

POSSIBLE MOTION

I MOVE TO approve Resolution 2016-24 on
first and final reading.



City and Borough of Sitka

100 Lincoln Street • Sitka, Alaska 99835

Coast Guard City, USA

MEMORANDUM

To: Mayor Hunter and Members of the Assembly

From: Mark Gorman, Municipal Administrator
Maegan Bosak, Planning and Community Development Director *MB*

Subject: DRAFT Fiscal Year 2018 CBS Legislative Priorities

Date: November 7, 2015

Enclosed are the draft Fiscal Year 2018 CBS Legislative Priorities for Assembly review. Most of these requests for state assistance are from previous years or centered on community initiatives. Sitka's legislators have requested a limited selection of priorities, specifically highlighting matching grant funds in case a rare opportunity for funding becomes available.

The capital project requests outlined in the draft fiscal year 2018 Legislative Priorities are for infrastructure upgrades, which if not co-funded by the state (such as ADEC and Harbor Matching Grants), will have to be eventually completed with CBS funding. If legislative funding was awarded, CBS does not accept any grant monies without Assembly approval and authorization to match, most of which rely on CBS enterprise funds (Harbor, Electric, Water and Waste Water) to cover the match.

This year's Legislative Priorities approach is streamlined and similar to last years. Having spoken with CBS Lobbyist Larry Markley, he continues to recommend a one sheet to help keep information top of mind for state officials. In addition, a full report of each project will be submitted into the Alaska Division of Legislative Finance Capital Projects database (CAPSIS).

Unfortunately, the likelihood for State funding for Sitka projects is bleak. It is no secret that the State of Alaska is facing budget obstacles that will push Legislators to make hard decisions and be conservative with filling funding requests.

Our goal is to focus on matching funds projects and state initiatives that create long term stability and gives CBS direction as we develop future budgets. Strategically, staff believes it is important to make Legislative Priority requests. At some point in the future, funding will resume and we want to make sure Sitka's projects are top priority.

CITY AND BOROUGH OF SITKA

RESOLUTION NO. 2016-24

**A RESOLUTION BY THE CITY AND BOROUGH OF SITKA
SUBMITTING CITY AND BOROUGH OF SITKA
FY 2018 STATE LEGISLATIVE PRIORITIES
TO STATE OF ALASKA AND 2017 LEGISLATURE**

WHEREAS, the City and Borough of Sitka advocates cooperating and sharing resources with the State of Alaska to maximize public infrastructure and services for the citizens of Alaska in the most efficient, cost effective manner; and

WHEREAS, the attached City and Borough of Sitka FY 2018 Legislative Requests will enable the municipality and State of Alaska to continue to cooperate to make our communities and State more sustainable; and

WHEREAS, the City and Borough of Sitka continues to support cooperation between cities and State of Alaska to achieve our common goals.

NOW, THEREFORE, BE IT RESOLVED that the Assembly of the City and Borough of Sitka, Alaska, adopts the attached FY 2018 City and Borough of Sitka State Legislative Priorities and urges the Alaska State Legislature to support them to the maximum extent possible.

PASSED, APPROVED, AND ADOPTED by the Assembly of the City and Borough of Sitka, Alaska, on this 22nd day of November, 2016.

Matthew Hunter, Mayor

ATTEST:

Sara Peterson, CMC
Municipal Clerk



CITY AND BOROUGH OF SITKA

2018 LEGISLATIVE PRIORITIES CBS

HIGHWAY TO SITKA... PROVIDE EQUITABLE ALASKA MARINE HIGHWAY SERVICE

CBS requests the AMHS provide adequate and consistent service to our 9,000 residents and the visitors of our community. The AMHS acts as Sitka's highway, providing core service critical to our economy. Ferry service needs to be increased to the same level as other mainline ports in Southeast Alaska.

CONTINUED STATE SUPPORT TO MUNICIPALITIES... LONG TERM FUNDING SOURCE TO SUSTAIN MUNICIPAL REVENUE SHARING

CBS requests the State of Alaska continue its current level of the Municipal Revenue Sharing Program and work to develop a long term funding source that municipalities can rely on.

FUNDING FOR SITKA SCHOOLS... SCHOOL BOND DEBT REIMBURSEMENT

CBS requests the State of Alaska resume fully funding the School Bond Debt reimbursement program. The drastic decrease (25%) in FY 2017 left many communities, including Sitka, struggling to come up with revenue to balance the general obligation bonded debt.

STATE FUNDING FOR STATE FACILITIES... SUPPORT FOR STATE SERVICES AT SITKA JAIL FACILITIES

CBS requests the State of Alaska to fund the Community Jail Contract at its previous level of \$695,000. By law, the State is responsible for caring for persons charged under State law: 89% of our inmates fall into this category. Costs for personnel, food and laundry services have all risen sharply. Sitka's contract is not sufficient to sustain jail operations.

MANAGING THE LOCAL GOVERNMENT WORKFORCE... NO INCREASE TO PUBLIC EMPLOYEES RETIREMENT SYSTEM CONTRIBUTIONS

CBS requests the State of Alaska maintain the current level of 22% of the PERS/TRS unfunded liability. Municipalities currently pay the amount set by the State but requiring a larger percentage could drastically impact already stressed municipal budgets.

LET THE MUNICIPALITIES DECIDE... SENIOR CITIZEN'S/DISABLED VETERAN'S PROPERTY TAX EXEMPTION

CBS requests that the State of Alaska fully fund the Senior Citizen's/Disabled Veteran's Property Tax exemption as required in AS 29.45.030(g); or convert this mandatory exemption to an optional exemption, giving control to local governments for those decisions. Sitka's population is aging and thus this mandatory exemption is eroding the local tax base due to this unfunded mandate.

QUALITY EDUCATION IS OUR FUTURE... FULLY FUND BASE STUDENT ALLOCATION

CBS requests the State of Alaska fully fund base student allocation (BSA). Sitka's schools are struggling economically and BSA is critical in determining future staffing, class size and curriculum.

ECONOMIC OPPORTUNITIES FOR STATE... SITKA AIRPORT INFRASTRUCTURE UPGRADES

CBS requests the State of Alaska provide \$2,320,000 to Department of Transportation and Public Facilities (DOT&PF) to relocate DOT&PF and CBS utilities on Japonski Island along the old access road to the airport and within the airport property. This infrastructure upgrade will create opportunities for additional revenue through new lease space.

LANDS NEEDED FOR COMMUNITY DEVELOPMENT... STATE PARCELS SELECTED FOR FUTURE GROWTH

CBS requests the State of Alaska transfer ownership of four land parcels located adjacent the Sitka road system. These parcels have been identified as prime areas for community development. The parcels are known as Millersville, DOE parcel at the end of Seward Avenue, Indian River Valley parcel and Starrigavan/Katlian Bay parcel.

CAPITAL PROJECT REQUESTS

WATER AND SEWER ARE ESSENTIAL SERVICES...

ADEC MUNICIPAL MATCHING GRANT (MMG) REQUESTS

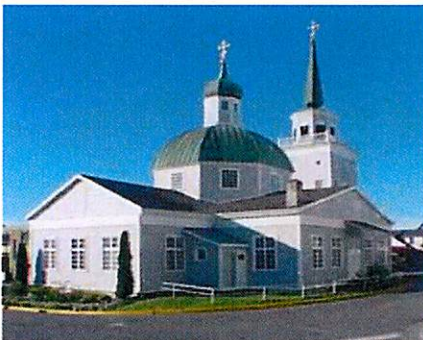
The State of Alaska needs to continue to fund the FY 2018 Alaska Municipal Matching Grant program to help CBS complete these essential infrastructure replacement projects: East DeGroff Street, Lake Street, and Monastery Street Water and Sewer Replacement, Wastewater Treatment Plant HVAC Replacement, and Channel and Brady Lift Stations Replacement.

East DeGroff Street Water and Sewer Replacement...\$1,000,000 (Grant Request 43%)...\$1,330,000 (CBS Match 57%)
Lake and Monastery Water and Sewer Replacement...\$2,000,000 (Grant Request 69%)...\$900,000 (CBS Match 31%)
WWTP HVAC Replacement...\$1,000,000 (Grant Request 30%)...\$2,250,000 (CBS Match 70%)
Channel and Brady Lift Stations...\$210,000 (Grant Request 30%)...\$590,000 (CBS Match 70%)

SEAFOOD IS INTEGRAL TO OUR ECONOMY... MARINE SERVICE CENTER BULKHEAD CRITICAL REPAIRS

CBS requests \$7,940,000 to complete critical repairs to the Marine Service Center Bulkhead. The bulkhead is the only facility in Sitka with a hoist capable of loading/unloading large fishing vessels and also is used as a transient berthing facility for fishing vessels. The existing bulkhead is at risk of failure.

Total Project Cost...\$8,440,000 (100%)
FY 2018 State Funding Request...\$7,940,000 (94%)
Additional Funding Required (CBS Harbor Fund) ...\$500,000 (6%)



SUSTAINABLE RESOURCES...

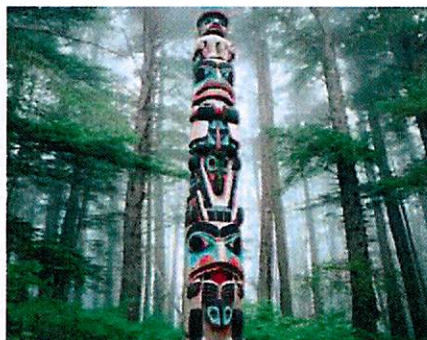
NEW SECONDARY POTABLE WATER SUPPLY

The State of Alaska requires communities serving drinking water to more than 1,000 individuals develop an emergency alternate water supply. In 2012, CBS conducted a groundwater investigation in the Starrigavan Valley to determine the viability of a secondary water source. Results showed that the aquifer is capable of supplying sufficient groundwater to satisfy the demands of the water system. CBS requests \$6,304,000 in State funding to develop a secondary potable water source to meet the CBS's needs when the penstock from Blue Lake is not available.

UTILIZING OUR HYDROELECTRIC... CONVERTING CBS FACILITIES TO RENEWABLE ELECTRIC HEAT

CBS requests \$2,159,000 from the Renewable Energy Fund (REF) to support a project which would convert up to six (6) additional CBS buildings, including the Sitka Community Hospital, from oil-fired boilers to clean electric driven heat and to make other energy efficient electrical improvements. This project is designed to effectively utilize the renewable energy from the Blue Lake hydro expansion.

Total Project Cost...\$3,359,000 (100%)
FY 2018 State Funding Request...\$2,159,000 (64%)
CBS Funding Committed and/or Expended...\$1,200,000 (36%)



MAINTENANCE OF CRITICAL HARBOR INFRASTRUCTURE...

MUNICIPAL HARBOR FACILITY GRANT PROGRAM

CBS requests that the state fund \$5,000,000 for Phase I of the Crescent Harbor Float Replacement Project and \$1,000,000 for Eliason Harbor Electrical Replacement under the Municipal Harbor Facility Matching Grant Program.

Crescent Harbor Phase I...\$13,500,000 (100%)
FY 2018 State Funding Request...\$5,000,000 (37%)
Additional Funding Required (CBS Harbor Fund)...\$8,500,000 (63%)
Eliason Harbor Electrical Replacement...\$3,500,000 (100%)
FY 2018 State Funding Request...\$1,500,000 (43%)
Additional Funding Required (CBS Harbor Fund)...\$2,000,000 (57%)

SUPPORTING EFFICIENT ENERGY... SITKA ENERGY EFFICIENCY IMPROVEMENTS FOR THE WASTEWATER TREATMENT PLANT

CBS requests \$667,000 from the Renewable Energy Fund (REF) in conjunction with Alaska Department of Environmental Conservation (ADEC) Municipal Matching Grants (MMG) program to support a project to replace oil-fired boilers at the Wastewater Treatment Plant (WWTP) with heat pumps and to make other energy-efficiency improvements.

Total Project Cost...\$2,905,000 (100%)
FY 2018 State Funding Request...\$667,000 (23%)
CBS Funding Committed and/or Expended ...\$113,000 (4%)
Additional Funding Required...\$2,125,000 (73%)

