




CITY AND BOROUGH OF SITKA

A COAST GUARD CITY

MEMORANDUM

To: Mayor Eisenbeisz and Assembly Members

Thru: John Leach, Municipal Administrator 

From: Sara Peterson, Municipal Clerk
Melissa Haley, Finance Director

Date: July 1, 2024

Subject: Approve ballot propositions - housekeeping amendments to Sitka Home Rule Charter

Background

The Municipal Clerk's Office, in consultation with the Finance and Legal Departments, has drafted three housekeeping ordinances to clarify and improve specific areas of the Sitka Home Rule Charter.

The first ordinance, 2024-16, addresses Article XI "Finance," Section 11.13(g) "Administration of Budget – Centralized Accounting." This section references the former Sitka Community Hospital, which closed on August 1, 2019.

The second ordinance, 2024-17, pertains to Article XX "Sitka Community Hospital," Section 20.01 "Sitka Community Hospital Dedicated Fund." This section specifies that the Fund shall be used only for the operating, capital, and debt service needs of the former Sitka Community Hospital.

The third ordinance, 2024-18, focuses on Article VI "Initiative, Referendum, and Recall," Section 6.02 "Recall." This section is outdated and requires updating.

Analysis

Regarding ordinance 2024-16, the proposed amendment removes reference to the former Sitka Community Hospital and no longer requires an accounting system.

Regarding ordinance 2024-17, the proposed amendment removes language stating the Sitka Community Hospital Dedicated Fund be only used to pay operating, capital, and debt service needs of the former Sitka Community Hospital. While there are still some

residual expenses related to retirement benefits for former Sitka Community Hospital employees, it is expected there will be funding that could be used for other purposes in the foreseeable future.

Regarding ordinance 2024-18, the proposed amendment aligns the process for recall of elected public officials of the municipality with prevailing state law. AS 29.10.200 prohibits home rule municipalities from enacting procedures related to the recall of elected public officials that are contrary to those provided in Alaska statutes.

Fiscal Note

The amendments, which remove reference to the Sitka Community Hospital/accounting system and align the process for recalling elected public officials of the municipality, are not expected to have any fiscal impacts.

The amendment removing the restriction on spending from the Sitka Community Hospital Dedicated Fund does have a potential fiscal impact for the future. While the commitments for the existing liabilities (primarily the PERS liability) must always be prioritized, within the next few years, it is likely that the annual payments on the purchase of the hospital business from the Southeast Alaska Regional Health Consortium along with tobacco tax proceeds will generate funding above the annual payment amounts on the liabilities. Without this amendment the municipality would be unable to use any available funding, as the only allowable purpose stated in the Charter no longer exists beyond the residual liabilities.

Recommendation

Approve these ordinances amending the Sitka Home Rule Charter and place the questions on the ballot at the regular election of October 1, 2024.