



CITY AND BOROUGH OF SITKA

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

Minutes - Final City and Borough Assembly

Mayor Cheryl Westover
Deputy Mayor Pete Esquiro, Vice-Deputy Mayor Thor
Christianson,
Terry Blake, Phyllis Hackett, Mim McConnell, and Mike Reif

Municipal Administrator: Jim Dinley
Municipal Attorney: Theresa Hillhouse
Municipal Clerk: Colleen Ingman, MMC

Tuesday, May 29, 2012

6:00 PM

Assembly Chambers

SPECIAL MEETING

- I. CALL TO ORDER
- II. FLAG SALUTE
- III. ROLL CALL

Present: 7 - Westover, McConnell, Blake, Christianson, Esquiro, Reif, and Hackett

IV. CORRESPONDENCE/AGENDA CHANGES

None.

V. PERSONS TO BE HEARD

Mike Litman, came forward to speak on behalf of Sitkan's for Responsible Government and updated the Assembly on their attempt to get a previous initiative on the October ballot. He would like to see the Assembly take a position on the matter.

VI. UNFINISHED BUSINESS:

- A [ORD 12-07](#) Amending the Sales Tax Exemption at Sitka General Code Subsection 4.09.100N entitled "Over One Thousand Dollars on Sales and Rents of Tangible Personal Property and on Sales of Services, and Over One Thousand Dollars in Rent or Lease of Real Property on a Monthly Basis"

David Wolff, Controller of Allen Marine, noted lines 74-76 and suggested reverting back to the original language. He further added, the proposed sales tax cap be raised no higher than \$1500.

Finance Director, Jay Sweeney, explained the ordinance. Sweeney stated the overall intent was looking for a way to generate additional revenue within the existing taxation framework.

A discussion among Assembly members followed regarding the bundling of transactions on single invoices.

A motion was made by Christianson to strike Line 58 to 60, beginning with "Any retail merchandise..." The motion was seconded by Reif.

Shirley Robards spoke against the ordinance. Kim Elliot spoke in support of a sales tax cap of \$1500.

The Assembly further discussed the possibility of a substitute ordinance which would revert back to the original language and raise the tax cap.

A motion was made by Christianson to POSTPONE this ordinance INDEFINITELY. The motion PASSED by the following vote:

Yes: 7 - Westover, McConnell, Blake, Christianson, Esquiro, Reif, and Hackett

B [ORD 12-06](#)

Amending the Sitka General Code by repealing the sales tax exemption provision currently at Sitka General Code subsection 4.09.100Y for "exemption for retired persons who have reached the age of sixty-five," and adding a new section 4.09.105 entitled "Sales Tax Exemption for Sitka Senior Residents"

From the audience:

Kim Elliot spoke in support of the amendments below. Alice Johnstone approved of what the Assembly was trying to do but wondered how it would be enforced. Sarah Williams, Shirley Robards, David Tjomsland, Mary Lou Vilandre, John Littlefield and Valorie Nelson spoke against the ordinance.

Assembly members offered their opinions on the amendments and ordinance.

The following amendment was postponed from the May 22 meeting and was on the floor:

A motion was made by Hackett/McConnell to amend Ordinance 2012-06 by adding or amending the following provisions:

- 1. SGC 4.09.105A.5 at line 186 add: Notwithstanding subsection A.4 above, if the applicant has a sales tax exemption card issued under prior SGC 4.09.100Y for "Retired Persons Who Have Reached The Age of Sixty-Five", and meets all other requirements of this section;**
- 2. Purpose section at line 29, by adding the following sentence: Seniors who hold sales tax exemption cards that were issued under SGC 4.09.100Y for "Retired Persons Who Have Reached The Age of Sixty-Five" will still qualify and are not subject to the income level means test, as long as the seniors meet all other requirements under this new exemption at SGC 4.09.105.**

The amendment PASSED by the following vote:

Yes: 6 - McConnell, Blake, Christianson, Esquiro, Reif, and Hackett

No: 1 - Westover

McConnell hoped to see the public educated on the sales tax exemption rules. Christianson noted the main mode of enforcement would be citizens.

A motion was made by Reif to further amend the ordinance by striking all references to publicizing. The motion to amend PASSED by the following vote:

Yes: 6 - Westover, McConnell, Blake, Esquiro, Reif, and Hackett

No: 1 - Christianson

A motion was made by Christianson to amend line 49 of the ordinance from less than twice the federal poverty guidelines to three times the federal poverty guidelines. The amendment PASSED by the following vote:

Yes: 7 - Westover, McConnell, Blake, Christianson, Esquiro, Reif, and Hackett

A recess was taken from 8:22pm to 8:31pm.

The Assembly discussed the ordinance and guidelines for implementation.

A motion was made by Christianson that this Ordinance be PASSED ON FIRST READING AS AMENDED. The motion PASSED by the following vote.

Yes: 5 - McConnell, Blake, Christianson, Reif, and Hackett

No: 2 - Westover, and Esquiro

C [ORD 12-17](#)

Adopting Budgets for the Fiscal Year July 1, 2012 through June 30, 2013

McConnell wondered about raising fees for vehicles and how that would help create funds for road infrastructure. She also noted it was crucial to determine funding for the sinking fund. Reif agreed. He expressed the need for growth of the sinking fund.

A motion was made by McConnell that this Ordinance be PASSED ON FIRST READING AS AMENDED. The motion PASSED by the following vote.

Yes: 7 - Westover, McConnell, Blake, Christianson, Esquiro, Reif, and Hackett

VII. PERSONS TO BE HEARD:

None.

VIII. EXECUTIVE SESSION

None.

X. ADJOURNMENT

A motion was made by McConnell to ADJOURN. The meeting ADJOURNED by unanimous voice vote at 9:08pm.

ATTEST:

Sara Peterson
Deputy Clerk