Fund shall be transferred to the Building  
75 Maintenance Fund.

76 \* \* \*

77  
78 5. **EFFECTIVE DATE.** This ordinance shall become effective on the day after  
79 the date of its passage.

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81 **PASSED, APPROVED, AND ADOPTED** by the Assembly of the City and Borough  
82 of Sitka, Alaska this 12<sup>th</sup> Day of May, 2015.

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\_\_\_\_\_  
Mim McConnell, Mayor

**ATTEST:**

\_\_\_\_\_  
Sara Peterson, CMC  
Municipal Clerk



## Legislation Details

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**File #:** ORD 15-23    **Version:** 1    **Name:**  
**Type:** Ordinance    **Status:** SECOND READING  
**File created:** 4/6/2015    **In control:** City and Borough Assembly  
**On agenda:** 5/4/2015    **Final action:**  
**Title:** Amending the SGC in Title 15 Public Utilities, under Chapter 15.01 Electric Utility Policies, at Section 15.01.020 Electrical Rates, by increasing Electric Rates to fund approved Electrical Utility Capital Projects including the Blue Lake Hydroelectric Expansion Project and establishing an Energy Assistance Fund and an Electric Vehicle Incentive

**Sponsors:**

**Indexes:**

**Code sections:**

**Attachments:** [Motion Ord 2015-23 second reading](#)  
[ORD 15-23 Electric Rates Alternative](#)

Date	Ver.	Action By	Action	Result
4/23/2015	1	City and Borough Assembly		
4/14/2015	1	City and Borough Assembly	POSTPONED	Pass

## **POSSIBLE MOTION**

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**I MOVE TO** approve Ordinance 2015-23 on second and final reading.

**POSSIBLE MOTION**

**I MOVE TO** approve Ordinance 2015-23 on  
first reading.

*Hearing of this ordinance was postponed until 4/23*



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CITY AND BOROUGH OF SITKA  
ORDINANCE NO. 2015-23

AN ORDINANCE OF THE CITY AND BOROUGH OF SITKA AMENDING THE  
SITKA GENERAL CODE IN TITLE 15 PUBLIC UTILITIES, UNDER CHAPTER  
15.01 ELECTRIC UTILITY POLICIES, AT SECTION 15.01.020 ELECTRICAL  
RATES, BY INCREASING ELECTRIC RATES TO FUND APPROVED  
ELECTRICAL UTILITY CAPITAL PROJECTS INCLUDING THE BLUE LAKE  
HYDROELECTRIC EXPANSION PROJECT

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 circumstance shall not be affected.

3. **PURPOSE.** This ordinance will increase the electrical rates for certain consumer classes at SGC 15.01.020 and provide sufficient revenues to meet all fiscal requirements to complete approved capital projects, including the Blue Lake Hydroelectric Expansion Project. The ability to meet financial margins and revenue bond covenants require electric rate increases.

4. **ENACTMENT.** NOW, THEREFORE, BE IT ENACTED by the Assembly of the City and Borough of Sitka that Title 15 Public Utilities, under Chapter 15.01 Electric Utility Polices, at Section 15.01.020 of SGC is amended as follows (new language underlined; deleted language stricken):

TITLE 15  
PUBLIC UTILITIES

Chapter 15.01  
ELECTRIC UTILITY POLICIES

\*\*\*

Section  
15.01.020 Electrical rates.

\*\*\*

B. Residential Services.

\*\*\*

2. Energy Charges.

<del>First 500 kWh</del>	<del>\$0.0935 per kWh</del>	First 200 kWh's	\$0.0858 per kWh
--------------------------	-----------------------------	-----------------	------------------

First 1,000 kWh's	\$0.1089 per kWh	Next 800 kWh's	\$0.1145 per kWh
Next 1,000 kWh's	\$0.1144 per kWh	Over 1,000 kWh's	\$0.1305 per kWh
Next 1,000 kWh's	\$0.1485 per kWh		
Over 3,000 kWh's	\$0.1903 per kWh		
Customer Charge is \$19.50 per month		Customer Charge is \$19.50 per month	

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C. General Service – Small

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2. Energy Charges.

First 500 kWh	\$0.1771 per kWh
501 kWh to 10,000 kWh	\$0.1133 \$0.1246 per kWh
10,001 kWh to 100,000 kWh	\$0.1133 \$0.1218 per kWh
Over 100,001 kWh	\$0.1133 \$0.1190 per kWh
Customer charge is \$39.00 per month	

3. Demand Charges.

First 25 kW	No Charge
Over 25 kW	\$5.60 per kW

D. General Service – Large

\*\*\*

2. Energy Charges.

First 500 kWh	\$0.1771 per kWh
501 kWh to 10,000 kWh	\$0.1128 \$0.1241 per kWh
10,001 kWh to 100,000 kWh	\$0.1128 \$0.1213 per kWh
Over 100,001 kWh	\$0.1128 \$0.1184 per kWh
Customer charge is \$60.00 per month	

3. Demand Charges.

First 25 kW	No Charge
Over 25 kW	\$5.60 per kW

E. General Service – Public Authority

\*\*\*

2. Energy Charges.

First 500 kWh	\$0.1771 per kWh
501 kWh to 10,000 kWh	<del>\$0.1133</del> \$0.1246 per kWh
10,001 kWh to 100,000 kWh	<del>\$0.1133</del> \$0.1218 per kWh
Over 100,001 kWh	<del>\$0.1133</del> \$0.1190 per kWh
Customer charge is \$45.00 per month	

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3. Demand Charges.

First 25 kW	No Charge
Over 25 kW	\$5.60 per kW

\* \* \*

M. Energy Assistance Fund. An energy assistance fund is hereby established to provide an opportunity for City and Borough of Sitka electric customers to make a voluntary monthly contribution to a fund that will provide limited financial assistance to customers. The intent of the program is to help provide emergency financial assistance to customers to pay electric utility bills. The program will be administered by the Salvation Army.

N. Plug-in Electric Vehicle (PEV) Incentive Credit. A \$120.00 annual PEV energy credit will be applied to all eligible Residential Class customers that register and operate an plug-in electric vehicle within the CBS up to a maximum of 2 PEV's per household. A \$200.00 annual PEV energy credit will be applied to all eligible General Service customers that register and operate an plug-in electric vehicle within the CBS up to a maximum of 5 PEV's.

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 12th day of May, 2015.

\_\_\_\_\_  
Mim McConnell, Mayor

**ATTEST:**

\_\_\_\_\_  
Sara Peterson, CMC  
Municipal Clerk



## Legislation Details

**File #:** ORD 15-17    **Version:** 1    **Name:**  
**Type:** Ordinance    **Status:** SECOND READING  
**File created:** 3/18/2015    **In control:** City and Borough Assembly  
**On agenda:** 5/4/2015    **Final action:**  
**Title:** Amending Subsection 15.01.020 of SGC Electrical Rates by increasing electric rates to fund approved Electrical Utility Capital Projects including the Blue Lake Hydroelectric Expansion Project and establishing an Energy Assistance Fund

**Sponsors:**

**Indexes:**

**Code sections:**

**Attachments:** [Motion Ord 2015-17](#)  
[ORD 15-17 Electrical Rates 1st proposal](#)

Date	Ver.	Action By	Action	Result
4/23/2015	1	City and Borough Assembly		
4/14/2015	1	City and Borough Assembly	POSTPONED	Pass
3/24/2015	1	City and Borough Assembly	RECONSIDER	
3/24/2015	1	City and Borough Assembly	POSTPONED INDEFINITELY	Fail

## POSSIBLE MOTION

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**I MOVE TO** approve Ordinance 2015-17 on second and final reading.

## MOTION TO RECONSIDER

I move to reconsider the motion to approve Ordinance 2015-17 on first reading.

Notes:

- If the motion to reconsider passes: The motion to reconsider is adopted and the motion is reconsidered. The motion on the floor and open for discussion would be: To approve Ordinance 2015-17 on first reading.
- Notice of reconsideration was given by deputy mayor Matthew Hunter on March 24, 2015.
- Requires a second and a majority vote

# Memo

**Via:** Colleen Ingman, Acting Municipal Administrator  
**To:** City and Borough of Sitka Assembly  
**From:** Jay Sweeney, Chief Financial and Administrative Officer  
**Date:** March 17, 2015  
**Re:** Electricity Rate Increase and Alternative for Potential Subsidization

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Mayor McConnell and Assembly Members,

## Current Issue and Background

Staff is recommending an electric rate increase, effective with the commencement of the next electric billing cycle (Cycle 1).

A mild winter with warmer than normal temperatures has caused electricity consumption to be both well behind planned consumption for FY15, and, lower than FY14. As of February 28, 2015, electricity consumption has declined from FY14 by 1,185,600 kWh, a (1.62%) decrease. Electricity sales revenue has also declined from FY14 by (\$17,059). Compared to budget plan for the year, electricity consumption is (2,827,950 kWh) below plan and electricity sales revenue is (\$1,456,315) below plan.

While electricity consumption and sales have decreased, debt service related to the Blue Lake Hydroelectric Expansion project increased this year, as a result of the 4<sup>th</sup> issuance of revenue bonds last November. \$342,372 in additional debt service in FY15 is associated with this bond, which rises to \$816,250 in FY16.

Covenants agreed to by the Municipality in the bond issuance ordinance commit the Municipality to generate cash flow from operations equal to 125% of the annual debt service for revenue bonds. Thus, the additional debt service for the 4<sup>th</sup> bonding equates to a need for additional revenue of 1.25 x \$816,250, or \$1,020,312.50 in additional cash flow.

In preparing the FY15 budget, the Municipality made an assumption that electricity consumption would grow by 2.5%, from 109,133,150 kWh to 112,000,000 kWh. Electricity consumption of 112,000,000 was historically achieved in both FY12 and FY13, thus a return to historical consumption levels was viewed as a realistic assumption. If historical electricity consumption was obtained in FY15, combined with previous rate increases and a modest withdrawal from the Rate Stabilization Fund, the 125% coverage ratio was achievable.

Unfortunately, electricity consumption has not returned to normal levels and, instead, has declined from FY14, thus creating a revenue shortfall which threatens to cause the Municipality to not achieve the required coverage ratio. Current electricity consumption and revenue trends are such that, without a sizeable rate increase, the entire Rate Stabilization Fund of \$2,508,000 will need to be liquidated in order to achieve the required 125% coverage ratio in FY15.

Staff was very explicit in its discussions with the Assembly and the public that a 4<sup>th</sup> electric rate increase, in conjunction with the 4<sup>th</sup> bonding, was not foregone and was simply delayed. The desire was to have a moderate rate increase put in place for July 1, 2015; however, the decline in consumption has made an electric rate increase urgent, compelling a higher than anticipated rate increase and an earlier adoption.

For a historical perspective, electricity consumption, electricity sales, and the average rate per kWh for the last three fiscal years and projected for FY15 are as follows:

Fiscal Year	Electricity Sales Revenue	Electricity Consumption	Average Rate Per kWh
FY12	\$11,272,293	111,718,100 kWh	\$0.1009 / kWh
FY13	\$11,232,485	112,761,750 kWh	\$0.1002 / kWh
FY14	\$13,028,667	109,133,150 kWh	\$0.1194 / kWh
FY15 (Projected)	\$13,000,000	107,362,200 kWh	\$0.1211 / kWh

The companion historical perspective on bonded debt service and coverage ratios is as follows:

Fiscal Year	Bonded Debt Service	Coverage Ratio
FY12	\$3,467,567	1.43 Times
FY13	\$3,449,735	1.69 Times
FY14	\$5,045,158	1.34 Times
FY15 (Projected)*	\$7,733,628	0.90 Times*

\*Note. Data with asterisks in the Table above do not include anticipated withdrawals from the Rate Stabilization Fund. The governing Bond Ordinance for Blue Lake Revenue Bonds allows the Finance Director to make deposits of revenues above those required to make the minimum 125% debt service coverage ratio into a Rate Stabilization Fund. We made deposits to the Rate Stabilization Fund in FY12 and FY13 equal to a total of \$2,508,000. Note that this correlates to the large coverage ratios in those fiscal years in the Table above. It is anticipated, as previously mentioned, that the entire Rate Stabilization Fund will be withdrawn in FY15 to meet the minimum coverage ratio.

**Alternative For Potential Subsidization**

Staff has identified an alternative that could help to ease the rate increases required to meet the minimum coverage ratio in FY16.

The governing bond ordinance allows for funds from an external source to be deposited into the Rate Stabilization Fund. If and when such funds are withdrawn from the Rate Stabilization Fund to help mitigate rate increases, the withdrawal has the effect of being classified as revenue for purposes of calculating the coverage ratio. To wit, the existing \$2,508,000 currently in the Rate Stabilization Fund is being planned for withdrawal this fiscal year (FY15) to help achieve the FY15 coverage ratio, which is always measured annually on June 30.

The alternative Staff has identified is the potential transfer of most, or all, of the remaining funds in the Southeast Alaska Economic Development Loan Fund into the Electric Fund Rate Stabilization Fund **THIS FISCAL YEAR**, so that it is available to be withdrawn from the Rate Stabilization Fund next fiscal year (FY16) and be counted as revenue towards achieving the minimum coverage ratio.



As a second part of this alternative, Staff would embark on a course of action to use the funds from the Economic Development Loan Fund to pay for the capital costs of converting Municipal buildings (especially schools) from oil heat to electric heat. In doing so, outlays leaving Sitka in the form of heating oil purchases would remain in the Municipality, and, overall electric consumption would be increased.

Staff estimates that every \$100,000 so transferred from the Economic Development Loan Fund would have the effect of lessening the required FY16 rate increase by \$0.0093/kwh. If, for example, \$2,500,000 was so transferred, it would have the effect of lessening the required rate increase by \$0.023 per kWh.

It is important to note that the effect of such a transfer from the Economic Development Loan Fund would be a **ONE TIME EFFECT** for FY16 only. A combination of increased electricity consumption and/or subsequent rate increases would still be required to achieve the coverage ratio in subsequent years.

One thing that favors Sitka is that annual debt service will gradually decline over time, not rise. Hence, the denominator in the debt service calculation will decline, making the coverage ratio easier to achieve each year and mitigating future rate increases.

The basic calculation for achieving the 1.25 debt service coverage ratio in subsequent years is as follows:

1. *Annual bonded debt service of \$7,730,000 times 1.25 = \$9,662,500 required cash flow*
2. *Electric Department earnings before interest and depreciation (EBID) plus interest income as a percentage of top-line revenue = 57.11%*
3. *\$9,662,500 require cash flow divided by 57.11 % EBID = sales of \$17,444,000*
4. *\$17,444,000 divided by 112,000,000 kWh = \$0.1556 per kWh*

*But if consumption increases....*

5. *\$17,444,000 divided by 113,120,000 kWh (1% consumption increase) = \$0.1542 per kWh*

### **Summary**

Staff recommends the combination of rate increases plus transfers from the Southeast Alaska Economic Development Fund, in order to generate increased system revenue of \$2,500,000 for FY16, be adopted as soon as possible. A rate increase, plus perhaps an additional transfer from the Economic Development Loan Fund necessary to generate required income necessary to meet the required rate covenant, must also be planned for FY17 in order to stabilize rates.

An ordinance would need to be introduced promptly to change the language in Title 4 of the Sitka General Code governing the Southeast Alaska Economic Development Loan Fund to permit transfer to another fund, as opposed to loaning, as the code now reads.

# **Electric Rates – Additional Information**

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**1 - Sitka Annual Gross Generation**

**2 - Residential Rate Comparison – Statewide**

**3 - Residential Rate Comparison – Regional**

**4 - Electric Rates – Alaska Statewide<sup>1</sup>**

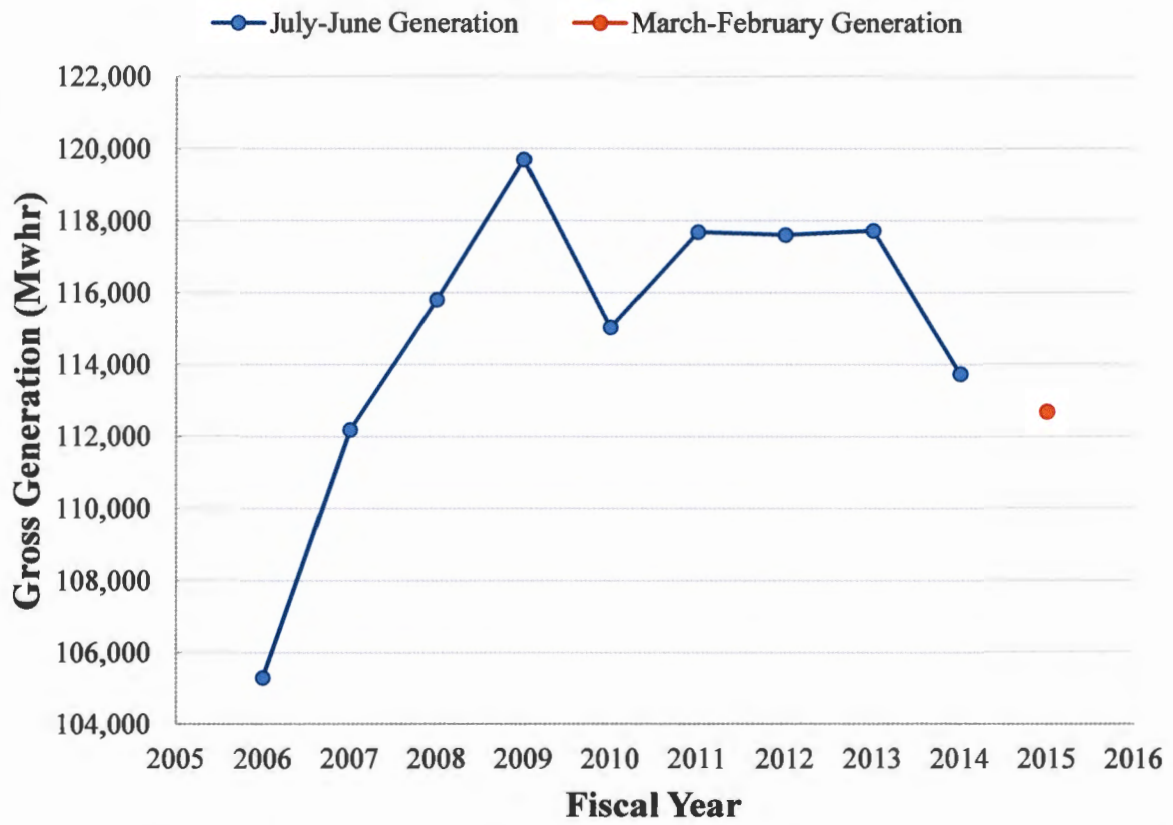
**5 - Electric Rates - Nationwide<sup>2</sup>**

**6 - Sitka Interruptible Electric Rate**

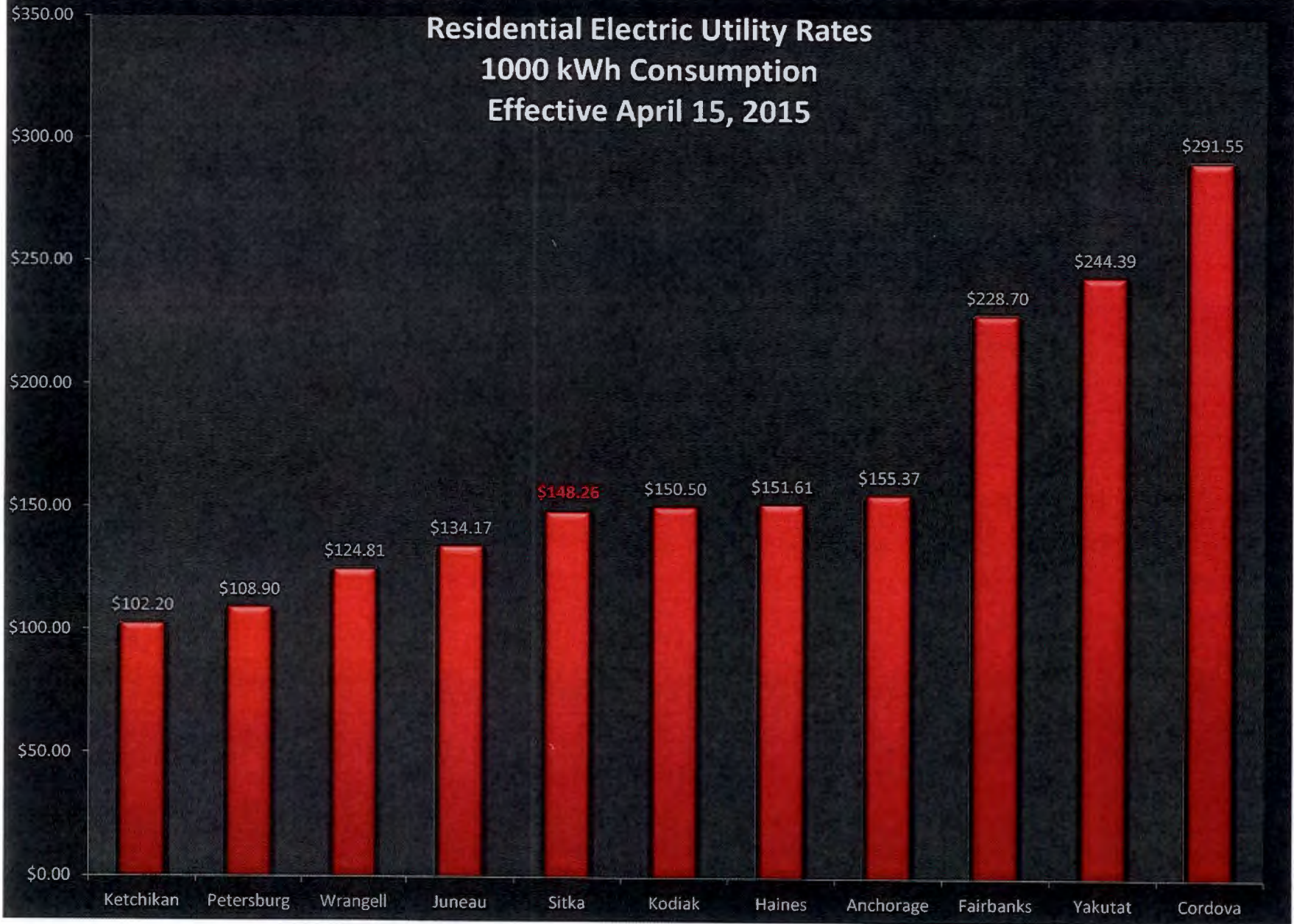
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<sup>1,2</sup> Information is latest data compiled by the Energy Information Administration – CY2013

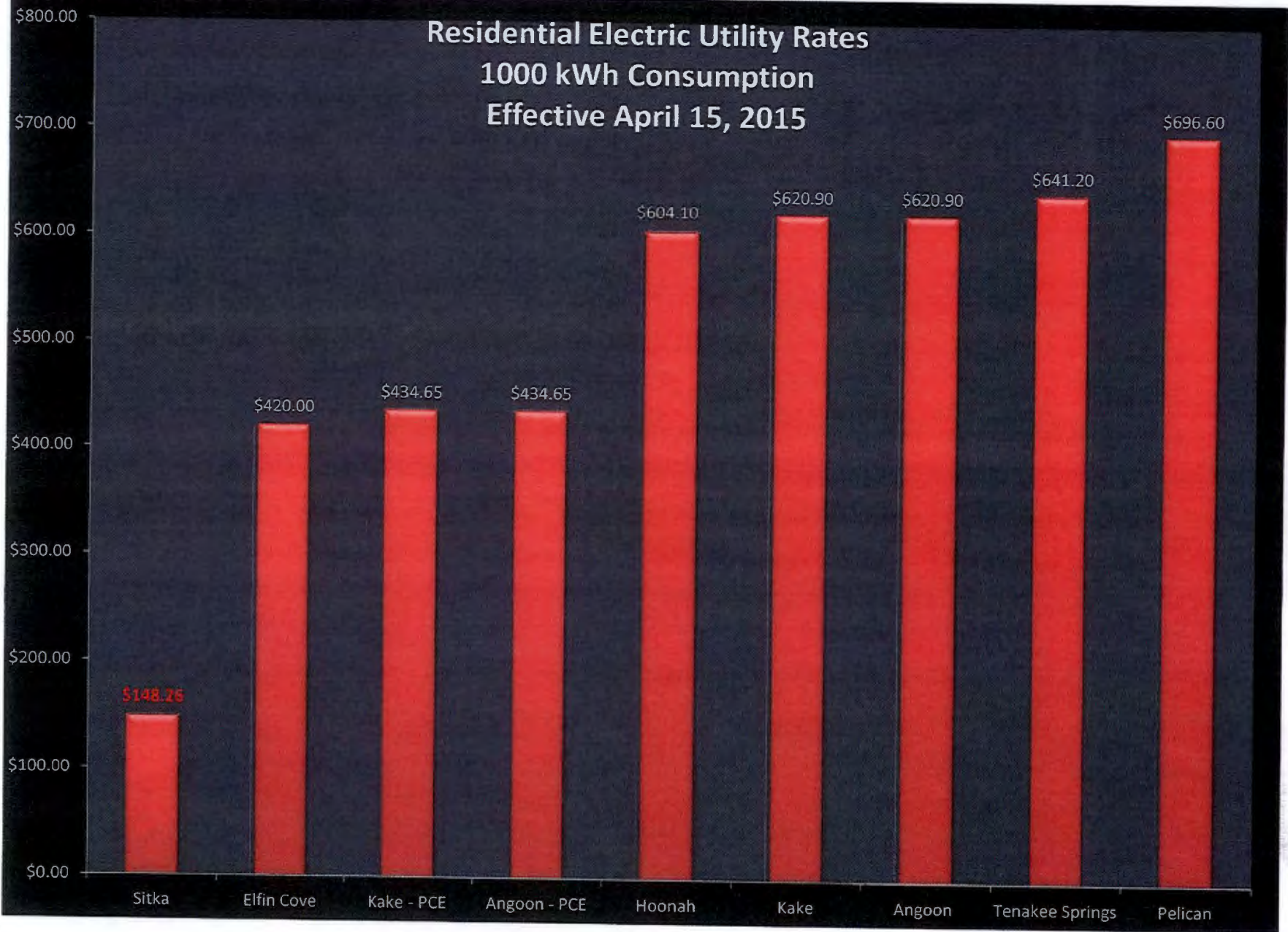
## Sitka Annual Power Generation



Residential Electric Utility Rates  
1000 kWh Consumption  
Effective April 15, 2015



### Residential Electric Utility Rates 1000 kWh Consumption Effective April 15, 2015



Average Revenue per kWh, 2013  
(in cents)  
United States and Alaska

	Residential <u>Rev/kWh</u>	Commercial <u>Rev/kWh</u>	Industrial <u>Rev/kWh</u>	Total* <u>Rev/kWh</u>
<b><u>Alaska</u></b>				
Publicly Owned	13.4	11.7	19.3	13.6
Investor-Owned	17.7	19.9	9.7	23.4
Cooperative	18.4	16.4	15.8	17.7
<b>Alaska</b>				
<b><u>Publicly Owned</u></b>				
Anchorage Municipality of	13.2	10.4	-	10.7
Ketchikan City of	10.2	9.7	8.4	9.7
Nome Joint Utility Systems	37.7	35.4	-	36.1
North Slope Borough Power & Light	17.4	31.0	-	28.4
Petersburg City of	9.7	11.4	10.8	10.5
Seward City of	20.4	21.6	17.4	18.8
Sitka City & Borough of	10.7	11.1	11.3	10.9
Unalaska City of	47.5	42.9	39.0	40.8
Wrangell City of	10.6	10.7	-	10.7
<b>Alaska</b>				
<b><u>Investor-Owned</u></b>				
Alaska Electric Light & Pwr Co	12.8	10.5	9.7	11.2
Alaska Power Co	30.7	27.0	-	28.4
Aniak Light & Power Co Inc	NA	NA	NA	73.9
Bethel Utilities Corp	54.9	54.6	-	54.7
Chitina Electric Inc	-	-	66.9	59.7
G & K, Inc	NA	NA	NA	71.7
Gustavus Electric Inc	NA	NA	NA	43.9
Gwitchyaa Zhee Utility Co	NA	NA	NA	62.8
Hughes Power & Light Co	NA	NA	NA	72.0
Kuiggluum Kallugvia	NA	NA	NA	50.5
McGrath Light & Power Co	NA	NA	NA	58.4
Napakiaq Ircinraq Power Co	NA	NA	NA	80.5
Pelican Utility	NA	NA	NA	32.1
Smart Prepaid Electric	NA	NA	NA	73.9
Tanana Power Co Inc	NA	NA	NA	48.9
TDX North Slope Generating Co	-	18.5	-	18.5
<b>Alaska</b>				
<b><u>Cooperative</u></b>				
Akiachak Native Community Electric Co.	NA	NA	NA	69.2

	Residential Rev/kWh	Commercial Rev/kWh	Industrial Rev/kWh	Total* Rev/kWh
Alaska Village Elec Coop, Inc	61.0	53.4	-	56.6
Barrow Utils & Elec Coop, Inc	12.1	10.6	-	10.9
Chugach Electric Assn Inc	14.8	12.2	10.9	13.4
Copper Valley Elec Assn, Inc	28.2	24.4	-	25.2
Cordova Electric Coop, Inc	41.2	32.6	22.9	30.7
Golden Valley Electric Assn Inc	22.9	21.1	17.2	18.9
Homer Electric Assn Inc	21.0	18.3	7.9	16.7
I-N-N Electric Coop, Inc	NA	NA	NA	36.5
Kodiak Electric Assn Inc	17.9	17.4	16.3	16.8
Kotzebue Electric Assn Inc	41.1	38.8	-	39.6
Matanuska Electric Assn Inc	15.1	12.6	-	14.2
Middle Kuskokwim Elec Coop Inc	NA	NA	NA	90.0
Naknek Electric Assn, Inc	NA	NA	NA	52.2
Nelson Lagoon Elec Coop, Inc	NA	NA	NA	73.2
Nushagak Electric Coop, Inc	NA	NA	NA	44.1
Tuntutuliak Comm Services Assn	NA	NA	NA	51.3
Unalakleet Valley Elec Coop	NA	NA	NA	40.9

<b>Alaska</b>	<b>Total</b>
<b><u>Publicly Owned - Small Utilities</u></b>	<b><u>Rev/kWh</u></b>
Akutan City of	31.7
Atka, City of	39.5
Atmautluak Tribal Utilities	62.2
Birch Creek Village Elec Util	60.0
Chefornak City of	40.0
Chignik City of	50.8
EDF Industrial Power Services (NY), LLC	86.3
Elfin Cove City of	69.2
Galena Electric Utility	50.8
Igiugig Electric Company	77.3
Inside Passage Elec Coop, Inc	59.7
Ipnatchiaq Electric Company	120.4
King Cove City of	28.1
Kokhanok Village Council	43.3
Kwig Power Company	61.0
Larsen Bay City of	38.0
Manokotak City of	41.6
Metlakatla Power & Light	10.1
Native Village of Perryville	94.8
Ouzinkie City of	37.2
Pedro Bay Village Council	75.9
Saint Paul City of	55.8
Tatitlek Electric Utility	30.5
TDX Power	85.1
Tenakee Springs City of	60.6
White Mountain City of	62.0
Yakutat Power, Inc	49.5

Source: U.S. Department of Energy, Energy Information Administration, Form EIA-861, 2013 data.

## Full Service Sales vs. Unbundled (retail choice) Sales, 2013

		<u>Residential</u> <u>Rev/kWh</u>	<u>Commercial</u> <u>Rev/kWh</u>	<u>Industrial</u> <u>Rev/kWh</u>	<u>Total</u> <u>Rev/kWh</u>
<b>All U.S. Customers</b>					
	Full Service Sales	12.0	10.1	6.7	10.0
	Unbundled Sales	13.5	11.1	7.5	10.3
	Total: All Customers	12.1	10.3	6.9	10.1
<b><u>By State</u></b>					
California	Full Service Sales	15.3	13.6	10.7	13.8
	Unbundled Sales	20.1	11.7	9.6	11.0
	Total	15.3	13.4	10.5	13.5
Connecticut	Full Service Sales	17.1	14.5	10.1	15.8
	Unbundled Sales	17.7	14.7	13.5	15.4
	Total	17.3	14.7	12.6	15.6
Delaware	Full Service Sales	13.6	12.3	9.9	12.8
	Unbundled Sales	13.1	8.7	7.4	8.3
	Total	13.6	10.1	8.4	11.1
Illinois	Full Service Sales	11.7	9.4	5.8	10.4
	Unbundled Sales	10.0	7.2	5.8	6.8
	Total	11.4	8.0	5.8	8.4
Maine	Full Service Sales	13.8	12.4	10.9	12.8
	Unbundled Sales	14.7	11.5	7.9	11.8
	Total	14.7	11.5	8.0	11.8
Maryland	Full Service Sales	12.8	10.7	8.4	12.2
	Unbundled Sales	13.1	10.3	8.0	10.5
	Total	12.8	10.4	8.1	11.3
Massachusetts	Full Service Sales	14.8	14.1	11.1	14.0
	Unbundled Sales	15.9	13.6	13.1	13.5
	Total	14.9	13.8	12.6	13.8
Michigan	Full Service Sales	14.1	11.3	7.8	11.4
	Unbundled Sales	14.1	7.7	6.5	7.1
	Total	14.1	10.9	7.6	11.0
Montana	Full Service Sales	10.1	9.2	7.0	9.3
	Unbundled Sales	n/a	5.8	3.9	4.0
	Total	10.1	9.1	5.1	8.2
Nevada	Full Service Sales	11.8	8.9	6.7	9.1
	Unbundled Sales		6.8	4.6	5.2
	Total	11.8	8.8	6.5	8.9
New Hampshire	Full Service Sales	16.1	15.0	16.2	15.8
	Unbundled Sales	14.3	11.9	10.8	11.5
	Total	16.1	13.4	11.8	14.2



New Jersey	Full Service Sales	15.9	13.6	8.5	14.9
	Unbundled Sales	15.3	12.4	11.0	12.5
	Total	15.8	12.8	10.5	13.7
New York	Full Service Sales	17.3	16.2	7.7	16.3
	Unbundled Sales	18.8	14.5	6.3	14.0
	Total	17.6	15.1	6.7	15.1
Ohio	Full Service Sales	12.0	10.7	6.4	10.0
	Unbundled Sales	11.3	8.8	6.1	8.3
	Total	11.8	9.5	6.2	9.1
Oregon	Full Service Sales	9.8	8.3	5.6	8.3
	Unbundled Sales	n/a	7.9	5.1	6.1
	Total	9.8	8.4	5.7	8.3
Pennsylvania	Full Service Sales	12.7	11.0	7.6	12.0
	Unbundled Sales	12.8	8.9	7.2	8.8
	Total	12.7	9.4	7.2	9.9
Rhode Island	Full Service Sales	14.4	12.4	11.7	13.6
	Unbundled Sales	14.0	11.4	10.4	11.2
	Total	14.4	11.9	10.7	12.7
Texas *	(see note at bottom)				
Washington	Full Service Sales	8.5	7.7	4.1	7.0
	Unbundled Sales	n/a	4.5	4.2	4.2
	Total	8.5	7.7	4.1	6.9
Washington, DC	Full Service Sales	12.2	12.5		12.3
	Unbundled Sales	12.5	12.0	5.5	11.7
	Total	12.3	12.0	5.5	11.9

**\* Note:** While Texas is a retail choice state, total sales are reported by retail electric providers, who do not differentiate between Full Service and Unbundled Sales.

**City and Borough of Sitka  
Interruptible Power Rates**

Maximum charge is .11

Two month look back on cost

Billing	Cost of #2			Date Rate
Month	2 mnths prior	Multiplier	Kw rate	Changed
Jul-14	3.4618	0.0317	0.1097	
Aug-14	3.4799	0.0317	0.1103	
Sep-14	3.4466	0.0317	0.1093	
Oct-14	3.3915	0.0317	0.1075	
Nov-14	3.4328	0.0317	0.1088	
Dec-14	3.3972	0.0317	0.1077	
Jan-15	3.3352	0.0317	0.1057	1/16/2015
Feb-15	2.8709	0.0317	0.0910	
Mar-15	january	0.0317	#VALUE!	
Apr-15	february	0.0317	#VALUE!	
May-15	march	0.0317	#VALUE!	
Jun-15	april	0.0317	#VALUE!	
Jul-15	may	0.0317	#VALUE!	
Aug-15	june	0.0317	#VALUE!	
Sep-15	july	0.0317	#VALUE!	
Oct-15	august	0.0317	#VALUE!	
Nov-15	september	0.0317	#VALUE!	
Dec-15	october	0.0317	#VALUE!	
Jan-16	november	0.0317	#VALUE!	
Feb-16	december	0.0317	#VALUE!	
Mar-16	january	0.0317	#VALUE!	
Apr-16	february	0.0317	#VALUE!	
May-16	march	0.0317	#VALUE!	
Jun-16	april	0.0317	#VALUE!	
Jul-16	may	0.0317	#VALUE!	
Aug-16	june	0.0317	#VALUE!	
Sep-16	july	0.0317	#VALUE!	
Oct-16	august	0.0317	#VALUE!	
Nov-16	september	0.0317	#VALUE!	

CITY AND BOROUGH OF SITKA

ORDINANCE NO. 2015-17

AN ORDINANCE OF THE CITY AND BOROUGH OF SITKA AMENDING SUBSECTION 15.01.020 OF THE SITKA GENERAL CODE ELECTRICAL RATES BY INCREASING ELECTRIC RATES TO FUND APPROVED ELECTRICAL UTILITY CAPITAL PROJECTS INCLUDING THE BLUE LAKE HYDROELECTRIC EXPANSION PROJECT AND ESTABLISHING AN ENERGY ASSISTANCE FUND

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 circumstance shall not be affected.

3. PURPOSE. This ordinance will increase the electrical rates for certain consumer classes at SGC 15.01.020 and provide sufficient revenues to meet all fiscal requirements to complete approved capital projects, including the Blue Lake Hydroelectric Expansion Project. The ability to meet financial margins and revenue bond covenants require electric rate increases.

4. ENACTMENT. NOW, THEREFORE, BE IT ENACTED by the Assembly of the City and Borough of Sitka that SGC 15.01.020 is amended as follows (new language underlined; deleted language stricken):

Chapter 15.01
ELECTRIC UTILITY POLICIES

\*\*\*

Section
15.01.020 Electrical rates.

\*\*\*

B. Residential Services. (v3)
2. Energy Charges.

Table with 4 columns: kWh range, rate per kWh, kWh range, rate per kWh. Includes rows for First 1,000 kWh's, Next 1,000 kWh's, Next 1,000 kWh's, Over 3,000 kWh's, and Customer Charge is \$19.50 per month.

1  
2  
3  
4

C. General Service – Small (v4)  
2. Energy Charges.

First 500 kWh	\$0.1771 per kWh
501 kWh to 10,000 kWh	<del>\$0.1133</del> <u>\$0.1246</u> per kWh
10,001 kWh to 100,000 kWh	<del>\$0.1133</del> <u>\$0.1218</u> per kWh
Over 100,001 kWh	<del>\$0.1133</del> <u>\$0.1190</u> per kWh
Customer charge is \$39.00 per month	

5  
6  
7

3. Demand Charges.

First 25 kW	No Charge
Over 25 kW	\$5.60 per kW

8  
9

D. General Service – Large (v4)  
2. Energy Charges.

10  
11  
12

First 500 kWh	\$0.1771 per kWh
501 kWh to 10,000 kWh	<del>\$0.1128</del> <u>\$0.1297</u> per kWh
10,001 kWh to 100,000 kWh	<del>\$0.1128</del> <u>\$0.1263</u> per kWh
Over 100,001 kWh	<del>\$0.1128</del> <u>\$0.1241</u> per kWh
Customer charge is \$60.00 per month	

13  
14  
15

3. Demand Charges.

First 25 kW	No Charge
Over 25 kW	\$5.60 per kW

16  
17

E. General Service – Public Authority (v3)  
2. Energy Charges.

18  
19  
20

First 500 kWh	<del>\$0.1771</del> <u>\$0.2037</u> per kWh
501 kWh to 10,000 kWh	<del>\$0.1133</del> <u>\$0.1303</u> per kWh
10,001 kWh to 100,000 kWh	<del>\$0.1133</del> <u>\$0.1303</u> per kWh
Over 100,001 kWh	<del>\$0.1133</del> <u>\$0.1303</u> per kWh
Customer charge is \$45.00 per month	

21  
22  
23

3. Demand Charges.

First 25 kW	No Charge
Over 25 kW	\$5.60 per kW

\* \* \*

**M. Energy Assistance Fund. An energy assistance fund is hereby established to provide an opportunity for City and Borough of Sitka electric customers to make a voluntary monthly contribution to a fund that will provide limited financial assistance to customers. The intent of the program is to help provide emergency financial assistance to customers to pay electric utility bills. The program will be administered by the Salvation Army.**

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

**PASSED, APPROVED, AND ADOPTED** by the Assembly of the City and Borough of Sitka, Alaska this 14th day of April, 2015.

\_\_\_\_\_  
Matthew Hunter, Deputy Mayor

**ATTEST:**

\_\_\_\_\_  
Colleen Ingman, MMC  
Municipal Clerk

Clarification: STA Board Member Miyasato recused himself did not vote nor participate.



April 1, 2015

Mayor Mim McConnell  
City & Borough of Sitka  
100 Lincoln Street  
Sitka, AK 99835

Dear Mayor McConnell:

Sitka Tribe of Alaska is opposed to the utility rate increases being proposed by the City & Borough of Sitka. The trend of rates and fees increases imposed this past year is just too much to bear for the citizens of this community who either live on medium or low incomes or are senior citizens who live on fixed incomes. To burden the citizens with another rate increase on top of last year's increases in the utility rates and the increase in moorage rates - for the third year in a row - and other proposed rate increases, is unreasonable.

Especially impacted with this proposed rate increase are our STA Tribal citizens who are lifelong residents of Sitka, but are at the brink of being forced to consider moving out of Sitka because they simply cannot afford to live here. We see this trend already taking place among our Tribal citizens and find ourselves striving to provide the additional support to our citizens in need. We would also go so far as to say that these repeated increases have contributed to a growing homeless population in Sitka.

It appears that with this trend to move costs out of reach of the average citizen, the City & Borough of Sitka is purposely creating a community environment where only the elite can afford to live. That is not representative of the rich history of this community. The City & Borough of Sitka Assembly has had such a focus on serving a select population and large businesses, now is the time to consider how these actions affect the common citizen.

At the regular monthly STA Tribal Council meeting held on March 18, 2015, the STA Tribal Council unanimously approved the STA Tribal Chairman signing this letter in opposition to the proposed utility rate increases. We stand as representatives of our Tribal citizens to say enough is enough.

Sincerely,

Michael Baines  
Tribal Chairman

cc: STA Tribal Council  
CBS Assembly

RECEIVED  
APR - 6 2015

City & Borough of Sitka