



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*

Tuesday, June 9, 2015

6:00 PM

Assembly Chambers

REGULAR MEETING

I. CALL TO ORDER

II. FLAG SALUTE

III. ROLL CALL

IV. CORRESPONDENCE/AGENDA CHANGES

[15-096](#) Reminders, Calendars and General Correspondence

Attachments: [Reminders and Calendars](#)

[Sitka Historical Society funding contribution](#)

[AKDOT intersection safety](#)

[AKDOT airport parking](#)

[Public Works Update](#)

[CBS Financial Review March 31](#)

V. CEREMONIAL MATTERS

None anticipated.

VI. SPECIAL REPORTS: Government to Government, Municipal Boards/Commissions/Committees, Sitka Community Hospital, Municipal Departments, School District, Students and Guests (time limits apply)

VII. 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.

VIII. REPORTS**a. Mayor, b. Administrator, c. Attorney, d. Liaison Representatives, e. Clerk, f. Other****IX. 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** [15-088](#) Approve the minutes of the May 27 and May 28 Assembly meetings
Attachments: [Consent motion](#)
[Minutes](#)
- B** [15-094](#) Approve the Health Needs and Human Services Commission goals for 2015
Attachments: [Health Needs 2015 goals](#)
- C** [15-089](#) Approve the Tree and Brush Clearing service contract to Marshall Albertson dba Absolute Tree Care not to exceed \$175,000 for FY2016
Attachments: [Tree and Brush Clearing service contract](#)
- D** [15-090](#) Approve the transfer of \$8,500 from the Electric Department Operating Fund to the Jarvis Control Building Re-Roof project and authorize the expenditure of these funds
Attachments: [Transfer of funds Jarvis Control Building](#)
- E** [15-092](#) Approve the award of the base bid construction contract for the Harrigan Centennial Hall (HCH) Renewal Project to MCG Constructors, Inc./Dawson Construction, Inc. - Joint Venture in the amount of \$12,717,000
Attachments: [Award Harrigan Hall base bid construction contract](#)
- F** [15-091](#) Discussion/Direction/Decision of the Municipal Administrator's recommended reductions to achieve a FY2016 balanced budget
Attachments: [Budget recommended reductions](#)
- X. UNFINISHED BUSINESS:**
- G** [ORD 15-25](#) Amending Title 4 Revenue and Finance, at Chapter 4.26 Excise Tax on Cigarettes and Tobacco Products, under Sections 4.26.010 Applicability of Chapter; 4.26.020 Tax on Cigarettes; and 4.26.030 Tax on other Tobacco Products
Attachments: [Motion Ord 2015-25](#)
[Ord 2015-25](#)

- H [ORD 15-36](#) Placing a Ballot Question on the Regular Election on October 6, 2015 to amend the Home Rule Charter of the City and Borough of Sitka at Article 13.03 entitled "Property Tax Limit" to increase the millage rate limit by one tenth of one percent (.001), which would be seven tenths of one percent (.007), or seven (7.0) mills to be used to support the Sitka School District

Attachments: [Motion Ord 2015-36](#)

[Ord 2015-36](#)

- I [ORD 15-24A](#) Amending SGC Section 4.09.100 N entitled Over One Thousand Five Hundred Dollars on Sales and Rents of Tangible Personal Property and on Sales and Services to increase the taxable transaction limit from \$1,500 to \$3,000 (third and final reading - effective date October 1, 2015)

Attachments: [Motion Ord 2015-24A](#)

[Ord 2015-24A](#)

- J [ORD 15-33](#) Adopting budgets for the Fiscal Year July 1, 2015 through June 30, 2016

Attachments: [Motion Ord 2015-33](#)

[Ord 2015-33](#)

- K [ORD 15-32](#) Adjusting the FY15 Budget

Attachments: [Motion Ord 2015-32](#)

[Ord 2015-32](#)

- L [ORD 15-10](#) Amending Title 15 of the Sitka General Code to increase water rates at Section 15.04.100 entitled "Service Connection Charge", 15.04.320 entitled "Rates and Fees" Sections 15.05.240A entitled "Service Connection Charge", 15.05.620 entitled "Rates and Fees" and to increase wastewater rates

Attachments: [Motion Ord 2015-10](#)

[REVISED 2015-10](#)

[Ord 2015-10](#)

- M [ORD 15-34](#) Amending Sitka General Code Title 23 "Parks and Recreation" by adding a new Chapter 23.40 entitled "Municipal Trees and Landscaping"

Attachments: [Motion Ord 2015-34](#)

[Ord 2015-34](#)

XI. **NEW BUSINESS:**

New Business First Reading

- N** [ORD 15-37](#) Amending Section 2.12.010 City and Borough of Sitka Hospital Board and Section 2.12.070 Organization, formally dissolving the existing Sitka Community Hospital Board (SCH) and its framework and re-establishing and reorganizing membership under new criteria by decreasing voting membership from seven to five with the goal of providing financial welfare and economic financial stability to Sitka Community Hospital. The new membership will include one CBS standing seat (and alternate) appointed by the Municipal Administrator.

Attachments: [Motion Ord 2015-37](#)

[Ord 2015-37](#)

Additional New Business Items

- O** [15-093](#) Consideration and award of the request for proposals submitted for the available funds (\$39,765) in the Fisheries Enhancement Fund

Attachments: [Motion Fisheries Enhancement](#)

[Memo](#)

[Ord 2006-38](#)

[Sitka Sound Science Center](#)

[Sitka Seafood Festival](#)

[Chinook Futures Coalition](#)

- P** [15-095](#) Discussion/Direction/Decision on the future direction of the Sitka Convention and Visitors Bureau

Attachments: [Sitka Convention and Visitors Bureau](#)

XII. PERSONS TO BE HEARD:

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

XIII. EXECUTIVE SESSION

XIV. ADJOURNMENT

*Sara Peterson, CMC
Municipal Clerk
Publish: June 5*



Legislation Details

File #: 15-096 **Version:** 1 **Name:**
Type: Item **Status:** AGENDA READY
File created: 6/4/2015 **In control:** City and Borough Assembly
On agenda: 6/9/2015 **Final action:**
Title: Reminders, Calendars and General Correspondence
Sponsors:
Indexes:
Code sections:
Attachments: [Reminders and Calendars](#)
[Sitka Historical Society funding contribution](#)
[AKDOT intersection safety](#)
[AKDOT airport parking](#)
[Public Works Update](#)
[CBS Financial Review March 31](#)

Date	Ver.	Action By	Action	Result
------	------	-----------	--------	--------

REMINDERS

<u>DATE</u>	<u>EVENT</u>	<u>TIME</u>
Tuesday, June 9	Regular Meeting	6:00 PM
<i>Tuesday, June 16</i>	<i>Possible Special Budget Meeting</i>	<i>TBA</i>
Tuesday, June 23	Regular Meeting	6:00 PM



Assembly Calendar

[2014](#) [Jan](#) [Feb](#) [Mar](#) [Apr](#) [May](#) [Jun](#) [Jul](#) [Aug](#) [Sep](#) [Oct](#) [Nov](#) [Dec](#) [2016](#)
June 2015

Sunday		Monday		Tuesday		Wednesday		Thursday		Friday		Saturday	
31	<u>May</u>	1	<u>Jun</u>	2		3		4		5		6	
Hunter				7:00pm Planning		7:00pm Library Board		12:00pm - 1:30pm SEDA Board Meeting					
7		8		9		10		11		12		13	
				12:00pm Health Needs & Human Services Commission 6:00pm <u>Reg Assembly Mtg</u>		6:00pm Historic Preservation		12:00pm LEPC 12:00pm <u>Parks & Rec</u>					
14		15		16		17		18		19		20	
				12:00pm <u>Tree/Landscape</u> 7:00pm <u>Planning</u>									
21		22		23		24		25		26		27	
				6:00pm <u>Regular Assembly Mtg</u>		6:00pm Police and Fire Commission - Fire Hall							
28		29		30		1	<u>Jul</u>	2		3		4	
				1:00pm SCVB Board		7:00pm Library Board		12:00pm - 1:30pm SEDA Board Meeting					

Assembly Calendar

[2014](#)
[Jan](#)
[Feb](#)
[Mar](#)
[Apr](#)
[May](#)
[Jun](#)
[Jul](#)
[Aug](#)
[Sep](#)
[Oct](#)
[Nov](#)
[Dec](#)
[2016](#)

July 2015

Sunday	Monday	Tuesday	Wednesday	Thursday	Friday	Saturday
28 <u>Jun</u>	29	30	1 Jul	2	3	4
		1:00pm SCVB Board	7:00pm Library Board	12:00pm - 1:30pm SEDA Board Meeting		
5	6	7	8	9	10	11
		7:00pm Planning	6:00pm Historic Preservation	12:00pm LEPC 12:00pm Parks & Rec		
12	13	14	15	16	17	18
		12:00pm Health Needs & Human Services Commission 6:00pm Reg Assembly Mtg				
19	20	21	22	23	24	25
		12:00pm Tree/Landscape 7:00pm Planning	6:00pm Police and Fire Commission - Fire Hall			
26	27	28	29	30	31	1 <u>Aug</u>
		1:00pm SCVB Board 6:00pm Regular Assembly Mtg				

Executive Director

Hal Spackman

Curator

Kristy Griffin

Board of Directors

Ernestine Massey - President

John Stein – Vice-President

Sabra Jenkins - Secretary

Sheila Finkenbinder - Treasurer

Chris Kowalczewski, Linda Trierschild,

Pat Alexander, Jack Ozment



**Sitka Historical
Society & Museum**

330 Harbor Drive

Sitka, Alaska 99835

907-747-6455

907-747-6588 FAX

Web Site: www.sitkahistory.org

June 2, 2015

Dear Mayor McConnell, Mark and Jay:

On behalf of the Sitka Historical Society Board, we are writing to let you know how much our organization values the proposed *HCH Project Additive Alternate 2 Expand the Museum Addition 12' x It's Width*. We see this space as essential for the Society's ability to provide exceptional historical programing and exhibits which highlight Sitka's history.

We understand C & B staff are reviewing bids and exploring potential adjustments to the HCH Project that may include adding or reducing the scope of elements within the project, including additive alternates. As well, we understand there is a finite budget available for this project. SHS places high value on the additional 12 feet of expanded museum space as proposed in the additive alternate, for it allows us more exhibit options and increased collections storage. Consequently, SHS is willing to contribute funds to the HCH project, so the *HCH Project Additive Alternate 2 Expand the Museum Addition 12' x It's Width*, as proposed, will be included in the final bid award.

Finally, allow us to extend to you and other C & B representatives our Board and Staff's gratitude as we recognize and appreciate the leadership and concerted efforts the City has put into making the HCH project an outstanding source of civic pride and beautiful venue for public events for years to come.

Thank you for considering our request.

Hal Spackman, Executive Director

Ernestine Massey, Board President



THE STATE
of **ALASKA**
GOVERNOR BILL WALKER

Department of Transportation and
Public Facilities

OFFICE OF THE COMMISSIONER
Marc Luiken, Commissioner

3132 Channel Drive
P.O. Box 112500
Juneau, Alaska 99811-2500
Main: 907.465.3900
Fax: 907.586.8365
dot.state.ak.us

May 27, 2015

Mark Gorman
Municipal Administrator
City and Borough of Sitka
100 Lincoln Street
Sitka, AK 99835-7540

Dear Mr. Gorman:

Thank you for your April 24, 2015, letter regarding intersection safety in Sitka. I appreciate this opportunity to respond to your concerns, explain the department's position, and to identify some opportunities for further cooperation.

Pedestrian and driver safety are paramount considerations for the department. We do our best to address safety needs in the communities we serve. Your letter and clearly-stated comments are very much appreciated, since local input is a key component of the department's continuing efforts to enhance system-wide safety and respond to local concerns.

Physical intersection and pedestrian safety enhancement decisions are program-based and statistically driven. While we strive to fully respond to local suggestions for improvements, we cannot always accommodate all of the requests made. However, we will explain our parameters, and work as closely as possible with the City and Borough of Sitka (CBS) regarding your specific concerns and requests.

I am pleased that you found the April 2 visit by staff from the department's Southcoast Regional office productive. During that visit, there was much discussion about the intersections mentioned in your letter. I have asked our staff to respond technically to each of the areas of concern you raised. The following summary details the department's positions:

- Harbor Drive and Maksoutoff Street - The crosswalk at the Harbor Drive and Maksoutoff Street intersection has been restriped. As you know, new advance pedestrian warning signs have already been installed.
- Lake Street and Etolin Street - The crosswalk at Lake Street and Etolin Street was decommissioned following installation of a new traffic signal at Lake and Lincoln. This was due to Lake/Etolin intersection's close proximity to the new signal. As per policy, we purposely do not mark crosswalks close to signals. Rather, we encourage pedestrians to cross in the safer environment of a signalized intersection; in this case, equipped with marked crosswalks and pedestrian crossing controls. In order to enhance a safer crossing environment, we do not intend to restripe the Lake/Etolin crosswalk.

- Raptor Way and Sawmill Creek Road - In lieu of marking a new crosswalk at Raptor Way and Sawmill Creek Road, we believe it is safer and more cost-effective to use the existing crosswalks at Jarvis Street and Indian River Road. The distance between the trailhead and the marked Jarvis Street crosswalk is 130 feet. A related solution would involve realigning the trail so that it terminates at the Jarvis Street crosswalk. This would be contingent upon obtaining right-of-way from Sheldon Jackson College, the presumed property owner. Closer to town, there exists a lighted overhead pedestrian warning sign at the Indian River Road intersection. Safety would be enhanced by providing wayfinding signs or similar guidance to pedestrians as encouragement to cross Sawmill Creek Road at these locations. Existing pedestrian warning signs could be replaced as needed to meet current retroreflectivity standards. Pedestrian crossing signage (with diagonal downward pointing arrows) could be established at the Indian River crossing to provide further delineation.
- Halibut Point Road (HPR) and Peterson Street - The crosswalk at HPR and Peterson Street was recently upgraded with additional warning signs and handheld pedestrian crossing flags. In accordance with policy, measures such as these should be undertaken before establishment of more sophisticated traffic control devices such as a rectangular rapid flashing beacon (RRFB).
- HPR and Kashevaroff Street - The HPR and Kashevaroff Street intersection currently lacks a marked crosswalk. A prerequisite to installation of pedestrian activated warning lights, such as RRFB's, is the existence of a marked crosswalk. Given the setting and associated parameters, the HPR/Kashevaroff intersection can be considered a candidate for a marked crosswalk. However, further information is needed before a final determination can be made, including the measurement of pedestrian crossing volumes and an assessment of the stopping sight distance on the HPR outbound approach.
- HPR and Blatchley Middle School - Your letter also requests the establishment of a RRFB at the crosswalk on HPR serving Blatchley Middle School. This intersection is in the middle of a school zone flashing light assembly, is adequately signed, and there are overhead beacons at the crosswalk. In addition, we understand that there is a school zone crossing guard during school hours. Our analysis indicates that there is already sufficient infrastructure, and that additional traffic control devices are not presently warranted.

On a policy level view, you correctly noted that the locations in question do not meet the criteria for RRFB establishment, while also pointing out that RRFB's can be considered when certain other conditions are present, such as a pedestrian accident history, high avoidance maneuver occurrence, and/or school crossings on a rural National Highway System (NHS) route. Our data suggests that these conditions are not present at the discussed locations.

With respect to pedestrian accident history, staff extracted data for the full lengths of both HPR and Sawmill Creek Road for the entire 13-year period of available crash data. We found that of the combined total of 401 reported crashes on both routes, only nine involved pedestrians and none occurred at any of the intersections in question. Furthermore, we have determined that Sitka does not fit the rural route school crossing parameter; the crossings in question are in an urban setting. Outside of the above-stated determinations, in order to give RRFB installation full consideration, we would need to further assess the magnitude of avoidance maneuver occurrences.

Finally, I would like to clarify the policy document referenced in your letter. Satisfying the conditions specified in Section 4L.100 of the Alaska Traffic Manual Supplement does not obligate the department to install RRFB's. Rather, it gives us the leeway to do so, based upon individual site characteristics and sound engineering judgment.

The absence of a pedestrian crash history at the subject intersections is a central factor in our considerations. Based on the numbers, it appears that the existing complement of devices appears to

be performing satisfactorily. Unquestionably, there have been and will continue to be instances of avoidance maneuvers and driver noncompliance, but no device will totally prevent that from happening.

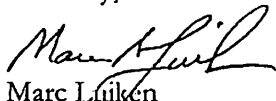
Upon having considered the information developed in preparing this reply, I am satisfied that we meet federal and state standards for pedestrian safety at intersections. At some point, the presence of physical safety enhancements should be supported with both enforcement and educational measures to maximize pedestrian and driver safety through compliance and knowledge of prevailing conditions.

With that said, we would however support your efforts, on a limited basis, to install RRFB's within state right-of-way. Subject to our review and approval, the CBS could be permitted to establish RRFB's at two of the locations discussed; specifically, HPR/Peterson and HPR/Kashevaroff. While the installation, operation, and maintenance would be done entirely at CBS expense, the department will support your efforts to evaluate the establishment of RRFB's at these locations. The installations could be permitted contingent upon meeting established criteria for crosswalks at uncontrolled intersections. This would include validation of avoidance maneuvers, determination of pedestrian volumes, and an evaluation of sight distance.

I appreciate your efforts in making your concerns known. I can assure you that we will work with you to maintain and enhance pedestrian safety in Sitka. To that end, the department stands ready to support the CBS in the further evaluation of the Raptor Way and Sawmill Creek Road crossings and the potential establishment of RRFB's at the locations disclosed.

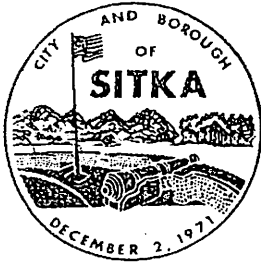
As always, please feel free to contact me with any further questions. If you have any additional questions please contact David Epstein, Southcoast Region Traffic and Safety Engineer, at (907) 465-4483.

Sincerely,



Marc L. Luiken
Commissioner

Cc: Senator Bert Stedman
Michael Harmon, CBS Public Works Director
Dan Tadic, CBS Municipal Engineer



City and Borough of Sitka

100 Lincoln Street Sitka, Alaska 99835

Const Guard City, USA

May 12, 2015

Lynette Campbell, Chief Aviation Leasing
Southeast Region
P.O. Box 112506
MS - 2506
Juneau, AK 99811-2506

Dear Ms. Campbell,

We appreciate you taking the time to visit with us in March to discuss our concerns about the potential loss of access to the current gravel long term parking area at the Sitka Rocky Gutierrez Airport. Proposed airport lease lot development would encompass the existing access road to this parking area. From that meeting, it is our understanding that the State of Alaska views this parking lot as an unauthorized trespass on airport property. Therefore, the viability of this parking lot is not a State consideration in evaluating lease lot development proposals.

We have reviewed the Sitka Airport Terminal Parking Lot White Paper you prepared dated April 7, 2015 and discussed your proposal to enter into a Memorandum of Agreement (MOA) with the State. Under the terms of the proposal, the City and Borough of Sitka would manage the terminal building parking lot with the State retaining maintenance responsibilities. Unfortunately, without considerations for the approximately 40 parking spaces which would be lost should lease lot development proceed as planned, we are not in a position to accept the proposal.

Our recommendation is that the bulk of the rental car fleets be relocated to an offsite location when their leases expire in 2019 and those areas be made available for sorely needed public airport parking. Alternate rental car lease areas could likely be provided on Charcoal Island. Limiting the rental car parking areas to only that which is necessary to accommodate the rental vehicles being picked up on any given day, will provide the necessary parking for us to reconsider our position on the MOA. We also strongly encourage that an alternate access be provided to the current gravel long term parking area as a requirement of any lease lot development.

Sincerely,

Mark Gorman
Municipal Administrator

CC: Michael Harmon, P.E., Public Works Director
Maegan Bosak, Director of Planning and Community Development
Dan Tadic, P.E., Municipal Engineer

PUBLIC WORKS ASSEMBLY UPDATE - WORK COMPLETED IN MAY, 2015

Kettleson Memorial Library Expansion:

Milestones this period

- Full settlement for Structural Design Deficiencies Complete. The project contingency will be repaid in the amount of \$482,598.69 by the designer's insurance carrier.
- All structural design issues have been resolved and the required changes are being incorporated into the work.
- Underground Plumbing and Electrical Complete.
- New Additions Structural Framing Complete.
- Roof Framing Started for Central Clerestory.
- Underground Plumbing and Electrical Complete.
- Slab on Grade Complete.
- Roofing material demo 50% complete.

Future Milestones

- Framing of new structure to be complete June 2015.
- Settlement of Structural Design Deficiency Insurance Claim.
- Construction is anticipated to be complete in late November 2015.

Background

The State funding of \$5.7 million awarded to CBS is a direct appropriation with no funding match requirements. A private donation of \$400,000 has also been given to the project by the John J. and Eleanor Brust Family and the City has committed \$200,000 in CPET funding and \$357,000 from the General Fund. The Friends of the Library have also raised almost \$90,000. \$350,000 of the budget was allocated to the Centennial Hall Parking Lot Project to relocate the Swan Lake storm drain, leaving a current project budget of approximately \$6.4 million for the expansion and renovation of the Library.

Harrigan Centennial Hall (HCH) Renewal:

Milestones This Period

- Bid documents were released April 22, 2015 and bids were opened May 21, 2015. Two responsive and responsible bids were received and low bid is within budget.
- There will be an agenda item the meeting scheduled June 9, 2015: 'Assembly approval of contract award for construction of the HCH Renewal Project'.

Future Milestones

- Close the building for construction August 1, 2015.
- Target construction substantial completion December 20, 2016.

Background

The 35% design estimated cost for this project was roughly \$16.3 million for the full scope of the remodel project. The rectified 65% design estimated cost for this project was ~ \$18.5 million for the full scope of the remodel project. Scope was reduced to bring the project within its funding of \$16.3 million. The current funding includes four State grants totaling \$11,500,000; a \$1,991,271 FY10 Legislative Grant designated for a lightering facility visitor's center (previously planned for under the O'Connell Bridge), \$1,180,000 FY 11 CPET Head Tax grant, \$1,400,000 Marine Passenger Funds, and a \$232,620 heat pump grant for a total project budget/funds of \$16.3 million.

Ultra Violet (UV) Disinfection Facility:

Milestones This Period

- Building and interior equipment at 99% complete
- Site grading and exterior equipment at 95% complete
- Facility testing and start up completed for all components
- Facility training completed
- Facility is functional and operational
- Certificate of Occupancy inspection completed and conditional approval given by Building Department
- Substantial Completion inspection and certificate for UV Building

Future Milestones

- Construction completion anticipated by fall 2015.

Background

The Blue Lake drinking water system is a surface water system, which must comply with the EPA Enhanced Surface Water Treatment Rules (ESWTRs). The UV Disinfection Facility will provide the additional microbial and disinfection controls required under the ESWTRs. The current total project cost estimate is \$8,966,000. Funding for this project is provided by State of Alaska Department of Environmental Conservation (ADEC) loans and grants:

- \$4,000,000 FY 2011 ADEC Loan (Includes \$2,500,000 financed with \$1,500,000 subsidized)
 - \$2,550,000 FY 2012 ADEC Loan
 - \$3,500,000 FY 2012 ADEC Grant (30% local match requirement).
 - \$2,061,000 FY 2013 ADEC Grant (30% local match requirement).
- \$12,111,000 Total Project Funding

Baranof Warm Springs Dock Replacement:

Milestones This Period

- Alaska Department of Transportation (ADOT) development of bid documents.

Future Milestones

- Project advertisement in June/July 2015.
- Contract award in August 2015.
- Construction completion spring 2016.

Background

The City and Borough of Sitka (CBS) received a \$1,900,000 FY2013 Alaska Legislature Grant to reconstruct the Baranof Warm Springs Dock. The funding was provided with the understanding that CBS would assume ownership and maintenance responsibilities for the dock once it is reconstructed. The Assembly approved the Administrator to execute a Memorandum of Agreement with the Alaska Department of Transportation and Public Facilities (ADOT&PF) for completion of the Baranof Warm Springs Dock Reconstruction and Ownership Transfer. ADOT&PF will be reimbursed the cost of designing and constructing the improvements from the FY13 Legislative Grant.

Eagle Way and Old Harbor Mountain Road Utility and Road Upgrades:

Milestones This Period

- 35% plans reviewed and comments provided to consultant.

Future Milestones

- 65% plans July 2015.
- Final design of the project is expected summer/fall 2015.
- Construction is anticipated summer 2016.

Background

Funding for the project consists of a \$1,500,000 2013 Commerce Community and Economic Development Grant. The project will include a minimum of 24-foot-wide paved road with possible pedestrian amenities and storm drainage and a new water main and services within Eagle Way. The project will also include a minimum of 24-foot wide paved road and storm drain improvements within Old Harbor Mountain Road.

Nelson Logging Road Upgrades:

Milestones This Period

- Conceptual routes shown on aerial photography to allow review and selection.

Future Milestones

- Preliminary cost estimates
- Bridge surveys and begin archeological field work.
- Phase one, route planning of the project is expected to be completed in July 2015.
- Construction is anticipated summer 2016.

Background

This project includes upgrading Nelson Logging Road to include upgrading and/or replacing both inadequate bridges and the roadway to accommodate two-way traffic. The roadway is also to be moved toward the south and/or raised above the winter and spring flooding at the Starrigavan Creek estuary and eliminate sloughing off of the roadway into Starrigavan estuary. Funding for the project is provided by \$2,343,000 2013 Commerce Community and Economic Development Grant.

Edgecumbe Drive Street Reconstruction:

Milestones This Period

- Design-builder provided 95% design drawings for Phase I of the project, stretching from Charteris Street to Peterson Street.
- Public Works and design-builder hosted a construction progress public meeting on May 14, 2015. The next one is scheduled for June 11 at 7 p.m. at Keet Gooshi Heen.
- Design-builder installed the following infrastructure in the Phase I area of the project (Cascade Creek Road to Charteris):
 - curb and gutter along both sides of the road (90% complete)
 - electrical conduit and vaults (100% complete)
 - storm drainage structures and pipes (75% complete)

Future Milestones

- Phase I of the project will be complete except for paving in early June, 2015.
- Construction on Phase II of the project will begin in early June, 2015, once school is out of the summer. Early work includes demolition of curb and gutter and replacement of storm drainage pipes and structures.
- Paving of the travel lanes scheduled for August 2015.

- Substantial completion date is September 21, 2015. Final completion date is October 30, 2015.

Background

The project includes drainage, sidewalk, curb and gutter, road subgrade and pavement improvements on Edgumbe Drive from Peterson Street to Cascade Creek Road. The total project budget is \$5.46M. The Assembly approved award of a design-build contract to S&S for \$4,636,500 on May 27, 2014.

Monastery and Baranof Water and Sewer Project:

Milestones This Period

- Project bids opened May 19, 2015.
- Project to Assembly for award May 27, 2015.

Future Milestones

- Construction is anticipated to begin June 2015.
- Construction is anticipated to be substantially complete before school start date August 27, 2015.

Background

The project includes replacement of the water and wastewater systems, new pavement with curb and gutter, storm drain improvements and sidewalk on one side on Baranof Street.

Funding for the project is provided by the following sources:

- \$533,000 FY 2014 ADEC Sewer Loan
 - \$497,000 FY2014 ADEC Water Loan
 - \$763,000 FY 2015 ADEC Grant (30% local match requirement)
 - \$102,000 CBS Capital Improvement Monastery Street FY15
 - \$81,000 CBS Capital Improvement Baranof Street FY15
- \$1,976,000 Total Project Funding

Federal Land Access Program (FLAP) Grant: Phases 4&5:

Milestones This Period

- The separated pathway along Yaw Drive which will end at the Indian River Trailhead parking lot has been completed.
- Baranof Street Trailhead Access has been completed.
- The construction crew has started on the Pherson Street access point and will continue with the trail to the Baranof Street access point.

Future Milestones

- The completion date is estimated around November 2015.

Background

The City and Borough of Sitka has been awarded a \$916,897 MAP-21 Federal Lands Access Program (FLAP) Grant for Phase 5 Cross Trail multimodal pathway (Cross TMP), Baranof Street and Yaw Drive connectors, by Western Federal Lands (WFL). The Assembly approved submission of the grant in Resolution 2013-03 in February 2013. Phase 4 of the project, a \$926,000 STIP Grant for a multimodal pathway reconstruction and re-routing from Yaw Drive to the CBS property was funded by the Department of Transportation in the 2009 STIP. DOT planners, with the concurrence of Western Federal Lands (WFL) and CBS, initiated action to combine the two projects as a single \$1.8 million grant and have the project managed by Western Federal Lands for greater efficiency and cost savings.

Federal Land Access Program (FLAP) Grant: Phase 6:

Milestones This Period

- Grant application was submitted and awarded on June 26, 2014 by Western Federal Lands.
- Match agreement signed and sent off to Western Federal Lands for their signature.

Future Milestones

- Secure a reimbursable agreement. Start working on agreement in August 2015.
- Hire a consulting company for planning, design, and complete environmental and permitting sometime in October 2015.
- The completion date is estimated around May 2016.

Background

The City and Borough of Sitka has been awarded a \$250,000 MAP-21 Federal Lands Access Program (FLAP) Grant for Phase 6 Cross Trail multimodal pathway (Cross TMP), connector from Kramer Drive to Alaska Marine Ferry Terminal, by Western Federal Lands (WFL). The Assembly approved submission of the grant in Resolution 2014-06 in April 2014. The Western Federal Lands Access Program application was submitted in April 2014, and then awarded on July 26, 2014. This is listed as a FY16 budgeted project with Western Federal Lands Access Program.

Solid Waste Management Plan:

Milestones This Period

- Bell and Associates, and the CBS are evaluating the request for proposals (RFP) that were submitted by contractors on the Municipal Solid Waste Management Services. Each member of the evaluation team has submitted their review of the RFP's and then tallied up the total points to come with who a letter of intent to award will be sent to. The Municipal Solid Waste Evaluation Report summarizes the evaluation of each contractor and the costs that were proposed.

Future Milestones

- SWAC meeting will be held towards the later part of June 2015.
- Assembly contract award is projected around August 1, 2015

Background

In July of 2014, the City and Borough of Sitka completed a Solid Waste Management Plan to address the current or future needs of the Solid Waste Fund and general operations. As we approach the end of the current collection and off-island disposal contracts in 2015, we believe it is in the best interest of the CBS to be better prepared with a plan that details the goals and direction of our solid waste management backed with data and a financial plan. At the June 6, 2013 Assembly Meeting, the Assembly approved advertising for a Request of Qualifications and select a consultant to develop a Solid Waste Management Plan. The funding for a Solid Waste Management Plan will come from the working capital of the Solid Waste Fund which is approximately \$1.3 million. The Solid Waste Management Plan is a time and materials, not to exceed \$250,000 contract. The total amount is dependent on the complexity of future goals and the amount of public process exploring options.

Sitka Transient Float Replacement:

Milestones This Period

- CBS received Notice of Preliminary Decision from Alaska Department of Natural Resources that they recommend conveyance of tidelands to CBS to accommodate the existing float to include rafted moorage.
- Staff returned comments on the 65% design to PND Engineers on May 2, 2015.
- PND Engineers submitted 65% review of modified electrical design May 22, 2015.
- Development of front-end bid documents by CBS Staff.
- Work with University of Alaska Southeast (UAS) and a local contractor to develop a tunicate eradication plan which would allow the floats to be repurposed rather than demolished and disposed of at a landfill in the lower 48.
- Resubmitted United States Army Corps of Engineers Nationwide Permit application.
- Preparation of Alaska Department of Environmental Conservation Drinking Water Engineering Plan Review application.

Future Milestones

- Development of eradication plan working with UAS and a local contractor. USACE approval of that plan.
- Bid float demo contract in advance of construction contract pending approval of eradication plan by USACE.
- Construction is anticipated to begin in fall 2015.

Background

CBS received a FY15 State of Alaska Municipal Harbor Facility Matching Grant, for the Sitka Transient Float Replacement Project, which will cover 50% of eligible construction costs not to exceed 2,700,000 in match funding. CBS has allocated a total of \$3,450,000 from the Harbor Enterprise Fund and ~\$198,000 from unspent ANB Harbor bond proceeds for the project for a total budget of \$6,348,000.

Airport Terminal Upgrades:

Milestones This Period

- Hosted workshop with Airport Users Group to discuss low-cost options to improve passenger flow on April 30, 2015.
- Worked with Maintenance & Operations Division staff, Delta Airlines and Alaska Airlines to coordinate the shared use of the TSA baggage screening room and baggage make-up area. Delta began providing scheduled flights to and from Sitka on May 15, 2015.

Future Milestones

- After passenger-flow improvement concepts are fully developed, project consultant McCool Carlson Green will make a presentation to the assembly with cost estimates and recommendations, summer 2015.

Background

The original project included design of improvements to the baggage makeup and TSA baggage screening areas, which will primarily be covered by a TSA grant. Funding collected from a previous PFC program amounts to \$275,000 and can be used to scope passenger-flow improvement options.

Hollywood & New Archangel Water, Sewer and Road Upgrades:

Milestones This Period

- Installation of water main on Hollywood Way (100% complete).
- Installation of two sewage manholes, sewer main and two sewer services on New Archangel Street (100% complete).

Future Milestones

- Paving for both roads scheduled for June 2015.
- Substantial Completion date is August 28, 2015.

Background

The project includes water, sewer, storm drain, pavement, curb and gutter and sidewalk improvements on Hollywood Way and New Archangel Street from Halibut Point Road to Marine Street. Funding is available from ADEC Loans (\$750,000), an ADEC Grant (\$552,300) and from the General Fund (\$232,000) for ADEC-ineligible expenses.

Lake Street Storm Drain Rehabilitation:

Milestones This Period

- Working with specialty Cured-in-Place Pipe (CIPP) contractor to acquire Alaska Business License, a requirement for the Washington-based contractor.

Future Milestones

- Select local contractor to assist and oversee CIPP liner installation, obtain Assembly approval to award contract in July 2015.
- Install CIPP liner in summer 2015.
- Depending on remaining budget, take advantage of CIPP contractor's presence in Sitka to address other failing storm water pipes.

Background

The project will repair a 42" culvert passing Arrowhead Creek under Lake Street, near 701 Lake Street. The culvert is corroding and is in danger of collapse. This project was budgeted in FY15 from the General Fund (\$299,000).

Seaplane Base:

Milestones This Period

- Working on steps necessary to prepare grant application to fund environmental process for the Seaplane Base.

Future Milestones

- Request Assembly approval for application for grant funding to cover required environmental documents in summer 2016.

Background

In August 2002, the Sitka Seaplane Base Master Plan was completed and includes a Condition & Needs Assessment and Master Plan Alternatives Report. The plan considered 12 alternative sites for a new seaplane base and found the north end of Japonksi Island, between the Coast Guard Base and the cove behind the SEARHC buildings on Seward Avenue was the best alternative. In February 2009, the Assembly unanimously approved Resolution 2009-35 "Supporting the development of the Sitka Seaplane Base." This approved staff applying for and executing a Federal Aviation Administration Airport Improvement Program grant for up to \$500,000 to develop the siting plan, issues resolution, design, environmental, and permitting phases of the project. Utilizing proceeds from that grant, in

June 2012, an updated Sitka Seaplane Base Siting Analysis was completed which considered a new site and redevelopment of the existing site in addition to the previously recommended Japonski site. The Japonski site was again selected as the preferred site. The findings of this study were presented to the Port and Harbors Commission on April 11, 2012 where they unanimously approved further study of the Japonski Island site. Preliminary discussions with the US Coast Guard (USCG) regarding potential Seaplane Base access from USCG property were encouraging.

Hrebar Rifle Range: (Shooting Range Improvements)

Milestones this period

- Signage was installed; "Use at Your Own Risk" safety signs installed at each shooting shelter and at the main entrance.
- Four bids were reviewed. Island Enterprise has been awarded the contract for a not to exceed amount of \$6,900.

Future Milestones:

- Awarding the bid for construction to fix the end berm height for the 100 and 200 yard ranges and to bring the heights of the medians up to a consistent height in between the 100 yd. and the 200 yd. ranges.

Background:

The City and Borough of Sitka was awarded a \$50,000 Legislative Grant for Tony Hrebar Range Improvements. The project consists of raising the height of berms will significantly improve range safety. Range berms have sloughed and settled and are no longer the standard height. The backstop berms are critical to prevent bullets from traveling downrange, beyond the shooter's target. The interior berms restrict bullets from traveling to adjacent ranges. Any additional funds will be spent to re-surface and improve range drainage. Inadequate drainage has caused washouts of surfacing material and rutting. The uneven surfaces are dangerous. Installing a properly sized drainage system will help preserve gravel surfacing but also keep the range surface even and hazard free thereby reducing tripping hazards.

Jarvis Control and Crescent Harbor Shelter Re-roofing:

Milestones This Period

- Completed substantial construction at Crescent Harbor Shelter before first cruise ship arrival.

Future Milestones

- Substantial/Physical completion of Jarvis Control Building before July 2015.

Background

The Crescent Harbor Shelter roof is the original from the 1985 construction of the Shelter and was failing. It was replaced with architectural shingles to match the roofs planned for Harrigan Centennial Hall and Kettleson Memorial Library. The Jarvis Substation Control Building currently has a flat (low slope) roof. It is leaking, under-insulated, and expensive to maintain, thus a shingled gable roof and added insulation are in this design to reduce annual operating and replacement costs. The Assembly awarded a Design-Build contract in the amount of \$185,500 to CBC Construction for completion of this project during the September 23, 2014 assembly meeting. Total project funding includes \$111,993 from the Harbor Fund and \$120,000 from the Electric Fund for a total approved budget of \$231,993.

Deteriorated decking was encountered on the east face of the Crescent Harbor Shelter. Additional funds were allocated from the ANB project to make up the \$6,500 needed to complete that work.

Jeff Davis Street Water and Sewer Improvements:

Milestones This Period

- On hold until funding is secure.

Future Milestones

- Advertisement for professional design services 2015
- Final design of the project is expected in spring 2016.
- Construction is anticipated summer 2016.

Background

The project will replace approximately ~50-year old undersized water main with new, large diameter pipe within Jeff Davis Street. The project will also remove 3 residences on Jeff Davis from a section of failing 1930's vintage wood stave sewer and connect them to the existing sewer main. Funding for the project is provided by the following sources; \$644,000 FY2015 ADEC Grant and \$812,000 FY2014 ADEC Water Loan.

Gary Paxton Industrial Park Dock:

Milestones this Period

- In scope development with R&M Engineering – Ketchikan and Moffatt & Nichol to study the feasibility of a floating dock.

Future Milestones

The engineering of the project remains on hold while changes to the proposed use of the dock facility continue to be considered by the GPIIP Board of Directors and CBS staff.

Possible changes to the original basis of design include (but are not limited to):

- 1) Constructing facilities that will be fully ready and able to accommodate a large (250 ton) sling-type boat haul out device;
- 2) Design/construct whatever configuration is chosen, so that the facility can be easily expanded in the future to accommodate container ships of the sort used in other major Alaskan ports; and
- 3) Relocate the facility to the shallower waters at the head of the cove. CBS staff prepared concept sketches of several possible layouts or configurations to be considered under #3. Please note that Item #3 will exclude the possibility of Item #2. Further discussion of the direction for this project will be an item on the agenda for the next meeting of the GPIIP Board of Directors.

Background

The project is funded by a designated Legislative Grant, administered by the State of Alaska, Dept. of Commerce, Community & Economic Development, Div. of Community & Regional Affairs. The total amount of the grant is \$7.5 million. On the local level, the project is administered by Public Works and the Gary Paxton Industrial Park Director, Garry White. The firm of Moffatt & Nichol (M&N) has been awarded a contract to provide the design for the GPIIP Dock Project.

WATER

Water operators responded to 7 callouts last month; several of which were to O'Cain Street, which tested to be groundwater. Three leaks were found on the customer's service lines. A water service leak on the city side of the service line on Halibut Point Road was repaired and the broken fire hydrant and tee in the main line on Sawmill Creek Road were replaced.

The Water Division continued to perform locates for Monastery and Baranof Streets for the upcoming project, and for the current project on Hollywood Way. Locates were also performed daily for State DOT annual ditching work along Sawmill Creek Road. Water staff has been performing daily inspections for the Edgecumbe Drive project. Operators rebuilt and updated the soda ash pumps, they are working well. Water staff worked with engineering and consulting design engineers on plans for Baranof & Monastery Streets, Eagle Way and Old Harbor Mt. Rd.

The new UV facility has been running smoothly in testing/training mode since May 11, 2015. Operators attended half-day classroom training and additional individual hands-on training at the facility. Flow control adjustments are being made based on actual water demand. The goal is to minimize electrical consumption and limit the UV reactors to 4 or fewer on/off cycles per day while maintaining the level in the Gavan Tank at target levels.

TTHM/HAA5, VOC's, nitrates, and nitrites samples were analyzed; all had good results. Water Operators power washed 23 fire hydrants in downtown area in preparation for painting.

WASTEWATER

Wastewater staff used the camel to clean and perform CCTV inspection on the Edgecumbe Drive sewer main after it was accidentally broken during construction. WW Operators continue to perform locates for the contractor as needed.

WW operators began building a temporary liquid hypochlorite addition system that will be used during weekends at the Thomsen Harbor Lift Station. This liquid system will supplement the solid hypochlorite tablets used during the weekdays during summer months. Tablets need to be added to the feeder daily. The new liquid feeder will last over the weekend thus reducing time worked by weekend on-call operators. Hypochlorite addition is needed during the warmer/drier part of the year to partially disinfect the wastewater, reducing fecal coliform bacteria counts in our effluent. Some hypochlorite is added at the WWTP and some is also added at Thomsen Harbor lift station, the main lift station pumping to the WWTP to get an additional benefit of odor reduction.

All WW staff attended half-day classroom training on the operation of the new UV facility. One weekend, the on-call WW operator assisted in the isolation and contractor's repair of the water service at AC Lakeside to repair a hole in their 6" water service.

Camera inspection and sewer service location was performed for a property being developed on Alice Loop. Operators installed an interior drop inlet in a manhole for the property's 4" sewer service. Operators used the Camel to clear a blockage in the Wild Strawberry Lodge's service. A sewer service was located on Burkhart Street, and one dye test was performed on New Archangel Street to confirm a residence was connected to the new sewer main installed by Coastal Excavation.

WW staff worked with engineering and consulting design engineers on plans for Baranof & Monastery Streets, Eagle Way and Old Harbor Mountain Road.

City and Borough of Sitka

Financial Review March 31, 2015

Results as of March 31, 2015 (All Funds)

City and Borough of Sitka

Financial Statements
(Unaudited)

As of, and for the nine-month period ending,
March 31, 2015

City and Borough of Sitka
Financial Review
FY2015 General Fund Budget Execution
March 31, 2015

Original Planned Deficit Per Budget:	7,453
Budget Adjustments	<u>(3,910,876)</u>
Planned Budget Deficit	(3,903,423)
Actual Revenues Thru 3/31 (79.9%)	21,372,478
Actual Expenditures Thru 3/31 (69.1%)	21,180,902

Note: Budget adjustments in FY15 include transfers to the Public Infrastructure Sinking Fund, Permanent Fund, and Sitka Community Hospital

City and Borough of Sitka
Financial Review
FY2015 General Fund
Budget Adjustments

Transfer to Public Infrastructure Sinking Fund	1,650,000
Transfer to Permanent Fund	600,000
Loan to Sitka Community Hospital	1,000,000
Kettleson Library	357,114
Other Net Adjustments	<u>303,762</u>
Total Net Budget Adjustments	<u>3,910,876</u>

City and Borough of Sitka
 Financial Review
 General Fund Balance
 March 31, 2015 Versus 2014

	3/31/2014	3/31/2015	Difference
Net Available Cash	6,278,266	3,746,311	(2,531,955)
Working Capital	9,137,872	8,735,301	(402,571)
Unrestricted Fund Balance	7,521,402	7,015,710	(505,692)

Notes:

\$7,748,100 of cash and fund balance is designated for liquidity and emergency response

Net Available Cash equals cash plus investments less liabilities less all designated fund balances

Working Capital is current assets less current liabilities less liquidity and emergency response reserves

**City and Borough of Sitka
Financial Review
Fund Net Income and Working Capital
FY2015 Results Through March 31, 2015**

<u>Fund</u>	<u>Income/(Loss)</u>	<u>For Capex</u>	<u>Working Capital</u>	<u>Working Capital</u>
Electric Fund	7,972,921	8,574,304	9,409,227	17,983,531
Water Fund	594,366	481,909	489,413	971,322
Wastewater Fund	(282,835)	1,690,475	3,534,215	5,224,690
Solid Waste Fund	(60,156)	823,348	353,717	1,177,065
Harbor Fund	930,393	4,245,670	3,688,493	7,934,163
Airport Terminal Fund *	(60,041)	427,125	386,286	813,411
Marine Service Center Fund *	38,376	-	1,608,685	1,608,685
SMC Industrial Park Fund *	60,111	25,984	848,203	874,187
MIS Fund *	(65,927)	24,234	354,174	378,408
Central Garage Fund *	493,405	180,737	2,546,354	2,727,091
Building Maintenance Fund *	(108,706)	-	2,018,932	2,018,932
CPET Fund *	(1,481,627)	436,254	-	436,254
Permanent Fund	2,200,571	-	24,135,933	24,135,933

Comments on Net Losses and Working Capital

- Net losses signify that depreciation expense (the decline in value of infrastructure) exceeds revenue and may signify that infrastructure replacement may eventually need to be funded by bonding and higher user fees.
- Negative undesignated working capital signifies that we have more approved spending for infrastructure than we have fund balance to pay for.
- Net Income/and loss includes grant revenue. This was significant for the Electric Fund and WaterFund; Electric Fund grant revenue was \$8.0 million, and Water Fund grant revenue was \$582 thousand.
- Both of these situations are being addressed through long-term infrastructure plans, which seek to identify long-term infrastructure needs and determine the correct level of user fees necessary to finance the plan.

Summary

- A modest General Fund surplus is anticipated for FY2015. It will be evaluated for possible transfer to the Permanent Fund and the Public Infrastructure Sinking Fund.
- Additional planned annual increases in electric rates, water rates, wastewater rates, and harbor moorage rates are still required in order to achieve plan goals in future years. Furthermore, electric and moorage rates must be annually evaluated for bond rate covenant sufficiency.
- Annual increases in user fees should be considered essential. Forgoing an annual increase in user fees, even in just one year, has a compounding negative effect of the sufficiency of working capital to pay for future infrastructure replacement. This, in turn, begets additional borrowing to pay for infrastructure which, in turn, results in higher user fees to pay for debt service. Several of our funds are highly leveraged (meaning that a significant amount of the current infrastructure has been financed through debt).

Financial Statements

- You will find attached financial statements for the various significant funds of the City and Borough of Sitka. Information is presented through March, 2015.
- Financial reporting is shown in the custom reporting format designed by the Finance Department, which combines significant elements of the income statement, cash flow and working capital into one single page report. Traditional financial statements are produced monthly and are distributed to the Administrator and appropriate Department Heads.

Definitions of Key Terms

Working Capital - This is essentially what a Fund has to spend. It is defined as current assets less current liabilities, including the current portion of long term debt. Working capital already earmarked for capital expenditures or otherwise restricted is called Designated Working Capital; the remainder is Undesignated Working Capital. The calculation of General Fund working capital also excludes designated amounts for liquidity and emergency response.

Depreciation Expense - This an estimation of the decline in value of a long lived asset, which is an expense. When a long lived asset is purchased, cash is paid but expense is not recorded; instead, expense is recorded gradually, over the life of the asset, to match its use against revenues earned in the same period. Most importantly, Depreciation Expense **IS NOT** the accumulation of cash to replace an asset; that is called a sinking fund and is part of Working Capital.

Fund Balance – This is the net assets of a fund. It is equal to total assets less liabilities. It is important to note that a Fund Balance is usually only partially in cash; the remainder may be made up of long lived assets, receivables, and other assets.

Definitions of Key Terms

Net Available Cash – This is equal to cash and investments, less liabilities and restricted or designated fund balances. This is similar to “cash on the barrelhead”.

EBI/EBID – These are accounting terms which measure earnings before certain expenses. EBI is Earnings Before Interest and measures earnings before interest expense. EBID is Earnings Before Interest and Depreciation, and is a rough measure of cash flow from operations.

Enterprise Fund – A fund which is run, and accounted for, similar to a private business. In such a fund, profit is measured and operations are accounted for on a full accrual basis.

Internal Service Fund - A fund which provides services to other funds. Such funds usually have no external source of revenue. Similar to an enterprise fund, profit is measured and operations are accounted for on a full accrual basis.

General Fund Financial Analysis As Of, And For The Nine-Month Period Ending March 31, 2015

The financial performance and position of the General Fund through the first nine months of FY2015 remain in line with planned expectations. Trends previously identified remain present. Revenue, especially sales tax collections, is falling short of plan; however, this shortfall has been offset by expenditures being less than planned. As a result, Staff projects a very modest surplus at this point in time for FY15, in the range of \$600K. This projected surplus has increased due to expenditure trends remaining far below budget. It is important to understand that future unanticipated events may cause this estimation to change.

Sales tax collections continue to remain a concern, as collections quarters are behind plan and just slightly ahead of FY14. It is almost certain that sales tax collections will not meet plan for the fiscal year. The shortfall to plan could be as high as \$420K if both the 1st and 2nd quarter collections are realized at 95% of plan.

To offset the potential shortfall in planned sales tax revenue, controllable expenditures have continued to trend much lower than plan. As of March 31, 2015, controllable expenditures were trending \$1,728.8K, or 12.9%, lower than plan. It is unlikely that this low level of budget execution will continue through to the end of the fiscal year, but it is probable that some unexpended appropriations will occur to help offset the loss of General Fund revenue. For this reason, the surplus projected last month has been increased.

It is also important to point out that, at this point in the fiscal year, the Assembly has already made appropriations which have the effect of producing a budget unbalanced in terms of revenues meeting or exceeding revenues. This is because the Assembly has directed to transfer of \$3,250,000 to be transferred to the Permanent Fund, Public Infrastructure Sinking Fund, and loaned to the Sitka Community Hospital.

The General Fund generated a surplus of revenues over expenditures of \$191.6K for the first nine months of FY2015, compared to \$2,934.3K for the comparable period in FY2014. Adjusting for \$3,250.0K transferred out of the General Fund as previously described, FY2015 has a surplus of revenues \$507.3K greater than the comparable period.

Revenue in the General Fund for the period was \$21,372.5K, compared to \$21,240.8K in FY2014, an increase of \$131.6K. General Fund outlays for the period were \$21,180.9K, compared to \$18,306.6K in FY2014; however, as already discussed, \$3,250.0K was transferred to other funds. Factoring out these transfers of \$3,250.0K, outlays have declined by \$375.7K. Controllable costs have risen by \$364.0K year over year, an increase of 3.2%. This increase is right in line with the increase anticipated from inflation and wage adjustments.

City and Borough of Sitka
General Fund
Income Statement
For The Twelve-Month Period From July 1, 2014 to June 30, 2015
(Unaudited)

	July 2014	August 2014	September 2014	October 2014	November 2014	December 2014	January 2015	February 2015	March 2015	April 2015	May 2015	June 2015	FY2015 YTD	FY2014 YTD	Variance To FY2014 YTD	FY2015 Plan (\$/L - 66.67%)	Variance To FY2015 Plan
Revenue:																	
Property Taxes	6,187,104	13,865	16,060	16,845	8,853	(59,487)	(1,804)	11,845	7,387	-	-	-	6,200,668	6,143,020	57,648	5,089,302	1,111,366
Sales Taxes	1,678,643	1,079,554	440,273	1,849,955	958,605	247,471	757,033	735,324	230,105	-	-	-	7,976,963	7,903,207	73,756	7,581,000	395,963
Bed Taxes	113,463	19,977	15,157	159,505	7,351	1,783	9,108	24,253	1,979	-	-	-	352,576	326,192	26,384	254,250	98,326
State Assistance	916,960	-	2,638	9,225	13,914	5,805	250	17,050	-	-	-	-	965,842	903,088	62,754	747,525	218,317
Federal Assistance	655,506	-	30,135	-	5,079	(310)	56,668	-	-	-	-	-	747,078	689,533	57,525	1,235,625	(488,547)
Transfer From Permanent Fund, Etc.	2,542	2,578	282,803	282,738	1,884	3,584	282,717	2,420	2,764	-	-	-	864,030	853,565	10,465	937,757	(73,727)
Interfund Billings	-	-	-	-	1,174,822	249,823	228,964	228,964	246,199	-	-	-	2,128,772	2,092,318	36,454	2,133,429	(4,657)
Other Operating Revenue	144,039	317,593	172,005	409,349	214,871	383,436	305,754	104,380	85,122	-	-	-	2,136,549	2,330,098	(193,549)	2,343,303	(206,754)
Total Revenue:	9,698,257	1,433,567	959,071	2,727,617	2,385,379	832,105	1,638,690	1,124,236	573,556	-	-	-	21,372,478	21,240,841	131,637	20,322,191	1,050,288
Outlays:																	
Administrator	72,691	56,338	58,629	97,046	68,694	72,352	94,287	95,509	72,154	-	-	-	687,700	604,027	(83,673)	693,302	5,602
Attorney	16,245	20,767	23,486	21,969	25,667	22,482	22,943	17,444	16,825	-	-	-	187,828	217,226	29,398	234,918	47,090
Clerk	21,648	23,447	31,401	40,191	29,189	31,414	30,897	25,354	28,088	-	-	-	261,629	246,120	(15,509)	295,083	33,454
Finance	103,450	127,110	125,530	167,998	161,901	197,706	127,258	138,404	120,460	-	-	-	1,269,817	1,201,953	(67,864)	1,329,751	59,934
Assessing	17,212	23,835	24,021	31,247	28,197	33,948	26,488	23,668	26,979	-	-	-	234,595	187,870	(46,725)	304,450	69,855
Planning	14,018	18,621	19,704	32,180	40,227	19,797	16,101	20,497	19,822	-	-	-	200,967	173,496	(27,471)	200,427	(540)
General/Shared Expenses	214,042	49,554	158,970	111,976	32,027	62,359	76,575	37,730	17,008	-	-	-	754,241	731,493	(22,748)	650,511	(103,730)
Police	331,164	276,799	304,892	450,706	377,710	339,089	336,889	328,340	358,267	-	-	-	3,103,856	2,981,845	(122,011)	3,448,964	345,108
Fire	141,751	133,102	135,284	189,308	158,413	138,504	138,851	130,456	149,516	-	-	-	1,315,185	1,321,923	6,738	1,516,524	201,339
Public Works	241,786	287,712	246,119	351,536	278,669	270,632	267,155	256,142	263,484	-	-	-	2,463,235	2,413,486	(49,749)	3,368,542	905,307
Library	52,403	61,067	44,460	83,919	86,333	59,380	71,573	59,880	60,003	-	-	-	578,952	569,309	(9,643)	684,198	105,246
Centennial Building	32,336	27,358	27,920	45,388	32,198	38,033	32,315	31,021	30,996	-	-	-	297,565	303,318	3,753	333,876	36,311
Visitors Bureau/SR Citizen Center	84,858	3,413	4,563	86,234	4,125	10,941	83,094	4,498	2,531	-	-	-	284,257	325,789	41,532	308,084	23,827
Debt Service	-	-	11,944	-	7,000	-	9,745	2,104	6,453	-	-	-	37,246	17,110	(20,136)	51,175	13,929
School Support	476,460	476,460	476,460	476,460	522,467	476,460	476,460	476,460	476,460	-	-	-	4,334,147	4,200,389	(133,758)	4,775,641	441,494
Hospital Support	-	-	-	15,399	-	1,091,604	-	-	-	-	-	-	1,107,003	102,712	(1,004,291)	115,910	(991,094)
Fixed Asset Acquisition	-	-	22,045	-	-	-	-	-	-	-	-	-	22,045	55,306	33,261	8,936	(13,109)
Transfers To Other Funds	-	357,114	2,250,000	-	1,433,520	-	-	-	-	-	-	-	4,040,634	2,655,202	(1,385,432)	3,930,052	(110,582)
Total Cost of Sales:	1,820,064	1,936,697	3,965,428	2,201,557	3,286,337	2,864,701	1,810,631	1,646,441	1,649,046	-	-	-	21,180,902	18,306,574	(2,874,328)	22,250,342	1,069,460
Surplus/(Shortfall) of Revenues Over Outlays	7,878,193	(503,130)	(3,006,357)	526,060	(900,958)	(2,032,596)	(171,941)	(522,205)	(1,075,490)	-	-	-	191,577	2,934,267	(2,742,690)	(1,928,151)	2,119,728
	81.23%	-35.10%	-313.47%	19.29%	-37.77%	-244.27%	-10.49%	-46.45%	-187.51%	#DIV/0!	#DIV/0!	#DIV/0!	0.90%	13.81%	-12.92%	-9.49%	10.58%
Unrestricted Fund Liquidity													17,080,977				
Beginning Unrestricted Liquidity:	5,964,073	13,253,689	12,750,559	10,119,962	10,686,899	9,128,060	8,744,721	8,610,533	8,091,194	7,015,710	7,015,710	7,015,710	5,964,073	3,941,614	2,622,459		
Surplus/(Shortfall) of Revenues Over Outlays:	7,878,193	(503,130)	(3,006,357)	526,060	(900,958)	(2,032,596)	(171,941)	(522,205)	(1,075,490)	-	-	-	191,577	2,934,267	(2,742,690)		
Transfer To Sinking Fund / Permanent Fund	-	-	-	-	-	-	-	-	-	-	-	-	-	0			
Other balance sheet changes:	(588,577)	-	375,760	40,877	(657,881)	1,649,256	37,753	2,866	6	-	-	-	860,060	1,245,521	(385,461)		
Ending Unrestricted Liquidity:	13,253,689	12,750,559	10,119,962	10,686,899	9,128,060	8,744,721	8,610,533	8,091,194	7,015,710	7,015,710	7,015,710	7,015,710	7,015,710	7,521,402	(505,692)		
Total Assets:	24,490,549	24,157,956	21,273,883	22,463,554	20,500,074	18,378,283	18,332,158	17,715,907	16,630,807	16,630,807	16,630,807	16,630,807	16,630,807	16,630,807	16,630,807	16,630,807	16,630,807
Less Advances to Other Funds:	(350,000)	(350,000)	(350,000)	(350,000)	(350,000)	(350,000)	(350,000)	(350,000)	(350,000)	(350,000)	(350,000)	(350,000)	(350,000)	(350,000)	(350,000)	(350,000)	(350,000)
Less Liabilities	(1,360,024)	(1,330,561)	(1,277,085)	(1,899,819)	(1,495,178)	(756,726)	(844,789)	(747,877)	(738,261)	(738,261)	(738,261)	(738,261)	(738,261)	(738,261)	(738,261)	(738,261)	(738,261)
Less CPLTD (Unreimbursed)	(59,145)	(59,145)	(59,145)	(59,145)	(59,145)	(59,145)	(59,145)	(59,145)	(59,145)	(59,145)	(59,145)	(59,145)	(59,145)	(59,145)	(59,145)	(59,145)	(59,145)
Subtotal:	22,721,380	22,218,250	19,587,653	20,154,590	18,595,751	17,212,412	17,078,224	16,558,885	15,483,401	15,483,401	15,483,401	15,483,401	15,483,401	15,483,401	15,483,401	15,483,401	15,483,401
Less Reserved Amounts:																	
Advances other Funds:	(832,413)	(832,413)	(832,413)	(832,413)	(832,413)	(832,413)	(832,413)	(832,413)	(832,413)	(832,413)	(832,413)	(832,413)	(832,413)	(832,413)	(832,413)	(832,413)	(832,413)
Title III Funds:	(520,742)	(520,742)	(520,742)	(520,742)	(520,742)	(520,742)	(520,742)	(520,742)	(520,742)	(520,742)	(520,742)	(520,742)	(520,742)	(520,742)	(520,742)	(520,742)	(520,742)
E911 Surcharge:	(236,436)	(236,436)	(236,436)	(236,436)	(236,436)	(236,436)	(236,436)	(236,436)	(236,436)	(236,436)	(236,436)	(236,436)	(236,436)	(236,436)	(236,436)	(236,436)	(236,436)
Liquidity Restriction	(5,748,100)	(5,748,100)	(5,748,100)	(5,748,100)	(5,748,100)	(5,748,100)	(5,748,100)	(5,748,100)	(5,748,100)	(5,748,100)	(5,748,100)	(5,748,100)	(5,748,100)	(5,748,100)	(5,748,100)	(5,748,100)	(5,748,100)
Emergency Restriction	(2,000,000)	(2,000,000)	(2,000,000)	(2,000,000)	(2,000,000)	(2,000,000)	(2,000,000)	(2,000,000)	(2,000,000)	(2,000,000)	(2,000,000)	(2,000,000)	(2,000,000)	(2,000,000)	(2,000,000)	(2,000,000)	(2,000,000)
Encumbrances:	(130,000)	(130,000)	(130,000)	(130,000)	(130,000)	(130,000)	(130,000)	(130,000)	(130,000)	(130,000)	(130,000)	(130,000)	(130,000)	(130,000)	(130,000)	(130,000)	(130,000)
Unrestricted Working Capital:	13,253,689	12,750,559	10,119,962	10,686,899	9,128,060	8,744,721	8,610,533	8,091,194	7,015,710	7,015,710	7,015,710	7,015,710	7,015,710	7,521,402	(505,692)		

City and Borough of Sitka
General Fund
Income Statement
For The Twelve-Month Trailing Period Ending March 31, 2015
(Unaudited)

	April 2014	May 2014	June 2014	July 2014	August 2014	September 2014	October 2014	November 2014	December 2014	January 2015	February 2015	March 2015	TTM
Revenue:													
Property Taxes	8,156	9,372	27,171	6,187,104	13,865	16,060	16,845	8,853	(59,487)	(1,804)	11,845	7,387	6,245,367
Sales Taxes	73,285	1,390,601	418,736	1,678,643	1,079,554	440,273	1,849,955	958,605	247,471	757,033	735,324	230,105	9,859,585
Bed Taxes	84	33,281	17,990	113,463	19,977	15,157	159,505	7,351	1,783	9,108	24,253	1,979	403,931
State Assistance	31,548	-	60,286	916,960	-	2,638	9,225	13,914	5,805	250	17,050	-	1,057,676
Federal Assistance	800,509	12,745	25,238	655,506	-	30,135	-	5,079	(310)	56,668	-	-	1,585,570
Transfer From Permanent Fund, Etc.	279,718	2,400	102,559	2,542	2,578	280,336	282,738	1,884	3,584	282,717	2,420	2,764	1,246,240
Interfund Billings	225,369	225,369	239,666	-	-	-	-	1,174,822	249,823	228,964	228,964	246,199	2,819,176
Other Operating Revenue	252,085	156,903	588,938	144,039	317,593	172,005	409,349	214,871	383,436	305,754	104,380	85,122	3,134,475
Total Revenue:	1,670,754	1,830,671	1,480,584	9,698,257	1,433,567	956,604	2,727,617	2,385,379	832,105	1,638,690	1,124,236	573,556	26,352,020
Outlays:													
Administrator	75,668	80,962	120,248	72,691	56,338	58,629	97,046	68,694	72,352	94,287	95,509	72,154	964,578
Attorney	22,231	31,075	42,330	16,245	20,767	23,486	21,969	25,667	22,482	22,943	17,444	16,825	283,464
Clerk	27,288	34,157	57,481	21,648	23,447	31,401	40,191	29,189	31,414	30,897	25,354	28,088	380,555
Finance	116,249	166,136	214,275	103,450	127,110	125,530	167,998	161,901	197,706	127,258	138,404	120,460	1,766,477
Assessing	19,770	31,946	33,895	17,212	23,835	24,021	31,247	28,197	33,948	26,488	22,668	26,979	320,206
Planning	18,744	28,932	35,407	14,018	18,621	19,704	32,180	40,227	19,797	16,101	20,497	19,822	284,050
General/Shared Expenses	77,161	40,912	66,493	214,042	43,554	130,082	111,976	32,027	62,359	76,575	37,730	17,008	909,919
Police	332,432	421,220	391,303	331,164	276,799	304,892	450,706	377,710	339,089	336,889	328,340	358,267	4,248,811
Fire	153,505	165,923	141,751	133,102	135,284	189,308	158,413	138,504	138,851	130,456	149,516	149,516	1,907,978
Public Works	266,133	351,003	428,238	241,786	287,712	246,119	351,536	278,669	270,632	267,155	256,142	263,484	3,508,609
Library	59,415	92,697	107,466	52,403	61,067	44,460	83,919	86,333	59,380	71,573	59,814	60,003	838,530
Centennial Building	35,265	53,940	76,714	32,336	27,358	27,920	45,388	32,198	38,033	32,315	31,021	30,996	463,484
Visitors Bureau/SR Citizen Center	83,310	8,962	14,003	84,858	3,413	4,563	86,234	4,125	10,941	83,094	4,498	2,531	390,532
Debt Service	-	-	10,830	-	-	11,944	-	7,000	-	9,745	2,104	6,453	48,076
School Support	860,881	460,627	555,879	476,460	476,460	476,460	476,460	522,467	476,460	476,460	476,460	476,460	6,211,534
Hospital Support	62,557	38,326	21,206	-	-	-	15,399	-	1,091,604	-	-	-	1,229,092
Fixed Asset Acquisition	429	22,261	-	-	-	22,045	-	-	-	-	-	-	44,735
Transfers To Other Funds	67,482	-	145,154	-	357,114	2,250,000	-	1,433,520	-	-	-	-	4,253,270
	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Cost of Sales:	2,278,520	2,029,079	2,594,287	1,820,064	1,936,697	3,936,540	2,201,557	3,286,337	2,864,701	1,810,631	1,646,441	1,649,046	28,053,900
Surplus/(Shortfall) of Revenues Over Outlays	(607,766)	(198,408)	(1,113,703)	7,878,193	(503,130)	(2,979,936)	526,060	(900,958)	(2,032,596)	(171,941)	(522,205)	(1,075,490)	(1,701,879)
	-36.38%	-10.84%	-75.22%	81.23%	-35.10%	-311.51%	19.29%	-37.77%	-244.27%	-10.49%	-46.45%	-187.51%	-6.46%
Unrestricted Fund Liquidity													
Beginning Unrestricted Liquidity:	7,521,402	6,954,341	6,658,243	5,964,073	13,253,689	12,750,559	10,119,962	10,686,899	9,128,060	8,744,721	8,610,533	8,091,194	7,521,402
Surplus/(Shortfall) of Revenues Over Outlays:	(607,766)	(198,408)	(1,113,703)	7,878,193	(503,130)	(2,979,936)	526,060	(900,958)	(2,032,596)	(171,941)	(522,205)	(1,075,490)	(1,701,879)
Other balance sheet changes:	40,705	(97,690)	419,533	(588,577)	-	349,339	40,877	(657,881)	1,649,256	37,753	2,866	6	1,196,187
Ending Unrestricted Liquidity:	6,954,341	6,658,243	5,964,073	13,253,689	12,750,559	10,119,962	10,686,899	9,128,060	8,744,721	8,610,533	8,091,194	7,015,710	7,015,710

Electric Utility Financial Analysis As Of, And For the Nine-Month Period Ending March, 2015

The Electric Fund continued to experience moderate top line growth in revenue for the six-month period ending March 31, 2015; however, earnings before interest (EBI), and earnings before interest and depreciation (EBID) have turned to negative variances in comparison to the same period in FY014. Electricity consumption remains depressed, trending at 97.7% of FY2014 consumption. Increased debt service in conjunction with the Blue Lake Hydroelectric project has continued to cause the debt coverage ratio to fall below the minimum target threshold (the coverage ratio is measured for reporting purposes as of June 30).

Through nine months, the debt coverage ratio stands at 1.01 to 1, compared to 0.97 to 1 as of December 31, 2014 and 1.42 to 1 a year ago (1.25 to 1 is the minimum allowable ratio). This is a 11 basis point improvement from November, where the rate stood at 0.90 to one, yet it is still extremely problematic. This low ratio is due to the increased debt load carried by the electric utility in FY2015. Even though all metrics are modestly increased, the amount of electricity sales has been insufficient to produce the needed revenue to obtain the required debt coverage ratio. As a result, it is now certain that funds will need to be withdrawn from the Rate Stabilization Fund before the end of the Fiscal Year. The amount necessary to be drawn from the rate stabilization fund in order to obtain a 1.25 to 1 debt coverage ratio over the 9-month period would be \$1,380,188, an increase of \$316,804 since December 31, 2014. The amount available in the Rate Stabilization Fund is \$2,508,000. While a substantial portion of the Fund will need to be withdrawn by June 30 in order to meet the Rate Covenant, the amount in the Fund does appear to be sufficient to meet the covenant requirement for FY2015.

Revenue exceeded that for the comparable month in FY14 by \$347.8K, a 28.2% increase. Electricity sales also increased by \$371.1K, or 38.2%. Electricity consumption has now fallen back behind FY14 for the comparable nine-month period, dropping by 1,916,150 kWh, or 2.3%. Compared to plan, electricity sales revenue exceeded plan for the 9-month period by \$183.5K, or 1.8%. It should be noted, however, that these figures reflect increased seasonal demand and electricity sales revenue is projected to fall off as warmer summer weather approaches.

EBI was \$3,947.0K for the nine-month comparable period, compared to \$4,047.5K a year earlier, a decrease of (\$100.5K), or (2.5%). Cost of sales and operating expenses for the 9-month period rose by \$398.3K, or 6.1% over FY2014. Compared to plan, costs of sales and operating expenses showed a negative variance of (\$101.5K), or (1.5%). EBIDA also decreased on a year over basis by (\$163.0K), or (3.0%).

Management now firmly recommends the following two action: that a withdrawal from the Rate Stabilization Fund be made in an amount necessary to achieve the minimum 1.25 to 1 ratio as of June 30, 2015.

City and Borough of Sitka
Electric Utility
Income Statement
For The Twelve-Month Period from July 1, 2014 to June 30, 2015

(Unaudited)

	July 2014	August 2014	September 2014	October 2014	November 2014	December 2014	January 2015	February 2015	March 2015	April 2015	May 2015	June 2015	FY2015 YTD	FY2014 YTD	Variance To FY2014 YTD	FY2015 Plan (\$/L -66.67%)	Variance To FY2015 Plan
Revenue:																	
Electricity Sales	1,040,046	1,167,933	1,082,431	1,006,866	1,109,342	1,245,349	1,221,907	826,272	1,639,676	-	-	-	10,339,822	9,985,627	354,195	10,156,308	183,514
Jobbing	4,003	21,187	1,537	22,963	232,290	209,495	31,088	13,550	186	-	-	-	536,299	512,716	23,583	388,419	147,880
Other Operating Revenue	5,312	4,670	3,777	5,402	3,363	4,972	10,368	6,628	911	-	-	-	45,403	125,452	(80,049)	86,951	(41,548)
Total Revenue:	1,049,361	1,193,790	1,087,745	1,035,231	1,344,995	1,459,816	1,263,363	846,450	1,640,773	-	-	-	10,921,524	10,623,795	297,729	10,631,678	289,846
Cost of Sales:																	
Green Lake	52,596	20,163	39,253	30,008	20,955	47,980	30,241	46,992	112,130	-	-	-	400,318	404,865	-4,547	532,343	132,025
Blue Lake	110,498	103,522	109,041	136,445	118,481	147,059	139,237	123,650	152,941	-	-	-	1,140,874	1,114,556	26,318	1,160,513	19,639
Diesels	34,420	37,809	93,160	38,877	23,352	73,574	17,362	22,629	20,268	-	-	-	361,451	330,298	31,153	477,035	115,584
Switchyard	-	467	321	1,714	2,553	-	1,148	67	-	-	-	-	6,263	3,883	(2,430)	13,001	6,738
Line Maintenance	(7,380)	1,485	1,319	6,331	(6,059)	(797)	67	8,084	(249)	-	-	-	2,801	15,457	12,656	125,188	122,387
Substation Maintenance	(5,235)	-	-	(5,969)	4,522	180	1,663	(249)	-	-	-	-	(5,088)	-	5,088	8,334	13,422
Distribution	90,441	106,205	124,318	238,939	113,173	107,267	132,144	101,275	128,797	-	-	-	1,142,559	980,938	(161,621)	1,072,316	(70,243)
Metering	20,295	30,254	29,892	39,481	30,982	28,576	29,506	32,456	-	-	-	-	262,581	262,581	(6,712)	292,194	22,901
Jobbing	59,809	78,496	85,031	134,578	42,575	43,468	44,543	35,443	23,883	-	-	-	547,826	463,162	(84,664)	76,829	(470,997)
Storm	10,568	15,790	13,787	16,238	10,048	10,804	12,418	13,620	13,353	-	-	-	111,314	111,314	(4,812)	113,690	(2,376)
Depreciation	151,824	151,824	151,824	151,824	151,824	151,824	151,824	151,824	151,824	-	-	-	1,366,416	1,428,905	(62,489)	1,366,416	-
Total Cost of Sales:	517,836	546,015	647,446	794,435	501,915	614,277	558,670	533,091	635,154	-	-	-	5,348,839	5,115,909	(232,930)	5,237,856	(110,983)
Gross Margin:	531,525	647,775	440,299	240,796	843,080	845,539	704,693	313,359	1,005,619	#DIV/0!	#DIV/0!	#DIV/0!	5,572,685	5,507,886	64,799	5,393,822	178,863
	50.65%	54.26%	40.48%	23.26%	62.68%	57.92%	55.78%	37.02%	61.29%	#DIV/0!	#DIV/0!	#DIV/0!	51.02%	51.84%	-0.82%	50.73%	0.29%
Selling and Administrative Expenses	95,886	51,549	57,882	84,986	509,337	220,917	235,005	179,767	190,359	-	-	-	1,625,688	1,460,348	(165,340)	1,835,217	9,529
Earnings Before Interest (EBI):	435,639	596,226	382,417	155,810	333,743	624,622	469,688	133,592	815,260	#DIV/0!	#DIV/0!	#DIV/0!	3,946,997	4,047,538	(100,541)	3,758,605	188,392
	41.51%	49.54%	35.16%	15.05%	24.81%	42.79%	37.18%	15.78%	49.69%	#DIV/0!	#DIV/0!	#DIV/0!	36.14%	38.10%	-1.96%	35.35%	0.79%
Non-operating Revenue and Expense:																	
Non-Operating Revenue:	60,100	56,528	65,151	59,454	56,747	54,221	49,176	51,996	58,408	-	-	-	511,781	710,957	(199,176)	493,992	17,789
Bond Fund Interest	1,186	305	3,409	8,246	33,259	28,382	22,727	19,881	22,743	-	-	-	140,138	234,697	(94,559)	140,138	-
Grant Revenue	216,880	957,251	(484,616)	(484,616)	(484,616)	(484,616)	(484,616)	(484,616)	(484,616)	-	-	-	7,972,546	12,921,472	(4,948,926)	7,972,546	-
Bonded Interest Expense:	(484,616)	(484,616)	(484,616)	(484,616)	(484,616)	(484,616)	(484,616)	(484,616)	(484,616)	-	-	-	(4,361,544)	(2,913,296)	(1,448,248)	(4,361,544)	-
Subordinated Interest Expense	(26,333)	(26,333)	(26,333)	(26,333)	(26,333)	(26,333)	(26,333)	(26,333)	(26,333)	-	-	-	(236,922)	(247,800)	10,809	(236,922)	-
Total Non-operating Revenue & Expense:	(232,783)	503,135	(442,389)	(443,262)	(375,599)	2,599,414	762,991	(396,118)	2,050,535	-	-	-	4,025,924	-10,706,024	(6,680,100)	4,008,135	17,789
Net Income:	202,856	1,099,361	(59,972)	(287,452)	(41,856)	3,224,036	1,232,679	(262,526)	2,865,295	#DIV/0!	#DIV/0!	#DIV/0!	7,972,921	14,753,562	(6,780,641)	7,766,740	206,181
	19.33%	92.09%	-5.51%	-27.77%	-3.11%	220.85%	97.57%	-31.01%	174.66%	#DIV/0!	#DIV/0!	#DIV/0!	73.00%	138.87%	-65.87%	73.05%	-0.05%
EBI/DA	587,463	748,050	534,241	307,634	485,567	621,512	285,416	597,084	58,949	#DIV/0!	#DIV/0!	#DIV/0!	5,313,413	5,476,443	(163,030)	5,125,021	188,392
	55.98%	62.66%	49.11%	29.72%	36.10%	53.19%	49.20%	33.72%	58.94%	#DIV/0!	#DIV/0!	#DIV/0!	48.65%	51.55%	-2.90%	48.21%	0.45%
Bond Covenant Ratio (>= 1.25 for fiscal year)	0.93	1.18	0.86	0.51	0.82	1.26	1.00	0.48	1.55	#DIV/0!	#DIV/0!	#DIV/0!	1.01	1.42	(0.41)	0.94	0.07
Total kWh Sold	8,502,500	9,488,600	7,249,450	8,440,750	9,448,700	9,878,100	9,823,950	9,044,000	10,474,700	-	-	-	82,350,750	84,266,900	(1,916,150)	74,704,000	7,646,750
Revenue per kWh Sold	0.1223	0.1231	0.1493	0.1193	0.1174	0.1261	0.1244	0.0914	0.1565	#DIV/0!	#DIV/0!	#DIV/0!	0.1256	0.1185	0.0071	0.1360	(0.0104)
Cost of Sales per kWh Sold	0.0609	0.0575	0.0893	0.0941	0.0531	0.0622	0.0569	0.0589	0.0606	#DIV/0!	#DIV/0!	#DIV/0!	0.0650	0.0607	0.0042	0.0701	0.0052
																	-2.74%
Debt Principal Coverage																	
Simple Cash Flow (Net Income Plus Depreciation)	354,680	1,251,185	91,852	(135,628)	109,968	3,375,660	1,384,503	(110,702)	3,017,619	-	-	-	9,339,337	16,182,467	(6,843,130)	9,133,156	206,181
Bonded Debt Principal	159,583	159,583	159,583	159,583	159,583	159,583	159,583	159,583	159,583	-	-	-	1,383,750	1,383,750	-	1,436,247	-
Subordinated Debt Principal	24,840	24,840	24,840	24,840	24,840	24,840	24,840	24,840	24,840	-	-	-	223,560	214,884	8,676	223,560	-
Debt Principal Coverage Surplus/Deficit	170,257	1,066,762	(92,571)	(320,051)	(74,455)	3,191,437	1,200,080	(295,125)	2,833,196	-	-	-	7,679,530	14,583,833	(6,904,303)	7,473,349	206,181
Debt Principal Coverage Percentage	192%	678%	50%	-74%	60%	1830%	751%	-60%	1636%	#DIV/0!	#DIV/0!	#DIV/0!	563%	1012%	-450%	550%	12%
Simple Asset Replacement Coverage																	
Debt Principal Coverage Surplus/Deficit (From Above)	170,257	1,066,762	(92,571)	(320,051)	(74,455)	3,191,437	1,200,080	(295,125)	2,833,196	-	-	-	7,679,530	14,583,833	(6,904,303)	7,473,349	206,181
Depreciation	151,824	151,824	151,824	151,824	151,824	151,824	151,824	151,824	151,824	-	-	-	1,366,416	1,428,905	(62,489)	1,366,416	-
Cash Accumulated For/Taken From Asset Replacement	18,433	914,938	(244,395)	(471,875)	(226,279)	3,039,613	1,048,256	(446,949)	2,681,372	-	-	-	6,313,114	13,154,928	(6,841,814)	6,106,933	206,181
Undesignated Working Capital																	
Beginning Undesignated Working Capital	9,405,370	6,471,441	7,275,959	6,557,571	6,886,585	7,381,937	7,915,167	5,829,775	5,800,674	9,409,227	9,409,227	9,409,227	9,405,370	9,140,277	265,093	9,133,156	206,181
Net Income Plus Depreciation Less Principal	170,257	1,066,762	(92,571)	(320,051)	(74,455)	3,191,437	1,200,080	(295,125)	2,833,196	-	-	-	7,679,530	14,583,833	(6,904,303)	7,473,349	206,181
CapEx, Accruals, and Other Balance Sheet Changes	(3,104,186)	(262,244)	(625,817)	649,065	569,807	(2,658,207)	(3,285,472)	266,024	775,357	-	-	-	(7,675,673)	(14,430,256)	6,754,583	6,754,583	-
Ending Undesignated Working Capital	6,471,441	7,275,959	6,557,571	6,886,585	7,381,937	7,915,167	5,829,775	5,800,674	9,409,227	9,409,227	9,409,227	9,409,227	9,409,227	9,293,854	115,373	9,293,854	115,373
Working Capital Designated for CapEx	9,225,861	6,027,936	(1,919,681)	10,252,295													

63003	Blue Lake Power Plant Improv	57,424
63005	Electric Heat Conversions	86,207
63010	Green Lake FERC Completion	251,474
80003	Feeder Improvements	121,526
80040	A.M.R.	92,571
90281	Island Improvements	184,499
90410	SCADA System Enhancement	99,669
90484	Automated SCADA Dist	-
90512	SMC Rd Upgrade Feeder Express	144,575
90662	Green Lake Power Plant Improv	157,186
90663	Jeff Davis Line Upgrade	-
90694	Blue Lake Third Turbine/Dam	5,729,392
90697	Thimbleberry - Blue Lk Tie Line 63kv	-
90610	Blue Lake FERC Envir Mitigation	98,790
90611	Microwave or Optic Fiber	193,459
90614	Takatz Lake Hydro	-
90626	Blue Lk #9 Iv Ring Bus	-
90627	Marine St Sub-Voltage Regulator	9,150
90628	Demand Side Load Management	61,933
90645	HPR to Kramer Line Rise	506,827
90646	Jarvis St Diesel Capacity Incr.	-
90647	Jarvis Tank Inspection	-
90648	Transmission & 1220 upgrade	95,020
90672	Medveje Transformer Replacement	67,095
90716	Blue Lake Sub-Paint & Maintenance	50,000
90717	Jarvic Street Improvements	116,650
90718	Marine Street Sub-Paint & Maintenance	51,225
90719	Warehouse Paving	33,000
90611	Microwave or Optic Fiber	193,459
		<u>8,401,136</u>

New CapEx designations of Working Capital in FY15 Budget

63005	Building Heat Conversions	50,000
90776	Electric Storage and Shop Building	200,000
90648	Jarvis St Diesel Capacity Incr.	500,000
90777	Meter Replacements	100,000
90410	SCADA System Enhancement	<u>50,000</u>
		900,000
	Plus New Bond Issuance Proceeds:	18,500,000
	Plus Bond Fund Interest	140,138
	Less FY15 working capital outlays for CapEx	<u>(19,266,970)</u>
	Working Capital designated for Capex, June 30, 2015	<u>8,574,304</u>

City and Borough of Sitka
Electric Utility
Income Statement
For The Trailing Twelve-Month Trailing Period Ending March 31, 2015

(Unaudited)

	April 2014	May 2014	June 2014	July 2014	August 2014	September 2014	October 2014	November 2014	December 2014	January 2015	February 2015	March 2015	12-Month Trailing
Revenue:													
Electricity Sales	1,228,787	901,030	913,224	1,040,046	1,167,933	1,082,431	1,006,866	1,109,342	1,245,349	1,221,907	826,272	1,639,676	13,382,863
Jobbing	163,885	2,080	533,212	4,003	21,187	1,537	22,963	232,290	209,495	31,088	13,550	186	1,235,476
Other Operating Revenue	6,711	4,929	374,765	5,312	4,670	3,777	5,402	3,363	4,972	10,368	6,628	911	431,808
Total Revenue:	1,399,383	908,039	1,821,201	1,049,361	1,193,790	1,087,745	1,035,231	1,344,995	1,459,816	1,263,363	846,450	1,640,773	15,050,147
Cost of Sales:													
Green Lake	26,975	39,297	85,146	52,596	20,163	39,253	30,008	20,955	47,980	30,241	46,992	112,130	551,736
Blue Lake	132,722	141,834	223,869	110,498	103,522	109,041	136,445	118,481	147,059	139,237	123,650	152,941	1,639,299
Diesels	44,531	45,582	119,264	34,420	37,809	93,160	38,877	23,352	73,574	17,362	22,629	20,268	570,828
Switchyard	-	670	392	-	467	321	1,714	2,553	-	1,148	60	-	7,325
Line Maintenance	454	(12,269)	14,305	(7,380)	1,485	1,319	6,331	(6,059)	(797)	67	8,084	(249)	5,291
Substation Maintenance	752	146	1,576	(5,235)	-	-	-	(5,969)	4,522	180	1,663	(249)	(2,614)
Distribution	72,960	134,839	211,019	90,441	106,205	124,318	238,939	113,173	107,267	132,144	101,275	128,797	1,561,377
Metering	36,774	45,074	91,612	20,295	30,254	29,892	39,481	30,982	28,576	29,506	27,851	32,456	442,753
Jobbing	138,429	175,124	158,894	59,809	78,496	85,031	134,578	42,575	43,468	44,543	35,443	23,883	1,020,273
Stores	13,197	12,317	24,521	10,568	15,790	13,287	16,238	10,048	10,804	12,418	13,620	13,353	166,161
Depreciation	158,767	158,768	95,272	151,824	151,824	151,824	151,824	151,824	151,824	151,824	151,824	151,824	1,779,223
Total Cost of Sales:	625,561	741,382	1,025,870	517,836	546,015	647,446	794,435	501,915	614,277	558,670	533,091	635,154	7,741,652
Gross Margin:	773,822	166,657	795,331	531,525	647,775	440,299	240,796	843,080	845,539	704,693	313,359	1,005,619	7,308,495
	55.30%	18.35%	43.67%	50.65%	54.26%	40.48%	23.26%	62.68%	57.92%	55.78%	37.02%	61.29%	48.56%
Selling and Administrative Expenses	156,850	157,187	1,085,621	95,886	51,549	57,882	84,986	509,337	220,917	235,005	179,767	190,359	3,025,346
Earnings Before Interest (EBI):	616,972	9,470	(290,290)	435,639	596,226	382,417	155,810	333,743	624,622	469,688	133,592	815,260	4,283,149
	44.09%	1.04%	-15.94%	41.51%	49.94%	35.16%	15.05%	24.81%	42.79%	37.18%	15.78%	49.69%	28.46%
Non-operating Revenue and Expense:													
Non-Operating Revenue:	63,440	65,584	(13,749)	60,100	56,528	65,151	59,454	56,747	54,221	49,176	51,996	58,408	627,056
Bond Fund Interest	24,869	18,799	7,110	1,186	305	3,409	8,246	33,259	28,382	22,727	19,881	22,743	190,916
Grant Revenue	2,169,016	1,665,949	2,698,669	216,880	957,251	-	(13)	45,344	3,027,760	1,202,037	42,954	2,480,333	14,506,180
Bonded Interest Expense:	(310,840)	(310,840)	(310,840)	(484,616)	(484,616)	(484,616)	(484,616)	(484,616)	(484,616)	(484,616)	(484,616)	(484,616)	(5,294,064)
Subordinated Interest expense	(27,534)	(27,534)	(27,534)	(26,333)	(26,333)	(26,333)	(26,333)	(26,333)	(26,333)	(26,333)	(26,333)	(26,333)	(319,599)
Total Non-operating Revenue & Expense:	1,918,951	1,411,958	2,353,656	(232,783)	503,135	(442,389)	(443,262)	(375,599)	2,599,414	762,991	(396,118)	2,050,535	9,710,489
Net Income:	2,535,923	1,421,428	2,063,366	202,856	1,099,361	(59,972)	(287,452)	(41,856)	3,224,036	1,232,679	(262,526)	2,865,795	13,993,638
	181.22%	156.54%	113.30%	19.33%	92.09%	-5.51%	-27.77%	-3.11%	220.85%	97.57%	-31.01%	174.66%	92.98%
EBIDA	775,739	168,238	(195,018)	587,463	748,050	534,241	307,634	485,567	776,446	621,512	285,416	967,084	6,062,372
	55.43%	18.53%	-10.71%	55.98%	62.66%	49.11%	29.72%	36.10%	53.19%	49.20%	33.72%	58.94%	40.28%
Bond Covenant Ratio (> 1.25 for fiscal year)	1.86	0.54	(0.43)	0.93	1.18	0.86	0.51	0.82	1.26	1.00	0.48	1.55	0.87
Total kWh Sold	8,875,850	8,437,900	7,552,500	8,502,500	9,488,600	7,249,450	8,440,750	9,448,700	9,878,100	9,823,950	9,044,000	10,474,700	107,217,000
Electricity Sales Revenue per Kwh Sold	0.1384	0.1068	0.1209	0.1223	0.1231	0.1493	0.1193	0.1174	0.1261	0.1244	0.0914	0.1565	0.1248
Cost of Sales per Kwh Sold	0.0705	0.0879	0.1358	0.0609	0.0575	0.0893	0.0941	0.0531	0.0622	0.0569	0.0589	0.0606	0.0722
Debt Principal Coverage													
Simple Cash Flow (Net Income Plus Depreciation)	2,694,690	1,580,196	2,158,638	354,680	1,251,185	91,852	(135,628)	109,968	3,375,860	1,384,503	(110,702)	3,017,619	15,772,861
Bonded Debt Principal	153,750	153,750	153,750	159,583	159,583	159,583	159,583	159,583	159,583	159,583	159,583	159,583	1,897,497
Subordinated Debt Principal	23,876	23,876	23,876	24,840	24,840	24,840	24,840	24,840	24,840	24,840	24,840	24,840	295,188
Debt Principal Coverage Surplus/Deficit	2,517,064	1,402,570	1,981,012	170,257	1,066,762	(92,571)	(320,051)	(74,455)	3,191,437	1,200,080	(295,125)	2,833,196	13,580,176
Debt Principal Coverage Percentage	11286.19%	6618.34%	9041.04%	192%	678%	50%	-74%	60%	1830%	751%	-60%	1636%	719%
Simple Asset Replacement Coverage													
Debt Principal Coverage Surplus/Deficit (From Above)	2,517,064	1,402,570	1,981,012	170,257	1,066,762	(92,571)	(320,051)	(74,455)	3,191,437	1,200,080	(295,125)	2,833,196	13,580,176
Depreciation	158,767	158,768	95,272	151,824	151,824	151,824	151,824	151,824	151,824	151,824	151,824	151,824	1,779,223
Cash Accumulated For/(Taken From) Asset Replacement	2,358,297	1,243,802	1,885,740	18,433	914,938	(244,395)	(471,875)	(226,279)	3,039,613	1,048,256	(446,949)	2,681,372	11,800,953

Undesignated Working Capital													
Beginning Undesignated Working Capital	-	477,318	386,835	111,516	(2,822,413)	(2,017,895)	(2,736,283)	(2,407,269)	(1,911,917)	(1,378,687)	(3,464,079)	(3,493,180)	-
Net Income Plus Depreciation Less Principal	2,517,064	1,402,570	1,981,012	170,257	1,066,762	(92,571)	(320,051)	(74,455)	3,191,437	1,200,080	(295,125)	2,833,196	13,580,176
CapEx, Accruals, and other Balance Sheet Changes	(2,039,746)	(1,493,053)	(2,256,331)	(3,104,186)	(262,244)	(625,817)	649,065	569,807	(2,658,207)	(3,285,472)	266,024	775,357	(13,464,803)
Ending Undesignated Working Capital	477,318	386,835	111,516	(2,822,413)	(2,017,895)	(2,736,283)	(2,407,269)	(1,911,917)	(1,378,687)	(3,464,079)	(3,493,180)	115,373	115,373
Working Capital Designated for CapEx	35,893,796	34,819,481	31,558,969	-	-	-	9,225,861	6,027,936	(1,919,681)	(1,896,954)	(1,877,073)	(1,854,330)	(1,854,330)
Total Working Capital	36,371,114	35,206,316	31,670,485	(2,822,413)	(2,017,895)	(2,736,283)	6,818,592	4,116,019	(3,298,368)	(5,361,033)	(5,370,253)	(1,738,957)	(1,738,957)

Water Utility Financial Analysis As Of, And For the Nine-Month Period Ending March, 2015

Financial operations for the Water Fund continue to show improvement over FY14, both for the month of March and for the comparative 9-month period. The Water Fund, however, remains difficult to analyze due to the high degree to which its cash flows and working capital are influenced by capital expenditures, grant reimbursements, and loan advances. Significant accrual estimates are required in order to accurately state total working capital, and subcomponents of working capital – both undesignated and designated for capital expenditures – are influenced by the degree to which capital outlays can ultimately be reimbursed through grant or loans. Such reimbursements are not determined with certainty until actual quarterly billings are completed, in arrears.

Water sales revenue has increased by \$199.5K, or 15.6% compared to the nine-month period ending February 28, 2014. Compared to plan, water sales revenue is \$177.6K ahead of projections, a 13.7% positive variance.

Costs of operations have increased by \$92.3K over FY2014, or 6.5% increase. Compared to plan, however, costs of operations are showing a positive variance of \$85.6K, or 5.4%

The deficit in undesignated working capital has now fully turned into a positive balance, rising to \$489.4K. Total working capital was \$971.3K as of March 31, 2015.

In the summer of 2014, we had reported that the Water Fund had bottomed out financially, and, that user fee increases were finally causing the Water Fund's financial position to slowly improve. That trend has continued thru March, as all metrics show positive variances and improvement. The large CAPEX impact obscures trends, however.

Recently completed long-term financial forecasting has determined that annual fee increases in the range of 6% for the next decade will be required in order to maintain working capital levels and cover increased debt service payments for debt taken on to finance infrastructure repairs and replacements. A recent financial capacity analysis completed by the State of Alaska echoes this sentiment, stating ***“In light of the fund's insufficient and declining cash reserves and to minimize the financial risk to the ADWF, the (DeGross Street) loan agreement should be amended to include a provision requiring the adoption of water rates sufficient to: (1) service current and new debt, (2) establish of a cash reserve for unexpected operating expenses, emergency capital contingency expenses, system reinvestment and (3) create a one month reserve for debt service payments.”***

City and Borough of Sitka
Water Utility
Income Statement
For The Trailing Twelve-Month Period Ending June 30, 2015
(Unaudited)

2 Dist. System meters	90711	50,000.00
Airport Water Main (USCG housing)	90731	70,848.70
Repair Coating Harbor Mountain Storage Tank	90752	10,835.42
Design DeArmond Water Main replacements	90754	50,000.00
Adjustment		<u>(438,021.28)</u>
		955,377.00

City and Borough of Sitka
Water Utility
Income Statement
For The Trailing Twelve-Month Period Ending March 31, 2015
(Unaudited)

	April 2014	May 2014	June 2014	July 2014	August 2014	September 2014	October 2013	November 2014	December 2014	January 2015	February 2015	March 2015	12-Month Trailing
Revenue:													
Water Sales	143,984	145,077	143,152	165,341	173,207	167,688	168,384	129,937	190,631	158,489	141,268	181,435	1,908,593
Jobbing	1,198	-	28,816	(1,788)	7,023	-	3,147	54,983	32,352	(3,176)	787	-	123,342
Other Operating Revenue	764	632	2,907	1,367	2,207	2,873	1,644	1,387	1,513	15,910	435	690	32,329
Total Revenue:	145,946	145,709	174,875	164,920	182,437	170,561	173,175	186,307	224,496	171,223	142,490	182,125	2,064,264
Cost of Sales:													
Distribution	39,387	38,642	31,659	23,603	39,154	41,038	57,441	29,820	65,382	22,186	22,562	26,816	437,690
Treatment	12,677	12,030	36,909	19,600	7,640	13,334	8,482	12,809	29,833	19,871	24,085	18,525	215,795
Jobbing	-	-	-	-	114	-	-	-	-	-	-	-	114
Depreciation	66,732	66,732	66,732	70,948	70,948	70,948	70,948	70,948	70,948	70,948	70,948	70,948	838,728
Total Cost of Sales:	118,796	117,404	135,300	114,151	117,856	125,320	136,871	113,577	166,163	113,005	117,595	116,289	1,492,327
Gross Margin:	27,150 18.60%	28,305 19.43%	39,575 22.63%	50,769 30.78%	64,581 35.40%	45,241 26.52%	36,304 20.96%	72,730 39.04%	58,333 25.98%	58,218 34.00%	24,895 17.47%	65,836 36.15%	571,937 27.71%
Selling and Administrative Expenses	44,863	29,456	39,439	5,310	16,123	6,029	41,031	130,632	73,953	51,113	33,318	32,319	503,586
Earnings Before Interest (EBI):	(17,713) -12.14%	(1,151) -0.79%	136 0.08%	45,459 27.56%	48,458 26.56%	39,212 22.99%	(4,727) -2.73%	(57,902) -31.08%	(15,620) -6.96%	7,105 4.15%	(8,423) -5.91%	33,517 18.40%	68,351 3.31%
Non-operating Revenue and Expense:													
Non-operating revenue:	(616)	(904)	60	(1,140)	(188)	447	508	467	(3,125)	(1,955)	(3,104)	(4,559)	(14,109)
Grant Revenue	190,909	-	256,247	-	-	-	-	531	71,256	494,694	-	16,599	1,030,236
Interest Expense:	(5,330)	(5,330)	(5,330)	(6,957)	(6,957)	(6,957)	(6,957)	(6,957)	(6,957)	(6,957)	(6,957)	(6,957)	(78,603)
Total Non-operating Revenue & Expense:	184,963	(6,234)	250,977	(8,097)	(7,145)	(6,510)	(6,449)	(5,959)	61,174	485,782	(10,061)	5,083	937,524
Net Income:	167,250 114.60%	(7,385) -5.07%	251,113 143.60%	37,362 22.65%	41,313 22.65%	32,702 19.17%	(11,176) -6.45%	(63,861) -34.28%	45,554 20.29%	492,887 287.86%	(18,484) -12.97%	38,600 21.19%	1,005,875 48.73%
Earnings Before Interest and Depreciation (EBIDA):	49,019 33.59%	65,581 45.01%	66,868 38.24%	116,407 70.58%	119,406 65.45%	110,160 64.59%	66,221 38.24%	13,046 7.00%	55,328 24.65%	78,053 45.59%	62,525 43.88%	104,465 57.36%	907,079 43.94%
Debt Principal Coverage													
Simple Cash Flow (Net Income Plus Depreciation)	234,032	59,347	317,845	108,310	112,261	103,650	59,772	7,087	116,502	563,835	52,464	109,548	1,844,653
Debt Principal	22,007	22,007	22,007	24,800	24,800	24,800	24,800	24,800	24,800	24,800	24,800	24,800	289,221
Debt Principal Coverage Surplus/Deficit	212,025	37,340	295,838	83,510	87,461	78,850	34,972	(17,713)	91,702	539,035	27,664	84,748	1,555,432
Debt Principal Coverage Percentage	1063%	270%	1444%	437%	453%	418%	241%	29%	470%	2274%	212%	442%	638%
Simple Asset Replacement Coverage													
Debt Principal Coverage Surplus/Deficit (From Above)	212,025	37,340	295,838	83,510	87,461	78,850	34,972	(17,713)	91,702	539,035	27,664	84,748	1,555,432
Depreciation	66,732	66,732	66,732	70,948	70,948	70,948	70,948	70,948	70,948	70,948	70,948	70,948	838,728
Cash Accumulated For/(Taken From) Asset Replacement	145,293	(29,392)	229,106	12,562	16,513	7,902	(35,976)	(88,661)	20,754	468,087	(43,284)	13,800	716,704
Working Capital													
Beginning Undesignated Working Capital	(353,777)	(356,764)	(288,368)	(638,023)	(279,796)	(160,578)	(82,321)	(15,591)	128,273	216,809	319,401	394,700	(353,777)
Net Income Plus Depreciation Less Principal	212,025	37,340	295,838	83,510	87,461	78,850	34,972	(17,713)	91,702	539,035	27,664	84,748	1,555,432
CapEx, Accruals, and other Balance Sheet Changes	(215,012)	31,056	(645,493)	274,717	31,757	(593)	31,758	161,577	(3,166)	(436,443)	47,635	45,965	(676,242)
Ending Undesignated Working Capital	(356,764)	(288,368)	(638,023)	(279,796)	(160,578)	(82,321)	(15,591)	128,273	216,809	319,401	394,700	525,413	525,413
Working Capital Designated for CapEx	391,864	849,489	752,975	955,377	951,340	883,418	836,661	692,180	481,909	481,909	481,909	481,909	481,909

**Wastewater Treatment Utility
Financial Analysis
As Of, And For the Nine-Month Period Ending March 31, 2015**

Financial operations for the Wastewater Treatment Fund continued to show improvement over FY14. Revenue has increased by \$184.2K, or 9.4% in comparison to the same 9-month period in FY14. Compared to plan for FY15, revenue has exceeded plan by \$26.7K, or 1.3% through March.

Costs of operations have increased over the same 9-month period in FY14, however. Costs of sales is up \$107.5K, or 5.6%, and administrative costs are up \$20.6K, or 3.8%. Compared to plan, however, costs of operations are showing positive variances, falling \$333.2K, or 11.3% below projections for the 9-month period.

Undesignated working capital has grown by \$425.1K since July 31, to \$3,534.2K. Overall working capital stood at \$5,224.7K as of March 31, up from \$4,961.7 as of July 31. Undesignated working capital is on track to reach the fiscal year-end target of \$3,838.8K, as set forth in the Wastewater Treatment Cash Flow, Working Capital and Debt Model.

The rate increase passed last year is having the desired effect, causing working capital to slowly but steadily rise. Cash flows after providing for debt principal repayments are still less than 50% of depreciation, however, indicating the need for continued rate increases in FY17 and beyond, in accordance with the Wastewater Treatment Master Plan.

City and Borough of Sitka
Wastewater Treatment Utility
Income Statement
For The Twelve-Month Period From July 1, 2013 to June 30, 2015
(Unaudited)

	July 2014	August 2014	September 2014	October 2014	November 2014	December 2014	January 2015	February 2015	March 2015	April 2015	May 2015	June 2015	FY2015 YTD	FY2014 YTD	Variance To FY2014 YTD	FY2015 Plan (S/L - 75.00%)	Variance To FY2015 Plan
Revenue:																	
Wastewater Treatment Services	223,918	223,699	220,834	223,936	223,325	222,167	221,521	219,057	222,405	-	-	-	2,000,862	1,825,483	175,379	2,026,500	(25,638)
Jobbing	1,980	6,507	-	27,488	28,670	65,413	540	823	(25)	-	-	-	131,396	112,444	18,952	83,850	47,546
Other Operating Revenue	7,304	794	3,441	1,909	1,480	1,380	20	530	1,008	-	-	-	12,866	22,996	(10,130)	8,100	-4,766
Total Revenue:	228,202	231,000	224,275	253,333	253,475	288,960	222,081	220,410	223,388	-	-	-	2,145,124	1,960,923	184,201	2,118,450	26,674
Cost of Sales:																	
Collection	46,569	60,310	66,831	92,350	68,882	63,488	46,169	58,198	66,958	-	-	-	569,755	371,251	198,504	865,781	296,026
Treatment	24,747	29,043	45,033	43,087	61,695	40,168	40,372	43,751	38,174	-	-	-	366,070	471,239	(105,169)	222,797	(143,274)
Jobbing	(2,177)	-	-	-	-	-	-	-	-	-	-	-	(2,177)	-	(2,177)	-	(2,177)
Depreciation	123,348	123,348	123,348	123,348	123,348	123,348	123,348	123,348	123,348	-	-	-	1,110,132	1,093,752	16,380	1,110,132	-
Total Cost of Sales:	192,487	212,701	235,212	258,785	253,925	227,004	209,889	225,297	228,480	-	-	-	2,043,780	1,936,242	107,538	2,198,709	150,575
Gross Margin:	35,715	18,299	(10,937)	(5,452)	(450)	61,956	12,192	(4,887)	(5,092)	-	-	-	101,344	24,681	76,663	(80,259)	181,603
	15.65%	7.92%	(4.88%)	(2.15%)	(0.18%)	21.44%	5.49%	(2.22%)	(2.28%)	#DIV/0!	#DIV/0!	#DIV/0!	4.72%	1.26%	3.47%	(3.79%)	8.51%
Selling and Administrative Expenses	17,007	22,067	20,399	46,836	177,240	83,522	81,846	55,667	59,122	-	-	-	563,706	543,076	20,630	746,355	182,649
Earnings Before Interest (EBI):	18,708	(3,768)	(31,336)	(52,288)	(177,690)	(21,566)	(69,654)	(60,554)	(64,214)	-	-	-	(462,362)	(518,395)	56,033	(826,614)	364,252
	8.20%	(1.63%)	(13.97%)	(20.64%)	(70.10%)	(7.46%)	(31.36%)	(27.47%)	(28.75%)	#DIV/0!	#DIV/0!	#DIV/0!	(21.55%)	(26.44%)	4.88%	(39.02%)	17.47%
Non-operating Revenue and Expense:																	
Non-operating revenue:	10,021	10,610	10,717	8,930	6,341	12,022	7,671	7,562	8,899	-	-	-	82,773	75,366	7,407	68,400	14,373
Grant Revenue	-	-	-	-	-	-	936	-	6,385	-	-	-	7,321	352,587	(345,266)	335,475	(328,154)
Interest Expense	(9,937)	(9,937)	(9,937)	(9,937)	(9,937)	(9,937)	(9,937)	(9,937)	(9,937)	-	-	-	(89,433)	(30,375)	(59,058)	(89,430)	(3)
Total Non-operating Revenue & Expense:	84	673	780	(1,007)	(3,596)	2,085	(1,330)	(2,375)	5,347	-	-	-	179,527	458,328	(278,801)	493,305	342,527
Net Income:	18,792	(3,095)	(30,556)	(53,295)	(181,286)	(19,481)	(70,984)	(62,929)	(58,867)	-	-	-	(282,835)	(60,067)	(222,768)	(333,309)	50,474
	8.23%	(1.34%)	(13.62%)	(21.04%)	(71.52%)	(6.74%)	(31.96%)	(28.55%)	(26.35%)	#DIV/0!	#DIV/0!	#DIV/0!	(13.19%)	(3.06%)	(10.12%)	(15.73%)	2.55%
Earnings Before Interest and Depreciation (EBIDA):	142,056	119,580	92,012	71,060	(54,342)	101,782	53,694	62,794	59,134	-	-	-	647,770	575,357	72,413	283,518	364,252
	62.25%	51.77%	41.03%	28.05%	(21.44%)	35.22%	24.18%	28.49%	26.47%	#DIV/0!	#DIV/0!	#DIV/0!	30.20%	29.34%	0.86%	13.38%	16.81%
Debt Principal Coverage																	
Simple Cash Flow (Net Income Plus Depreciation)	142,140	120,253	92,792	70,053	(57,938)	103,867	52,364	60,419	64,481	-	-	-	648,431	972,935	(324,504)	776,823	(128,392)
Debt Principal	20,691	20,691	20,691	20,691	20,691	20,691	20,691	20,691	20,691	-	-	-	186,219	143,325	42,894	186,219	-
Debt Principal Coverage Surplus/Deficit	121,449	99,562	72,101	49,362	(78,629)	83,176	31,673	39,728	43,790	-	-	-	462,212	829,610	(367,398)	590,604	(128,392)
Debt Principal Coverage Percentage	687%	581%	448%	339%	(280%)	502%	253%	292%	312%	#DIV/0!	#DIV/0!	#DIV/0!	348%	679%	(330.62%)	417%	(69%)
Simple Asset Replacement Coverage																	
Debt Principal Coverage Surplus/Deficit (From Above)	121,449	99,562	72,101	49,362	(78,629)	83,176	31,673	39,728	43,790	-	-	-	462,212	829,610	(367,398)	590,604	(128,392)
Depreciation	123,348	123,348	123,348	123,348	123,348	123,348	123,348	123,348	123,348	-	-	-	1,110,132	1,093,752	16,380	1,110,132	-
Cash Accumulated For/(Taken From) Asset Replacement	(1,899)	(23,786)	(51,247)	(73,986)	(201,977)	(40,172)	(91,675)	(83,620)	(79,558)	-	-	-	(647,920)	(264,142)	(383,778)	(519,528)	(128,392)
Working Capital																	
Beginning Undesignated Working Capital	2,095,757	3,109,071	3,195,869	3,238,135	3,318,128	3,270,126	3,383,930	3,442,295	3,455,906	3,534,215	3,534,215	3,534,215	2,095,757	1,893,254	202,503	2,095,757	2,095,757
Net Income Plus Depreciation Less Principal CapEx, Accruals, and other Balance Sheet Changes	121,449	99,562	72,101	49,362	(78,629)	83,176	31,673	39,728	43,790	-	-	-	462,212	829,610	(367,398)	590,604	(128,392)
	891,865	(12,764)	(29,835)	30,631	30,627	30,628	26,692	(26,117)	34,519	-	-	-	976,246	(481,147)	1,457,393	-	976,246
Ending Undesignated Working Capital	3,109,071	3,195,869	3,238,135	3,318,128	3,270,126	3,383,930	3,442,295	3,455,906	3,534,215	3,534,215	3,534,215	3,534,215	3,534,215	2,241,717	1,292,498	2,686,361	847,854
Working Capital Designated for CapEx	1,852,663	1,852,663	1,808,592	1,711,405	1,778,570	1,766,306	1,732,537	1,707,995	1,690,475	1,690,475	1,690,475	1,690,475	1,690,475	3,498,152	(1,807,677)	1,638,777	51,698
Current Assets	5,307,376	5,393,532	5,391,727	5,374,533	5,403,899	5,505,439	5,541,390	5,536,886	5,613,102	5,613,102	5,613,102	5,613,102	5,613,102	5,613,102	5,613,102	5,613,102	5,613,102
Current Liabilities	(97,350)	(96,708)	(96,708)	(96,708)	(96,708)	(96,708)	(96,708)	(96,708)	(96,708)	(96,708)	(96,708)	(96,708)	(96,708)	(96,708)	(96,708)	(96,708)	(96,708)
CPLTD	(248,292)	(248,292)	(248,292)	(248,292)	(248,292)	(248,292)	(248,292)	(248,292)	(248,292)	(248,292)	(248,292)	(248,292)	(248,292)	(248,292)	(248,292)	(248,292)	(248,292)
WCDFCapex	(1,852,663)	(1,852,663)	(1,808,592)	(1,711,405)	(1,778,570)	(1,766,306)	(1,732,537)	(1,707,995)	(1,690,475)	(1,690,475)	(1,690,475)	(1,690,475)	(1,690,475)	(1,690,475)	(1,690,475)	(1,690,475)	(1,690,475)
Undesignated Working Capital	3,109,071	3,195,869	3,238,135	3,318,128	3,270,126	3,383,930	3,442,295	3,455,906	3,534,215	3,534,215	3,534,215	3,534,215	3,534,215	2,011,371	1,522,844	2,686,361	847,854
Total Working Capital	4,961,734	5,048,532	5,048,727	5,029,533	5,048,696	5,150,236	5,174,832	5,163,901	5,224,690	5,224,690	5,224,690	5,224,690	5,224,690	5,509,523	(284,833)	5,509,523	(284,833)

Working Capital Designated for Capex Working Capital designated for Capex, June 30, 2014 1,638,777.00

6/30/2014 New CapEx designations of Working Capital in FY14 Budget

90258	Replace Lift Station Alarm System	186,537.23	Paint Generator Buildings	6,000.00
90259	Cathodic Protection-14 Lift Station	129,103.72	Replace Ceiling Door	20,000.00
90274	Cove Lift Station Replacement	90,612.26	Replace Medium Size Lift Station Pumps	40,000.00
90447	WWTP Control System	85,402.53	Replace Generators - Lift Stations	20,000.00

City and Borough of Sitka
Wastewater Treatment Utility
Income Statement
For The Twelve-Month Period From July 1, 2013 to June 30, 2015
(Unaudited)

90531	Monastery/Kincaid Sewer Design	30,000.00
90534	W.W. Solids Monofill	30,000.00
90564	HPR/SMC Intersection Main Rehab	
90565	Jamestown Bay Lift Station Replment	58,231.68
90579	SMC Rd Sewer Ph III	55,545.64
90601	Lake St Lift Station Rebuild	563,957.52
90602	Sanitary Sewer Main Replacement	145,642.62
90654	WWTP Air Control System	21,000.00
90655	SF4 Replacement (Supply Fan)	38,935.02
90676	Brady St Rebuild Lift Station	165,000.00
90697	Japonski Island Sewer Lift Station	18,500.15
90698	Monastery St Sewer/Water Main	889,771.37
90710	Baranoff Water/WW Main Replacement	57,355.00
90713	Crescent lift Station Replacement	195,000.00
90715	WWTP AHU retrofit	50,000.00
90732	Hollywood Way W/WW Replacement	(13,685.04)
90733	HPR Sewer Improvements (DOT)	37,282.36
90734	New Archangel Sewer Main (Marine-HPR)	23,610.24
	WWTP Exterior Building Rot	(3,480.92)
	Variance	<u>(1,215,544.42)</u>
	Total designated working capital	<u>1,638,777.00</u>

WWTP FY14 - Garage Doors, Blowers, Hi-Press Pump	90,000.00
New fixed assets	35,000.00
Less FY15 working capital outlays for CapEx/ ATF Grant Reimbursements	<u>(159,302.00)</u>
Working Capital designated for Capex, June 30, 2015	<u>1,690,475.00</u>

City and Borough of Sitka
Wastewater Treatment Utility
Income Statement
For The Trailing Twelve-Month Period Ending March 31, 2015
(Unaudited)

	April 2014	May 2014	June 2014	July 2014	August 2014	September 2014	October 2014	November 2014	December 2014	January 2015	February 2015	March 2015	12-Month Trailing
Revenue:													
Wastewater Treatment Services	200,205	205,333	205,052	223,918	223,699	220,834	223,936	223,325	222,167	221,521	219,057	222,405	2,611,452
Jobbing	25,203	-	54,064	1,980	6,507	-	27,488	28,670	65,413	540	823	(25)	210,663
Other Operating Revenue	863	600	3,926	2,304	794	3,441	1,909	1,480	1,380	20	530	1,008	18,255
Total Revenue:	226,271	205,933	263,042	228,202	231,000	224,275	253,333	253,475	288,960	222,081	220,410	223,388	2,840,370
Cost of Sales:													
Collection	41,840	90,801	138,426	46,569	60,310	66,831	92,350	68,882	63,488	46,169	58,198	66,958	840,822
Treatment	43,591	55,734	49,483	24,747	29,043	45,033	43,087	61,695	40,168	40,372	43,751	38,174	514,878
Jobbing	-	-	1,891	(2,177)	-	-	-	-	-	-	-	-	(286)
Depreciation	121,528	121,528	143,364	123,348	123,348	123,348	123,348	123,348	123,348	123,348	123,348	123,348	1,496,552
Total Cost of Sales:	206,959	268,063	333,164	192,487	212,701	235,212	258,785	253,925	227,004	209,889	225,297	228,480	2,851,966
Gross Margin:	19,312 8.53%	(62,130) -30.17%	(70,122) -26.66%	35,715 15.65%	18,299 7.92%	(10,937) -4.88%	(5,452) -2.15%	(450) -0.18%	61,956 21.44%	12,192 5.49%	(4,887) -2.22%	(5,092) -2.28%	(11,596) -0.41%
Selling and Administrative Expenses	71,958	56,323	472	17,007	22,067	20,399	46,836	177,240	83,522	81,846	55,667	59,122	692,459
Earnings Before Taxes (EBI):	(52,646) -23.27%	(118,453) -57.52%	(70,594) -26.84%	18,708 8.20%	(3,768) -1.63%	(31,336) -13.97%	(52,288) -20.64%	(177,690) -70.10%	(21,566) -7.46%	(69,654) -31.36%	(60,554) -27.47%	(64,214) -28.75%	(704,055) -24.79%
Non-operating Revenue and Expense:													
Non-operating revenue:	8,483	8,500	60,309	10,021	10,610	10,717	8,930	6,341	12,022	7,671	7,562	8,899	160,065
Grant Revenue	-	17,970	18,259	-	-	-	-	-	-	936	-	6,385	43,550
Interest Expense:	(3,375)	(3,375)	(18,014)	(9,937)	(9,937)	(9,937)	(9,937)	(9,937)	(9,937)	(9,937)	(9,937)	(9,937)	(114,197)
Total Non-operating Revenue & Expense:	5,108	23,095	60,554	84	673	780	(1,007)	(3,596)	2,085	(1,330)	(2,375)	5,347	317,812
Net income:	(47,538) -21.01%	(95,358) -46.31%	(10,040) -3.82%	18,792 8.23%	(3,095) -1.34%	(30,556) -13.62%	(53,295) -21.04%	(181,286) -71.52%	(19,481) -6.74%	(70,984) -31.96%	(62,929) -28.55%	(58,867) -26.35%	(386,243) -13.60%
Earnings Before Interest and Depreciation (EBIDA):	68,882 30.44%	3,075 1.49%	72,770 27.66%	142,056 62.25%	119,580 51.77%	92,012 41.03%	71,060 28.05%	(54,342) -21.44%	101,782 35.22%	53,694 24.18%	62,794 28.49%	59,134 26.47%	792,497 27.90%
Debt Principal Coverage													
Simple Cash Flow (Net Income Plus Depreciation)	73,990	26,170	133,324	142,140	120,253	92,792	70,053	(57,938)	103,867	52,364	60,419	64,481	881,915
Debt Principal	15,925	15,925	47,794	20,691	20,691	20,691	20,691	20,691	20,691	20,691	20,691	20,691	265,863
Debt Principal Coverage Surplus/Deficit	58,065	10,245	85,530	121,449	99,562	72,101	49,362	(78,629)	83,176	31,673	39,728	43,790	616,052
Debt Principal Coverage Percentage	465%	164%	279%	687%	581%	448%	339%	-280%	502%	253%	292%	312%	332%
Simple Asset Replacement Coverage													
Debt Principal Coverage Surplus/Deficit (From Above)	58,065	10,245	85,530	121,449	99,562	72,101	49,362	(78,629)	83,176	31,673	39,728	43,790	616,052
Depreciation	121,528	121,528	143,364	123,348	123,348	123,348	123,348	123,348	123,348	123,348	123,348	123,348	1,496,552
Cash Accumulated For/(Taken From) Asset Replacement	(63,463)	(111,283)	(57,834)	(1,899)	(23,786)	(51,247)	(73,986)	(201,977)	(40,172)	(91,675)	(83,620)	(79,558)	(880,500)
Working Capital													
Beginning Undesignated Working Capital	2,011,371	2,022,891	1,999,042	2,095,757	3,109,071	3,195,869	3,238,135	3,318,128	3,270,126	3,383,930	3,442,295	3,455,906	2,011,371
Net Income Plus Depreciation Less Principal	58,065	10,245	85,530	121,449	99,562	72,101	49,362	(78,629)	83,176	31,673	39,728	43,790	616,052
CapEx, Accruals, and other Balance Sheet Changes	(46,545)	(34,094)	11,185	891,865	(12,764)	(29,835)	30,631	30,627	30,628	26,692	(26,117)	34,519	906,792
Ending Undesignated Working Capital	2,022,891	1,999,042	2,095,757	3,109,071	3,195,869	3,238,135	3,318,128	3,270,126	3,383,930	3,442,295	3,455,906	3,534,215	3,534,215
Working Capital Designated for CapEx	3,495,271	3,598,679	2,708,196	1,852,663	1,852,663	1,808,592	1,711,405	1,778,570	1,766,306	1,732,537	1,707,995	1,690,475	1,690,475

**Solid Waste Utility
Financial Analysis
As Of, And For the Nine-Month Period Ending March, 2015**

The financial performance of the Solid Waste Fund has remained steady and is ahead of plan for FY15. The Solid Fund Waste Fund has reduced the amount of its loss in comparison to FY14, and, its performance is positive in comparison to Plan. Working capital has stabilized at around \$1.17M.

Compared to plan, the Solid Waste Fund is showing positive variances year-to-date in top line solid waste disposal revenue, \$2,159.2K versus 2,051.1K; and, costs of sales, \$2,016.2K versus \$2,046.0K. Selling and administrative costs have increased over FY14, however, \$351.0K versus \$293.7K. EBI, EBID, and Net Income are all ahead of plan, at \$(59.0K), \$103.1K, and (\$60.2K), respectively.

Undesignated working capital has stabilized in the \$350K - \$375K range; it was \$353.7K as of March 31, 2015. What needs to be taken into account when considering these working capital total is that debt principal for the solid waste fund is paid annually in June, and will be \$115,800 in FY2015. Working capital totals reflect this upcoming debt payment. Total working capital as of March 31, 2015 was \$1,177.1K.

A significant future event that will affect the financial position and performance of the Solid Waste Fund is the renegotiation of long-term waste disposal contracts in FY15. It is anticipated that new contracts will bring cost increases. Accordingly, Administration will recommend user fee increases in the spring of 2015, as soon as new contract costs are known. It is anticipated that user fee increases will be substantial, in the 10% plus range, reflecting the fact that user fees have not been increased in over a decade.

City and Borough of Sitka
Solid Waste Disposal Utility
Income Statement
For The Twelve-Month Period From July 1, 2014 to June 30, 2015
(Unaudited)

	July 2014	August 2014	September 2014	October 2014	November 2014	December 2014	January 2015	February 2015	March 2015	April 2015	May 2015	June 2015	FY2015 YTD	FY2014 YTD	Variance To FY2014 YTD	FY2015 Plan (\$/L - 75.00%)	Variance To FY2015 Plan	
Revenue:																		
Solid Waste Disposal Services	245,483	244,777	237,342	249,325	285,222	233,606	220,763	243,777	198,894	-	-	-	2,159,189	2,051,070	108,119	2,022,705	136,484	
Jobbing	-	-	-	-	-	-	-	-	-	-	-	-	-	297	(297)	450	(450)	
Other Operating Revenue	203	5,381	42,510	6,454	46,917	7,434	8,149	3,721	28,358	-	-	-	149,127	195,572	(46,445)	235,778	(86,651)	
Total Revenue:	245,686	250,158	279,852	255,779	332,139	241,040	228,912	247,498	227,252	-	-	-	2,308,316	2,246,939	61,377	2,258,933	49,384	
Cost of Sales:																		
Contract Waste Hauling	62,783	68,278	64,104	66,369	69,130	59,243	62,486	62,933	63,758	-	-	-	579,084	548,214	(30,870)	471,168	(107,916)	
Transfer Station	108,650	102,739	112,456	119,730	70,767	103,523	92,660	77,963	86,798	-	-	-	875,286	873,516	(1,770)	940,148	64,862	
Landfill	5,483	4,747	9,864	6,992	5,406	13,058	19,352	5,659	11,784	-	-	-	82,345	127,061	44,716	242,491	160,146	
Recycling	24,856	26,252	50,965	48,469	30,209	33,530	41,241	32,802	29,105	-	-	-	317,459	335,139	17,680	288,535	(28,924)	
Jobbing	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Depreciation	18,007	18,007	18,007	18,007	18,007	18,007	18,007	18,007	18,007	-	-	-	162,063	162,063	-	162,063	-	
Total Cost of Sales:	219,809	220,023	255,396	259,567	193,519	227,361	233,746	197,364	209,452	-	-	-	2,016,237	2,045,993	29,756	2,104,404	88,167	
Gross Margin:	25,877	30,135	24,456	(3,788)	138,620	13,679	(4,834)	50,134	17,800	#DIV/0!	#DIV/0!	#DIV/0!	292,079	200,946	91,133	154,529	137,551	
	10.53%	12.05%	8.74%	-1.48%	41.74%	5.67%	-2.11%	20.26%	7.83%				12.65%	8.94%	3.71%	6.84%	5.81%	
Selling and Administrative Expenses	32,204	31,459	31,900	44,662	35,908	60,875	46,335	33,886	33,806	-	-	-	351,035	293,668	(57,367)	880,036	529,001	
Earnings Before Interest (EBI):	(6,327)	(1,324)	(7,444)	(48,450)	102,712	(47,196)	(51,169)	16,248	(16,006)	#DIV/0!	#DIV/0!	#DIV/0!	(58,956)	(92,722)	33,766	(725,507)	666,551	
	-2.58%	-0.53%	-2.66%	-18.94%	30.92%	-19.58%	-22.35%	6.56%	-7.04%				-2.55%	-4.13%	1.57%	-32.12%	29.56%	
Non-operating Revenue and Expense:																		
Non-operating revenue:	1,986	1,979	1,975	1,987	1,521	2,996	1,906	1,870	2,119	-	-	-	18,339	22,082	(3,743)	22,500	(4,161)	
Interest Expense:	(2,171)	(2,171)	(2,171)	(2,171)	(2,171)	(2,171)	(2,171)	(2,171)	(2,171)	-	-	-	(19,539)	(20,844)	1,305	(19,541)	2	
Total Non-operating Revenue & Expense:	(185)	(192)	(196)	(184)	(650)	825	(265)	(301)	(52)	-	-	-	(1,200)	1,238	(2,438)	2,959	(4,159)	
Net Income:	(6,512)	(1,516)	(7,640)	(48,634)	102,062	(46,371)	(51,434)	15,947	(16,058)	#DIV/0!	#DIV/0!	#DIV/0!	(60,156)	(91,484)	31,328	(722,549)	662,393	
	-2.65%	-0.61%	-2.73%	-19.01%	30.73%	-19.24%	-22.47%	6.44%	-7.07%				-2.61%	-4.07%	1.47%	-31.99%	29.38%	
Earnings Before Interest and Depreciation (EBID):	11,680	16,683	10,563	(30,443)	120,719	(29,189)	(33,162)	34,255	2,001	#DIV/0!	#DIV/0!	#DIV/0!	103,107	69,341	33,766	(563,444)	666,551	
	4.75%	6.67%	3.77%	-11.90%	36.35%	-12.11%	-14.49%	13.84%	0.88%				4.47%	3.09%	1.38%	-24.94%	29.41%	
Debt Principal Coverage																		
Simple Cash Flow (Net Income Plus Depreciation)	11,495	16,491	10,367	(30,627)	120,069	(28,364)	(33,427)	33,954	1,949	-	-	-	101,907	70,579	31,328	85,242	66,665	
Debt Principal	9,650	9,650	9,650	9,650	9,650	9,650	9,650	9,650	9,650	-	-	-	86,850	86,850	-	86,850	-	
Debt Principal Coverage Surplus/Deficit	1,845	6,841	717	(40,277)	110,419	(38,014)	(43,077)	24,304	(7,701)	-	-	-	15,057	(16,271)	31,328	(22,658)	37,715	
Debt Principal Coverage Percentage	119%	171%	107%	-317%	1244%	-294%	-346%	352%	20%	#DIV/0!	#DIV/0!	#DIV/0!	117%	81%	36.07%	40.58%	76.76%	
Simple Asset Replacement Coverage																		
Debt Principal Coverage Surplus/Deficit (From Above)	1,845	6,841	717	(40,277)	110,419	(38,014)	(43,077)	24,304	(7,701)	-	-	-	15,057	(16,271)	31,328	(22,658)	37,715	
Depreciation	18,007	18,007	18,007	18,007	18,007	18,007	18,007	18,007	18,007	-	-	-	162,063	162,063	-	162,063	-	
Cash Accumulated For/(Taken From) Asset Replacement	(16,162)	(11,166)	(17,290)	(58,284)	92,412	(56,021)	(61,084)	6,297	(25,708)	-	-	-	(147,006)	(178,334)	31,328	(184,721)	37,715	
Working Capital																		
Beginning Undesignated Working Capital	197,276	284,362	365,548	383,654	364,737	377,868	362,223	320,102	349,797	353,717	353,717	353,717	197,276	537,729	(340,453)	197,276	-	
Net Income Plus Depreciation Less Principal Accruals, and other Balance Sheet Changes	1,845	6,841	717	(40,277)	110,419	(38,014)	(43,077)	24,304	(7,701)	-	-	-	15,057	(16,271)	31,328	(51,608)	66,665	
Ending Undesignated Working Capital	284,362	365,548	383,654	364,737	377,868	362,223	320,102	349,797	353,717	353,717	353,717	353,717	353,717	667,266	(313,549)	281,939	71,778	
Working Capital Designated for CapEx	756,490	756,490	756,490	756,490	756,377	847,347	835,312	826,442	823,348	823,348	823,348	823,348	823,348	721,490	101,858	595,395	227,953	
Current Assets	1,274,496	1,302,446	1,349,537	1,357,648	1,255,081	1,330,757	1,277,205	1,298,646	1,299,934	1,299,934	1,299,934	1,299,934	1,299,934	1,388,756	(313,549)	1,388,756	71,778	
Current Liabilities	(117,846)	(64,610)	(93,595)	(120,623)	(5,038)	(5,389)	(5,993)	(6,609)	(7,071)	(7,071)	(7,071)	(7,071)	353,717	667,266	(313,549)	353,717	71,778	
CPLTD	(115,798)	(115,798)	(115,798)	(115,798)	(115,798)	(115,798)	(115,798)	(115,798)	(115,798)	(115,798)	(115,798)	(115,798)	1,177,065	1,177,065	-	1,177,065	-	
WCDFCapex	(756,490)	(756,490)	(756,490)	(756,490)	(756,377)	(847,347)	(835,312)	(826,442)	(823,348)	(823,348)	(823,348)	(823,348)	1,177,065	1,177,065	-	1,177,065	-	
Undesignated Working Capital	284,362	365,548	383,654	364,737	377,868	362,223	320,102	349,797	353,717	353,717	353,717	353,717	353,717	667,266	(313,549)	281,939	71,778	
Total Working Capital	1,040,852	1,122,038	1,140,144	1,121,227	1,134,245	1,209,570	1,155,414	1,176,239	1,177,065	1,177,065	1,177,065	1,177,065	1,177,065	1,388,756	(211,691)	877,334	299,731	

Working Capital Designated for Capex, June 30, 2014			Working Capital designated for Capex, June 30, 2014			New CapEx designations of Working Capital in FY15 Budget		
90413	Sitka Landfill/Granite Creek	56,252.40						
90566	Transfer Station	49,724.05						
90657	Expand Biosolids Area	500,000.00						
90677	Recycle Center Fence	50,000.00					91,095.00	
90678	Scrap yard Upgrade	15,513.59						
90756	Ramp For Baler	50,000.00					35,000.00	
		<u>721,490.04</u>					<u>(24,237.00)</u>	

City and Borough of Sitka
Solid Waste Disposal Utility
Income Statement
For The Twelve-Month Period From July 1, 2014 to June 30, 2015
(Unaudited)

Working Capital designated for Capex, June 30, 2015

823,348.04

City and Borough of Sitka
Solid Waste Disposal Utility
Income Statement
For The Trailing Twelve-Month Period Ending March 31, 2015
(Unaudited)

	April 2014	May 2014	June 2014	July 2014	August 2014	September 2014	October 2014	November 2014	December 2014	January 2015	February 2015	March 2015	12-Month Trailing
Revenue:													
Solid Waste Disposal Services	236,766	238,416	234,487	245,483	244,777	237,342	222,564	285,222	233,606	220,763	243,777	198,894	2,842,097
Jobbing	351	-	-	-	-	-	-	-	-	-	-	-	351
Other Operating Revenue	41,395	3,180	33,209	203	5,381	42,510	33,215	46,917	7,434	8,149	3,721	28,358	253,672
Total Revenue:	278,512	241,596	267,696	245,686	250,158	279,852	255,779	332,139	241,040	228,912	247,498	227,252	3,096,120
Cost of Sales:													
Contract Waste Hauling	61,463	62,809	70,571	62,783	68,278	64,104	66,369	69,130	59,243	62,486	62,933	63,758	773,927
Transfer Station	89,762	133,456	126,523	108,650	102,739	112,456	119,730	70,767	103,523	92,660	77,963	86,798	1,225,027
Landfill	29,064	22,971	33,974	5,483	4,747	9,864	6,992	5,406	13,058	19,352	5,659	11,784	168,354
Recycling	44,802	9,992	74,818	24,886	26,252	50,965	48,469	30,209	33,530	41,241	32,802	29,105	447,071
Jobbing	-	-	-	-	-	-	-	-	-	-	-	-	-
Depreciation	18,007	18,007	18,005	18,007	18,007	18,007	18,007	18,007	18,007	18,007	18,007	18,007	216,082
Total Cost of Sales:	243,098	247,235	323,891	219,809	220,023	255,396	259,567	193,519	227,361	233,746	197,364	209,452	2,830,461
Gross Margin:	35,414 12.72%	(5,639) -2.33%	(56,195) -20.99%	25,877 10.53%	30,135 12.05%	24,456 8.74%	(3,788) -1.48%	138,620 41.74%	13,679 5.67%	(4,834) -2.11%	50,134 20.26%	17,800 7.83%	265,659 8.58%
Selling and Administrative Expenses	34,843	34,982	33,363	32,204	31,459	31,900	44,662	35,908	60,875	46,335	33,886	33,806	454,223
Earnings Before Interest (EBI):	571 0.21%	(40,621) -16.81%	(89,558) -33.46%	(6,327) -2.58%	(1,324) -0.53%	(7,444) -2.66%	(48,450) -18.94%	102,712 30.92%	(47,196) -19.58%	(51,169) -22.35%	16,248 6.56%	(16,006) -7.04%	(188,564) -6.09%
Non-operating Revenue and Expense:													
Non-operating revenue:	2,114	2,275	592	1,986	1,979	1,975	1,987	1,521	2,996	1,906	1,870	2,119	23,320
Interest Expense:	(2,316)	(2,316)	(2,332)	(2,171)	(2,171)	(2,171)	(2,171)	(2,171)	(2,171)	(2,171)	(2,171)	(2,171)	(26,503)
Total Non-operating Revenue & Expense:	(202)	(41)	(1,740)	(185)	(192)	(196)	(184)	(650)	825	(265)	(301)	(52)	(3,183)
Net Income:	369 0.13%	(40,662) -16.83%	(91,298) -34.11%	(6,512) -2.65%	(1,516) -0.61%	(7,640) -2.73%	(48,634) -19.01%	102,062 30.73%	(46,371) -19.24%	(51,434) -22.47%	15,947 6.44%	(16,058) -7.07%	(191,747) -6.19%
Earnings Before Interest and Depreciation (EBID):	18,578 6.67%	(22,614) -9.36%	(71,553) -26.73%	11,680 4.75%	16,683 6.67%	10,563 3.77%	(30,443) -11.90%	120,719 36.35%	(29,189) -12.11%	(33,162) -14.49%	34,255 13.84%	2,001 0.88%	27,518 0.89%
Debt Principal Coverage													
Simple Cash Flow (Net Income Plus Depreciation)	18,376	(22,655)	(73,293)	11,495	16,491	10,367	(30,627)	120,069	(28,364)	(33,427)	33,954	1,949	24,335
Debt Principal	9,650	9,650	9,650	9,650	9,650	9,650	9,650	9,650	9,650	9,650	9,650	9,650	115,800
Debt Principal Coverage Surplus/Deficit	8,726	(32,305)	(82,943)	1,845	6,841	717	(40,277)	110,419	(38,014)	(43,077)	24,304	(7,701)	(91,465)
Debt Principal Coverage Percentage	190%	-235%	-760%	119%	171%	107%	-317%	1244%	-294%	-346%	352%	20%	21%
Simple Asset Replacement Coverage													
Debt Principal Coverage Surplus/Deficit (From Above)	8,726	(32,305)	(82,943)	1,845	6,841	717	(40,277)	110,419	(38,014)	(43,077)	24,304	(7,701)	(91,465)
Depreciation	18,007	18,007	18,005	18,007	18,007	18,007	18,007	18,007	18,007	18,007	18,007	18,007	216,082
Cash Accumulated For/(Taken From) Asset Replacement	(9,281)	(50,312)	(100,948)	(16,162)	(11,166)	(17,290)	(58,284)	92,412	(56,021)	(61,084)	6,297	(25,708)	(307,547)
Working Capital													
Beginning Undesignated Working Capital	667,266	655,632	677,303	197,276	284,362	365,548	383,654	364,737	377,868	362,223	320,102	349,797	667,266
Net Income Plus Depreciation Less Principal	8,726	(32,305)	(82,943)	1,845	6,841	717	(40,277)	110,419	(38,014)	(43,077)	24,304	(7,701)	(91,465)
Accruals, and other Balance Sheet Changes	(20,360)	53,976	(397,084)	85,241	74,345	17,389	21,360	(97,288)	22,369	956	5,391	11,621	(222,084)
Ending Undesignated Working Capital	655,632	677,303	197,276	284,362	365,548	383,654	364,737	377,868	362,223	320,102	349,797	353,717	353,717
Working Capital Designated for CapEx	770,901	722,896	722,896	756,490	756,490	756,490	756,490	756,377	847,347	835,312	826,442	823,348	823,348

**Harbor System
Financial Analysis
As Of, And For the Nine-Month Period Ending March, 2015**

Total financial operations for the Harbor Fund for the 9-month period ending March 31, 2015 are exceeding both FY14 historical results and FY15 plan. While revenue has dropped slightly behind plan, it has been more than offset by operating expenses trending substantially less than plan. Permanent moorage is up \$2.3K over FY2014 and is \$134.2K behind plan; transient moorage, however, is up \$11.5K, or 5.0% over FY14 despite a cooperative herring fishery in 2015. Costs of operations have continued to trend lower than the comparable period in FY14, helping to offset flat moorage revenue.

Revenue increased \$99.1K, or 6.3%, over the comparable nine-month period for FY2014. Earnings before interest and depreciation (EBIDA) increased by \$166.9K, from \$205.6K to \$372.5K for the comparable nine-month period.

Undesignated working capital declined by (\$1,702.6K) in year-over-year comparison with March, 2014, from \$5,391.1K to \$3,688.5K. This decline is attributable to the designation of \$3,221 in working capital for capital projects in FY2015, including \$2,900K for the Eliason Harbor Transient Dock project.

The Harbor Fund appears to be executing according to annual plan, with results slightly ahead plan for outlays and slightly behind for revenues. The Harbor Fund is should reaching its adjusted target goal for working capital at the end of FY2015. Adjusting for the timing in receipt of grant proceeds for the Sitka Transient Float and capital project outlays, the Fund is on track to be about \$100K ahead fiscal year end working capital goal.

City and Borough of Sitka
Harbor Fund
Income Statement
For The Trailing Twelve-Month Period Ending March 31, 2015
(Unaudited)

	April 2014	May 2014	June 2014	July 2014	August 2014	September 2014	October 2014	November 2014	December 2014	January 2015	February 2015	March 2015	12-Month Trailing
Revenue:													
Permanent Moorage	124,519	139,835	185,028	126,545	162,859	132,467	124,791	125,430	128,950	123,063	123,428	128,364	1,625,279
Transient Moorage	20,675	30,856	51,680	104,586	55,793	22,115	7,467	4,389	3,851	4,066	8,804	29,855	344,137
Lightering Fees	-	-	3,886	6,680	17,491	1,943	-	-	18,462	1,943	-	-	50,405
Other Operating Revenue	7,766	10,158	108,511	17,670	14,998	5,449	8,508	4,671	119,252	7,144	21,312	5,451	325,890
Total Revenue:	152,960	180,849	349,105	250,481	251,141	161,974	140,766	134,490	270,515	136,216	153,544	163,670	2,345,711
Cost of Sales:													
Operations	72,792	108,540	158,975	67,154	80,473	87,441	109,004	90,182	76,151	79,384	73,191	87,954	1,091,241
Jobbing	-	-	-	-	-	-	-	-	-	-	-	-	-
Depreciation	55,710	55,710	53,272	55,437	55,437	55,437	55,437	55,437	55,437	55,437	55,437	55,437	663,625
Total Cost of Sales:	128,502	164,250	212,247	122,591	135,910	142,878	164,441	145,619	131,588	134,821	128,628	143,391	1,754,866
Gross Margin:	24,458	16,599	136,858	127,890	115,231	19,096	(23,675)	(11,129)	138,927	1,395	24,916	20,279	590,845
	15.99%	9.18%	39.20%	51.06%	45.88%	11.79%	-16.82%	-8.27%	51.36%	1.02%	16.23%	12.39%	25.19%
Selling and Administrative Expenses	51,853	66,073	87,790	24,011	32,396	29,243	39,219	190,470	61,956	51,206	53,563	57,293	745,073
Earnings Before Interest (EBI):	(27,395)	(49,474)	49,068	103,879	82,835	(10,147)	(62,894)	(201,599)	76,971	(49,811)	(28,647)	(37,014)	(154,228)
	-17.91%	-27.36%	14.06%	41.47%	32.98%	-6.26%	-44.68%	-149.90%	28.45%	-36.57%	-18.66%	-22.62%	-6.57%
Non-operating Revenue and Expense:													
Raw Fish Tax	66,667	66,667	394,435	75,000	75,000	75,000	75,000	75,000	75,000	75,000	75,000	75,000	1,202,769
Other Non-Operating Revenue:	5,454	4,445	(67,218)	10,815	13,674	14,062	11,996	10,814	18,672	14,866	12,792	16,563	66,935
Grant Revenue	1,321,641	-	269,526	-	-	224	-	-	-	158	-	389,672	1,981,221
Bond Fund Interest	4,169	5,231	(13,025)	3,076	364	351	342	268	1,455	340	347	397	3,315
Interest Expense Bonds:	(14,642)	(14,642)	(14,639)	(14,642)	(14,642)	(14,642)	(14,642)	(14,642)	(14,642)	(14,642)	(14,642)	(14,642)	-175,701
Interest Expense Loans:	(907)	(907)	(910)	(850)	(850)	(850)	(850)	(850)	(850)	(850)	(850)	(850)	(10,374)
Total Non-operating Revenue & Expense:	1,382,382	60,794	568,169	73,399	73,546	74,145	71,846	70,590	79,635	74,872	72,647	466,140	3,068,165
Net Income:	1,354,987	11,320	617,237	177,278	156,381	63,998	8,952	(131,009)	156,606	25,061	44,000	429,126	2,913,937
	885.84%	6.26%	176.81%	70.78%	62.27%	39.51%	6.36%	-97.41%	57.89%	18.40%	28.66%	262.19%	124.22%
Earnings Before Interest and Depreciation (EBIDA):	28,315	6,236	102,340	159,316	138,272	45,290	(7,457)	(146,162)	132,408	5,626	26,790	18,423	509,397
	18.51%	3.45%	29.31%	63.60%	55.06%	27.96%	-5.30%	-108.68%	48.95%	4.13%	17.45%	11.26%	21.72%
Bond Covenant Ratio	4.32	3.41	17.19	9.59	8.78	5.20	3.09	(2.32)	8.79	3.70	4.44	4.26	5.83
Debt Principal Coverage													
Simple Cash Flow (Net Income Plus Depreciation)	1,354,987	11,320	617,237	177,278	156,381	63,998	8,952	(131,009)	156,606	25,061	44,000	429,126	2,913,937
Bond Debt Principal	9,583	9,583	9,587	11,250	11,250	11,250	11,250	11,250	11,250	11,250	11,250	11,250	130,003
Loan Debt Principal	3,779	3,779	3,779	3,779	3,779	3,779	3,779	3,779	3,779	3,779	3,779	3,779	45,348
Debt Principal Coverage Surplus/Deficit	1,341,625	(2,042)	603,871	162,249	141,352	48,969	(6,077)	(146,038)	141,577	10,032	28,971	414,097	2,738,586
Debt Principal Coverage Percentage	101%	-554%	102%	109%	111%	131%	-147%	90%	111%	250%	152%	104%	6426%
Simple Asset Replacement Coverage													
Debt Principal Coverage Surplus/Deficit (From Above)	1,341,625	(2,042)	603,871	162,249	141,352	48,969	(6,077)	(146,038)	141,577	10,032	28,971	414,097	2,738,586
Depreciation	55,710	55,710	53,272	55,437	55,437	55,437	55,437	55,437	55,437	55,437	55,437	55,437	663,625
Cash Accumulated For/(Taken From) Asset Replacement	1,285,915	(57,752)	550,599	106,812	85,915	(6,468)	(61,514)	(201,475)	86,140	(45,405)	(26,466)	358,660	2,074,961
Working Capital													
Beginning Undesignated Working Capital	5,391,121	5,840,888	5,801,000	7,063,587	4,011,560	4,036,959	3,812,628	4,066,335	3,805,766	3,934,257	3,860,579	3,768,185	5,391,121
Net Income Plus Depreciation Less Principal	1,341,625	(2,042)	603,871	162,249	141,352	48,969	(6,077)	(146,038)	141,577	10,032	28,971	414,097	2,738,586
Accruals and other Balance Sheet Changes	(891,858)	(37,846)	658,716	(3,214,276)	(115,953)	(273,300)	259,784	(114,531)	(13,086)	(83,710)	(121,365)	(493,789)	(4,441,214)
Ending Undesignated Working Capital	5,840,888	5,801,000	7,063,587	4,011,560	4,036,959	3,812,628	4,066,335	3,805,766	3,934,257	3,860,579	3,768,185	3,688,493	3,688,493
Working Capital Designated for CapEx	1,453,390	3,254,098	2,117,868	-	4,291,003	4,291,367	4,290,498	4,102,322	4,095,113	3,993,606	3,879,367	4,245,670	4,245,670

**Airport Terminal
Financial Analysis
As Of, And For the Nine-Month Period Ending March 31, 2015**

Financial operations for the Airport Terminal continue to be solid and profitable. Top-line revenue was for the 9-month period was \$309.9K, a decline of (\$45.6K) from Fiscal Year 2014. This decline is attributable to a temporary cessation in the collection of passenger facility fees. Passenger facility fees are added to airline tickets and must be approved by the Federal Aviation Administration in conjunction with a specific project. The Municipality is in the process of attempting to obtain approval to resume charging the fee in conjunction with expansion of the TSA area. Sufficient passenger facility fees have been collected in the past to pay for all work done on the TSA area expansion project to date.

For the 9-month period, Earnings Before Interest (EBI) were (\$72.8K) but Earnings Before Interest and Depreciation (EBID) were \$62.2K, indicating solid positive cash flow. Due to the positive cash flow, undesignated working capital grew by \$64.3K for the 9-month period, to \$386.3K. Total working capital, which includes collected but unspent passenger facility fees, was \$813.4K as of March 31, 2015.

A continuing financial challenge is the inability of the Fund to accumulate working capital greater than the estimate depreciation of the Terminal facility itself. This trend, unless changed by future events, would mean that insufficient cash will be on hand on the eventual day that the facility needs to be replaced or substantially renovated. The fact that the terminal is already decades old and only \$386.3K is available in undesignated working capital is evidence of this fact. As a result, it is highly likely that the eventual major renovation or replacement of the Terminal will either need to be funded through a grant, or, through bonded debt of some sort.

City and Borough of Sitka
 Airport Terminal Fund
 Income Statement
 For The Twelve-Month Period From July 1, 2014 to June 30, 2015
 (Unaudited)

	Jul-Sep 2014	Oct-Dec 2014	Jan-Mar 2015	Apr-Jun 2015	FY2015 YTD	FY2014 YTD	Variance To FY2014 YTD	FY2015 Plan (\$/L - 75%)	Variance To FY2015 Plan
Revenue:									
Leases	91,188.00	91,188.00	89,073.00	-	271,449.00	271,427.00	22.00	277,947.00	(6,498.00)
Other Operating Revenue	14,726.00	17,595.00	6,131.00	-	38,452.00	85,071.00	(46,619.00)	189,747.00	(151,295.00)
Total Revenue:	105,914.00	108,783.00	95,204.00	-	309,901.00	356,498.00	(46,597.00)	467,694.00	(157,793.00)
Cost of Sales:									
Operations	43,414.00	131,121.00	73,211.00	-	247,746.00	237,521.00	10,225.00	350,372.25	102,626.25
Depreciation	44,988.00	44,988.00	44,989.00	-	134,965.00	133,597.00	1,368.00	134,965.00	-
Total Cost of Sales:	88,402.00	176,109.00	118,200.00	-	382,711.00	371,118.00	11,593.00	485,337.25	102,626.25
Gross Margin:	17,512.00 16.53%	(67,326.00) -61.89%	(22,996.00) -24.15%	- #DIV/0!	(72,810.00) -23.49%	(14,620.00) -4.10%	(58,190.00) 124.88%	(17,643.25) -3.77%	(55,166.75) -19.72%
Selling and Administrative Expenses	-	-	-	-	-	-	-	-	-
Earnings Before Interest and Taxes (EBIT):	17,512.00 16.53%	(67,326.00) -57.83%	(22,996.00) -19.74%	- #DIV/0!	(72,810.00) -19.37%	(14,620.00) -0.37%	(58,190.00) 126.00%	(17,643.25) -1.79%	(55,166.75) -17.58%
Non-operating Revenue and Expense:									
Interest and Non-Operating Revenue:	4,151.00	4,419.00	4,199.00	-	12,769.00	13,292.00	(523.00)	9,270.00	3,499.00
Interest Expense:	-	-	-	-	-	-	-	-	-
Total Non-operating Revenue & Expense:	4,151.00	4,419.00	4,199.00	-	12,769.00	13,292.00	(523.00)	9,270.00	3,499.00
Net Income:	21,663.00 20.45%	(62,907.00) -57.83%	(18,797.00) -19.74%	- #DIV/0!	(60,041.00) -19.37%	(1,328.00) -0.37%	(58,713.00) 126.00%	(8,373.25) -1.79%	(51,667.75) -17.58%
Earnings Before Interest and Taxes and Depreciation (EBITDA):	62,500.00 59.01%	(22,338.00) -20.53%	21,993.00 23.10%	- #DIV/0!	62,155.00 20.06%	118,977.00 33.37%	(56,822.00) 121.94%	117,321.75 25.09%	(55,166.75) -5.03%
Debt Principal Coverage									
Simple Cash Flow (Net Income Plus Depreciation)	66,651.00	(17,919.00)	26,192.00	-	74,924.00	132,269.00	(57,345.00)	126,591.75	(51,667.75)
Debt Principal	-	-	-	-	-	-	-	-	-
Debt Principal Coverage Surplus/Deficit	66,651.00	(17,919.00)	26,192.00	-	74,924.00	132,269.00	(57,345.00)	126,591.75	(51,667.75)
Debt Principal Coverage Percentage	100%	100%	100%	100%	100%	100%	100%	100%	0%
Simple Asset Replacement Coverage									
Debt Principal Coverage Surplus/Deficit (From Above)	66,651.00	(17,919.00)	26,192.00	-	74,924.00	132,269.00	(57,345.00)	126,591.75	(51,667.75)
Depreciation	44,988.00	44,988.00	44,989.00	-	134,965.00	133,597.00	1,368.00	134,965.00	-
Cash Accumulated For/(Taken From) Asset Replacement	21,663.00	(62,907.00)	(18,797.00)	-	(60,041.00)	(1,328.00)	(58,713.00)	(8,373.25)	(51,667.75)
Working Capital									
Beginning Undesignated Working Capital	321,953.00	378,000.00	356,912.00	386,286.00	321,953.00	224,900.00	97,053.00	321,953.00	-
Net Income Plus Depreciation Less Principal	66,651.00	(17,919.00)	26,192.00	-	74,924.00	132,269.00	(57,345.00)	126,591.75	(51,667.75)
CapEx, Accruals, and other Balance Sheet Changes	(10,604.00)	(3,169.00)	3,182.00	-	(10,591.00)	(51,197.00)	40,606.00	-	(10,591.00)
Ending Undesignated Working Capital	378,000.00	356,912.00	386,286.00	386,286.00	386,286.00	305,972.00	80,314.00	448,544.75	(62,258.75)
Working Capital Designated for CapEx	427,769	427,615	427,125	427,125	427,125	509,500	(82,375)	427,125	-
Current Assets	805,769	784,527	813,411	813,411	813,411				
Current Liabilities	-	-	-	-	-				
CPLTD	-	-	-	-	-				
WCDFCapex	(427,769)	(427,615)	(427,125)	(427,125)	(427,125)				
Undesignated Working Capital	378,000	356,912	386,286	386,286	386,286				
Total Working Capital	805,769	784,527	813,411	813,411	813,411				

July 1, 2014
 \$ 63,913 - 90656 - Airport Lighting
 \$363,864 - PFC Projects
\$427,777

Working Capital designated for Capex, June 30, 2014 427,777.00
 New CapEx designations of Working Capital in FY15 Budget
 FY15 Passenger facility Charges 13.00
 Less FY15 working capital outlays for CapEx (665.00)
 Working Capital designated for Capex, June 30, 2015 427,125.00

City and Borough of Sitka
 Airport Terminal Fund
 Income Statement
 For The Twelve-Month Trailing Period Ending September 30, 2014
 (Unaudited)

	Apr-Jun 2014	Jul-Sep 2014	Oct-Dec 2014	Jan-Mar 2015	TTM
Revenue:					
Leases	90,928.00	91,188.00	91,188.00	89,073.00	362,377.00
Other Operating Revenue	<u>6,679.00</u>	<u>14,726.00</u>	<u>17,595.00</u>	<u>6,131.00</u>	<u>45,131.00</u>
Total Revenue:	97,607.00	105,914.00	108,783.00	95,204.00	407,508.00
Cost of Sales:					
Operations	92,465.00	43,414.00	131,121.00	73,211.00	340,211.00
Depreciation	<u>46,356.00</u>	<u>44,988.00</u>	<u>44,988.00</u>	<u>44,989.00</u>	<u>181,321.00</u>
Total Cost of Sales:	<u>138,821.00</u>	<u>88,402.00</u>	<u>176,109.00</u>	<u>118,200.00</u>	<u>521,532.00</u>
Gross Margin:	(41,214.00) -42.22%	17,512.00 16.53%	(67,326.00) -61.89%	(22,996.00) -24.15%	(114,024.00) -27.98%
Selling and Administrative Expenses	-	-	-	-	-
Earnings Before Interest and Taxes (EBIT):	(41,214.00) -42.22%	17,512.00 16.53%	(67,326.00) -61.89%	(22,996.00) -24.15%	(114,024.00) -27.98%
Non-operating Revenue and Expense:					
Interest and Non-Operating Revenue:	7,607.00	4,151.00	4,419.00	4,199.00	20,376.00
Interest Expense:	-	-	-	-	-
Total Non-operating Revenue & Expense:	<u>7,607.00</u>	<u>4,151.00</u>	<u>4,419.00</u>	<u>4,199.00</u>	<u>20,376.00</u>
Net Income:	<u>(33,607.00)</u> -34.43%	<u>21,663.00</u> 20.45%	<u>(62,907.00)</u> -57.83%	<u>(18,797.00)</u> -19.74%	<u>(93,648.00)</u> -22.98%
Earnings Before Interest and Taxes and Depreciation (EBITDA):	5,142.00 5.27%	62,500.00 59.01%	(22,338.00) -20.53%	21,993.00 23.10%	67,297.00 16.51%
<u>Debt Principal Coverage</u>					
Simple Cash Flow (Net Income Plus Depreciation)	12,749.00	66,651.00	(17,919.00)	26,192.00	87,673.00
Debt Principal	-	-	-	-	-
Debt Principal Coverage Surplus/Deficit	<u>12,749.00</u>	<u>66,651.00</u>	<u>(17,919.00)</u>	<u>26,192.00</u>	<u>87,673.00</u>
Debt Principal Coverage Percentage	100%	100%	100%	100%	100%
<u>Simple Asset Replacement Coverage</u>					
Debt Principal Coverage Surplus/Deficit (From Above)	12,749.00	66,651.00	(17,919.00)	26,192.00	87,673.00
Depreciation	<u>46,356.00</u>	<u>44,988.00</u>	<u>44,988.00</u>	<u>44,989.00</u>	<u>181,321.00</u>
Cash Accumulated For/(Taken From) Asset Replacement	<u>(33,607.00)</u>	<u>21,663.00</u>	<u>(62,907.00)</u>	<u>(18,797.00)</u>	<u>(93,648.00)</u>
<u>Working Capital</u>					
Beginning Undesignated Working Capital	305,972.00	321,953.00	378,000.00	356,912.00	305,972.00
Net Income Plus Depreciation Less Principal	12,749.00	66,651.00	(17,919.00)	26,192.00	87,673.00
CapEx, Accruals, and other Balance Sheet Changes	<u>3,232.00</u>	<u>(10,604.00)</u>	<u>(3,169.00)</u>	<u>3,182.00</u>	<u>(7,359.00)</u>
Ending Undesignated Working Capital	321,953.00	378,000.00	356,912.00	386,286.00	386,286.00
Working Capital Designated for CapEx	427,777	427,769	427,615	427,125	427,125

**Marine Service Center
Financial Analysis
As Of, And For the Nine-Month Period Ending March 31, 2015**

Financial operations for the Marine Service Center continue to be solid and profitable. Top-line revenue for the nine-month period was \$173.4K, essentially the same as FY2014. Cost of sales were also essentially the same as FY 14, at \$13.4K, resulting in Earnings Before Interest (EBI), of \$13.6K and Earnings Before Interest and Depreciation (EBIT) of \$121.4K.

Working capital has increased by \$217.7K during the nine-month period, and undesignated working capital as of March 31, 2015 was \$1,608.9K.

City and Borough of Sitka
Marine Service Center
Income Statement
For The Twelve-Month Period From July 1, 2013 to June 30, 2015
(Unaudited)

	Jul-Sep 2014	Oct-Dec 2014	Jan-Mar 2015	Apr-Jun 2015	FY2015 YTD	FY2014 YTD	Variance To FY2014 YTD	FY2015 Plan (5/L - 75%)	Variance To FY2015 Plan
Revenue:									
Leases	58,146	58,146	57,094	-	173,386	174,438	(1,052)	174,438	(1,052)
Other Operating Revenue	-	-	-	-	-	-	-	-	-
Total Revenue:	58,146	58,146	57,094	-	173,386	174,438	(1,052)	174,438	(1,052)
Cost of Sales:									
Operations	3,160	31,468	17,363	-	51,991	46,524	5,467	249,563	197,572
Depreciation	35,940	36,051	35,830	-	107,821	112,791	(4,970)	107,821	-
Total Cost of Sales:	39,100	67,519	53,193	-	159,812	159,315	497	357,384	197,572
Gross Margin:	19,046	(9,373)	3,901	-	13,574	15,123	(1,549)	(182,946)	196,520
	32.76%	-16.12%	6.83%	#DIV/0!	7.83%	8.67%	-0.84%	-104.88%	112.71%
Selling and Administrative Expenses	-	-	-	-	-	-	-	-	-
Earnings Before Interest and Taxes (EBIT):	19,046	(9,373)	3,901	-	13,574	15,123	(1,549)	(182,946)	196,520
	32.76%	-16.12%	6.83%	#DIV/0!	7.83%	8.67%	-0.84%	-104.88%	112.71%
Non-operating Revenue and Expense:									
Interest and Non-Operating Revenue:	7,961	8,416	8,425	-	24,802	19,843	4,959	17,910	6,892
Interest Expense:	-	-	-	-	-	-	-	-	-
Total Non-operating Revenue & Expense:	7,961	8,416	8,425	-	24,802	19,843	4,959	17,910	6,892
Net Income:	27,007	(957)	12,326	-	38,376	34,966	3,410	(165,036)	203,412
	46.45%	-1.65%	21.59%	#DIV/0!	22.13%	20.04%	2.09%	-94.61%	116.74%
Earnings Before Interest and Taxes and Depreciation (EBITDA):	54,986	26,678	39,731	-	121,395	127,914	(6,519)	(75,125)	196,520
	94.57%	45.88%	69.59%	#DIV/0!	70.01%	73.33%	-3.31%	-43.07%	113.08%
Debt Principal Coverage									
Simple Cash Flow (Net Income Plus Depreciation)	62,947	35,094	48,156	-	146,197	147,757	(1,560)	(57,215)	203,412
Debt Principal	-	-	-	-	-	-	-	-	-
Debt Principal Coverage Surplus/Deficit	62,947	35,094	48,156	-	146,197	147,757	(1,560)	(57,215)	203,412
Debt Principal Coverage Percentage	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	0.00%
Simple Asset Replacement Coverage									
Debt Principal Coverage Surplus/Deficit (From Above)	62,947	35,094	48,156	-	146,197	147,757	(1,560)	(57,215)	203,412
Depreciation	35,940	36,051	35,830	-	107,821	112,791	(4,970)	107,821	-
Cash Accumulated For/(Taken From) Asset Replacement	27,007	(957)	12,326	-	38,376	34,966	3,410	(165,036)	203,412
Working Capital									
Beginning Undesignated Working Capital	1,462,488	1,525,436	1,560,528	1,608,685	1,462,488	1,254,664	207,824	1,462,488	-
Net Income Plus Depreciation Less Principal	62,947	35,094	48,156	-	146,197	147,757	(1,560)	(57,215)	203,412
CapEx, Accruals, and other Balance Sheet Changes	1	(2)	1	-	-	(9,427)	9,427	-	-
Ending Undesignated Working Capital	1,525,436	1,560,528	1,608,685	1,608,685	1,608,685	1,392,994	215,691	1,405,273	203,412
Working Capital Designated for CapEx	-	-	-	-	-	-	-	-	-
Current Assets	1,525,436	1,560,528	1,608,685	1,608,685	1,608,685	-	-	-	-
Current Liabilities	-	-	-	-	-	-	-	-	-
CPLTD	-	-	-	-	-	-	-	-	-
WCDFCapex	-	-	-	-	-	-	-	-	-
Undesignated Working Capital	1,525,436	1,560,528	1,608,685	1,608,685	1,608,685	-	-	-	-
Total Working Capital	1,525,436	1,560,528	1,608,685	1,608,685	1,608,685	-	-	-	-

July 1, 2015

Working Capital designated for Capex, June 30, 2014	0.00
New CapEx designations of Working Capital in FY15 Budget	-
Less FY15 working capital outlays for CapEx	-
Working Capital designated for Capex, June 30, 2015	0.00

50

City and Borough of Sitka
Marine Service Center
Income Statement
For The Twelve-Month Trailing Period Ending March 31, 2015
(Unaudited)

	Apr-Jun 2014	Jul-Sep 2014	Oct-Dec 2014	Jan-Mar 2015	TTM
Revenue:					
Leases	58,625	58,146	58,146	57,094	232,011
Other Operating Revenue	263	-	-	-	263
Total Revenue:	58,888	58,146	58,146	57,094	232,274
Cost of Sales:					
Operations	5,403	3,160	31,468	17,363	57,394
Depreciation	30,971	35,940	36,051	35,830	138,792
Total Cost of Sales:	36,374	39,100	67,519	53,193	196,186
Gross Margin:	22,514 38.23%	19,046 32.76%	(9,373) -16.12%	3,901 6.83%	36,088 15.54%
Selling and Administrative Expenses	-	-	-	-	-
Earnings Before Interest and Taxes (EBIT):	22,514 38.23%	19,046 32.76%	(9,373) -16.12%	3,901 6.83%	36,088 15.54%
Non-operating Revenue and Expense:					
Interest and Non-Operating Revenue:	16,011	7,961	8,416	8,425	40,813
Interest Expense:	-	-	-	-	-
Total Non-operating Revenue & Expense:	16,011	7,961	8,416	8,425	40,813
Net Income:	38,525 65.42%	27,007 46.45%	(957) -1.65%	12,326 21.59%	76,901 33.11%
Earnings Before Interest and Taxes and Depreciation (EBITDA):	53,485 90.82%	54,986 94.57%	26,678 45.88%	39,731 69.59%	174,880 75.29%
<u>Debt Principal Coverage</u>					
Simple Cash Flow (Net Income Plus Depreciation)	69,496	62,947	35,094	48,156	215,693
Debt Principal	-	-	-	-	-
Debt Principal Coverage Surplus/Deficit	69,496	62,947.00	35,094	48,156	215,693
Debt Principal Coverage Percentage	100%	100%	100.00%	100.00%	100%
<u>Simple Asset Replacement Coverage</u>					
Debt Principal Coverage Surplus/Deficit (From Above)	69,496	62,947	35,094	48,156	215,693
Depreciation	30,971	35,940	36,051	35,830	138,792
Cash Accumulated For/(Taken From) Asset Replacement	38,525	27,007	(957)	12,326	76,901
<u>Working Capital</u>					
Beginning Undesignated Working Capital	1,392,994	1,462,488	1,525,436	1,560,528	1,392,994
Net Income Plus Depreciation Less Principal	69,496	62,947	35,094	48,156	215,693
CapEx, Accruals, and other Balance Sheet Changes	(2)	1	(2)	1	(2)
Ending Undesignated Working Capital	1,462,488	1,525,436	1,560,528	1,608,685	1,608,685
Working Capital Designated for CapEx	-	-	-	-	-

Gary Paxton Industrial Park Fund
Financial Analysis
As Of, And For the Period Ending March 31, 2015

Financial operations for the Gary Paxton Industrial Park exceeded plan for the 9-month period ending March 31, 2015, but as mentioned in previous reports, declined from the comparable period in FY2014, showing the effects of the downsizing of Blue Lake project construction. Also, the overall favorable variance to plan was mainly achieved by operating cost efficiencies, as overall revenue has fallen (\$59.4K) behind plan.

Top-line revenue was \$229.5K for the nine-month period, falling short of plan by (\$59.4K) and declining from FY14 comparable revenue by (\$161.4K). The decline was anticipated, as construction-related leases were terminated.

Costs of operations exceeded last year, but were lower than plan. Total costs of operations for the half year were \$500.1K versus comparable prior year costs of \$391.2, an increase of \$108.2K, or 27.6%. An increase in depreciation, however, accounts for \$30.3K of this overall increase; excluding the increase in depreciation, the increase over the comparable period was \$77.9K, or 19.9%. Compared to plan, costs of operations were \$83.7K less than projected, a positive variance of 14.3%.

Working capital decreased to \$874.2K as of March 31, 2015. Undesignated working capital stood at \$848.2 as of the same date.

City and Borough of Sitka
Gary Paxton Industrial Park
Income Statement
For The Twelve-Month Period From July 1, 2013 to June 30, 2015
(Unaudited)

	Jul-Sep 2014	Oct-Dec 2014	Jan-Mar 2015	Apr-Jun 2015	FY2015 YTD	FY2014 YTD	Variance To FY2014 YTD	FY2015 Plan (5/L - 75%)	Variance To FY2015 Plan
Revenue:									
Leases	100,434	62,623	48,210	-	211,267	368,585	(157,318)	276,134	(64,867)
Other Operating Revenue	-	18,190	-	-	18,190	22,306	(4,116)	12,690	5,500
Total Revenue:	100,434	80,813	48,210	-	229,457	390,891	(161,434)	288,824	(59,367)
Cost of Sales:									
Operations	73,634	123,761	72,032	-	269,427	191,532	(77,895)	353,102	83,675
Depreciation	76,880	76,879	76,880	-	230,639	200,337	(30,302)	230,639	-
Total Cost of Sales:	150,514	200,640	148,912	-	500,066	391,869	(108,197)	583,741	83,675
Gross Margin:	(50,080)	(119,827)	(100,702)	-	(270,609)	(978)	(269,631)	(294,916)	24,307
	-49.86%	-148.28%	-208.88%	#DIV/0!	-117.93%	-0.25%	-117.68%	-102.11%	-15.83%
Selling and Administrative Expenses	-	-	-	-	-	-	-	-	-
Earnings Before Interest (EBI):	(50,080)	(119,827)	(100,702)	-	(270,609)	(978)	(269,631)	(294,916)	24,307
	-49.86%	-148.28%	-208.88%	#DIV/0!	-117.93%	-0.25%	-117.68%	-102.11%	-15.83%
Non-operating Revenue and Expense:									
Interest and Non-Operating Revenue:	5,674	4,857	1,990	-	12,521	23,597	(11,076)	17,019	(4,498)
Grant Revenue:	51,438	256,206	4,164	-	311,808	38,729	273,079	32,546	279,263
Sale of Fixed Assets	-	-	-	-	-	-	-	-	-
Interest Transfer From SMC Contingency	4,707	4,866	4,660	-	14,233	11,843	2,390	9,557	4,676
Interest Expense:	(2,614)	(2,614)	(2,614)	-	(7,842)	(12,606)	4,764	(7,842)	-
Total Non-operating Revenue & Expense:	59,205	263,315	8,200	-	330,720	61,563	269,157	51,280	279,440
Net Income:	9,125	143,488	(92,502)	-	60,111	60,585	(474)	(243,637)	303,748
	9.09%	177.56%	-191.87%	#DIV/0!	26.20%	15.50%	10.70%	-84.35%	95.05%
Earnings Before Interest and Depreciation (EBID):	26,800	(42,948)	(23,822)	-	(39,970)	199,359	(299,933)	(64,277)	24,307
	26.68%	-53.14%	-49.41%	#DIV/0!	-17.42%	51.00%	-68.42%	-22.25%	4.84%
Debt Principal Coverage									
Simple Cash Flow (Net Income Plus Depreciation)	86,005	220,367	(15,622)	-	290,750	260,922	29,828	(12,998)	303,748
Debt Principal	12,446	12,446	12,446	-	37,338	37,338	-	37,338	-
Debt Principal Coverage Surplus/Deficit	73,559	207,921	(28,068)	-	253,412	223,584	29,828	(50,336)	303,748
Debt Principal Coverage Percentage	691.03%	1770.58%	-125.52%	#DIV/0!	778.70%	309.27%	469.43%	-34.81%	504.24%
Simple Asset Replacement Coverage									
Debt Principal Coverage Surplus/Deficit (From Above)	73,559	207,921	(28,068)	-	253,412	223,584	29,828	(50,336)	303,748
Depreciation	76,880	76,879	76,880	-	230,639	200,337	30,302	230,639	-
Cash Accumulated For/(Taken From) Asset Replacement	(3,321)	131,042	(104,948)	-	22,773	23,247	(474)	(280,975)	303,748
Working Capital									
Beginning Undesignated Working Capital	873,804	924,983	868,938	848,203	873,804	712,988	160,816	873,804	-
Net Income Plus Depreciation Less Principal	73,559	220,367	(15,622)	-	278,304	248,476	29,828	(12,998)	291,302
CapEx, Accruals, and other Balance Sheet Changes	(22,380)	(276,412)	(5,113)	-	(303,905)	(72,393)	(231,512)	-	(303,905)
Ending Undesignated Working Capital	924,983	868,938	848,203	848,203	848,203	889,071	(40,868)	860,807	(12,604)
Working Capital Designated for CapEx	25,984	25,984	25,984	25,984	25,984	(50,374)	76,358		
Current Assets	1,254,501	1,198,456	923,971	923,971					
Current Liabilities	(253,750)	(253,750)	-	-					
CPLTD	(49,784)	(49,784)	(49,784)	(49,784)					
WCDFCapex	(25,984)	(25,984)	(25,984)	(25,984)					
Undesignated Working Capital	924,983	868,938	848,203	848,203	848,203	889,071	(40,868)		
Total Working Capital	950,967	894,922	874,187	874,187	874,187	838,697	35,490		

July 1, 2014
\$16,984 - Boat Building

Working Capital designated for Capex, June 30, 2014	16,984.00
New CapEx designations of Working Capital in FY15 Budget	
Purchase of Fixed Assets:	9,000.00
Less FY15 working capital outlays for CapEx (Thru 12/31)	-
Working Capital designated for Capex, September 30, 2014	25,984.00

City and Borough of Sitka
Gary Paxton Industrial Park
Income Statement
For The Twelve-Month Trailing Period Ending March 31, 2015
(Unaudited)

	Apr-Jun 2014	Jul-Sep 2014	Oct-Dec 2014	Jan-Mar 2015	TTM
Revenue:					
Leases	132,359	100,434	62,623	48,210	343,626
Other Operating Revenue	<u>172,021</u>	<u>-</u>	<u>18,190</u>	<u>-</u>	<u>190,211</u>
Total Revenue:	304,380	100,434	80,813	48,210	533,837
Cost of Sales:					
Operations	165,925	73,634	123,761	72,032	435,352
Depreciation	<u>106,927</u>	<u>76,880</u>	<u>76,879</u>	<u>76,880</u>	<u>337,566</u>
Total Cost of Sales:	<u>272,852</u>	<u>150,514</u>	<u>200,640</u>	<u>148,912</u>	<u>772,918</u>
Gross Margin:	31,528 10.36%	(50,080) -49.86%	(119,827) -148.28%	(100,702) -208.88%	(239,081) -44.79%
Selling and Administrative Expenses	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Earnings Before Interest (EBI):	31,528 10.36%	(50,080) -49.86%	(119,827) -148.28%	(100,702) -208.88%	(239,081) -44.79%
Non-operating Revenue and Expense:					
Interest and Non-Operating Revenue:	(7,616)	5,674	4,857	1,990	4,905
Grant Revenue:	142,555	51,438	256,206	4,164	454,363
Sale of Fixed Assets	-	-	-	-	-
Interest Transfer From SMC Contingency	5,963	4,707	4,866	4,660	20,196
Interest Expense:	<u>(4,202)</u>	<u>(2,614)</u>	<u>(2,614)</u>	<u>(2,614)</u>	<u>(12,044)</u>
Total Non-operating Revenue & Expense:	<u>136,700</u>	<u>59,205</u>	<u>263,315</u>	<u>8,200</u>	<u>467,420</u>
Net Income:	<u>168,228</u> 55.27%	<u>9,125</u> 9.09%	<u>143,488</u> 177.56%	<u>(92,502)</u> -191.87%	<u>228,339</u> 42.77%
Earnings Before Interest and Depreciation (EBIDA):	138,455 45.49%	26,800 26.68%	(42,948) -53.14%	(23,822) -49.41%	98,485 18.45%
<u>Debt Principal Coverage</u>					
Simple Cash Flow (Net Income Plus Depreciation)	275,155	86,005	220,367	(15,622)	565,905
Debt Principal	<u>12,446</u>	<u>12,446</u>	<u>12,446</u>	<u>12,446</u>	<u>49,784</u>
Debt Principal Coverage Surplus/Deficit	<u>262,709</u>	<u>73,559</u>	<u>207,921</u>	<u>(28,068)</u>	<u>516,121</u>
Debt Principal Coverage Percentage	2210.79%	691.03%	1770.58%	-125.52%	1136.72%
<u>Simple Asset Replacement Coverage</u>					
Debt Principal Coverage Surplus/Deficit (From Above)	262,709	73,559	207,921	(28,068)	516,121
Depreciation	<u>106,927</u>	<u>76,880</u>	<u>76,879</u>	<u>76,880</u>	<u>337,566</u>
Cash Accumulated For/(Taken From) Asset Replacement	155,782	(3,321)	131,042	(104,948)	178,555
<u>Working Capital</u>					
Beginning Undesignated Working Capital	889,071	873,804	924,983	868,938	889,071
Net Income Plus Depreciation Less Principal	275,155	73,559	220,367	(15,622)	553,459
CapEx, Accruals, and other Balance Sheet Changes	<u>(290,422)</u>	<u>(22,380)</u>	<u>(276,412)</u>	<u>(5,113)</u>	<u>(594,327)</u>
Ending Undesignated Working Capital	873,804	924,983	868,938	848,203	848,203
Working Capital Designated for CapEx	16,984	25,984	25,984	25,984	25,984

**Management Information Systems (MIS) Fund
Financial Analysis
As Of, And For the Nine-Month Ending March 31, 2015**

The MIS Fund continues to hold its own and was operated in accordance with adjusted plan during the period.

Interdepartmental billings increased by \$54.9K, or 9.4% in comparison to FY2014. This increase was in line with plan. FY2014 billings included supplemental project-based billings; factoring these billings, overall billings have declined by \$50.3K.

Costs of operations increased, by \$92.0K, or a negative variance of (15.0%). This increase in operating costs was \$23.0K greater than planned, a negative variance of (3.8%). The reason for the negative variances are consulting costs related to management turn-over in the IT Department, costs which were not planned for in the FY14 budget. It is anticipated that these additional costs will subside and the overall MIS Fund budget execution for the full year will be in line with plan.

Undesignated Working capital in the MIS Fund increased by \$42.4K, to \$354.2K as of March 31, 2015. Total working capital declined by (\$17.1K), to \$378.4K.

City and Borough of Sitka
MIS Fund
Income Statement
For The Twelve-Month Period From July 1, 2014 to June 30, 2015
(Unaudited)

	Jul-Sep 2014	Oct-Dec 2014	Jan-Mar 2015	Apr-Jun 2015	FY2015 YTD	FY2014 YTD	Variance To FY2014 YTD	FY2015 Plan (S/L - 75%)	Variance To FY2015 Plan
Revenue:									
Data Processing Charges	192,896	248,897	196,647	-	638,440	583,512	54,928	578,690	59,751
Other Operating Revenue	-	-	-	-	-	105,236	(105,236)	37,244	(37,244)
Total Revenue:	192,896	248,897	196,647	-	638,440	688,748	(50,308)	615,933	22,507
Cost of Sales:									
Operations	211,311	232,088	188,952	-	632,351	546,705	(85,646)	609,394	(22,957)
Depreciation	24,510	24,510	24,509	-	73,529	67,164	(6,365)	73,529	-
Total Cost of Sales:	235,821	256,598	213,461	-	705,880	613,869	(92,011)	682,923	(22,957)
Gross Margin:	(42,925)	(7,701)	(16,814)	-	(67,440)	74,879	(142,319)	(66,990)	(450)
	-22.25%	-3.09%	-8.55%	#DIV/0!	-10.56%	10.87%	-21.44%	-10.88%	0.31%
Selling and Administrative Expenses									
Earnings Before Interest (EBI):	(42,925)	(7,701)	(16,814)	-	(67,440)	74,879	(142,319)	(66,990)	(450)
	-22.25%	-3.09%	-8.55%	#DIV/0!	-10.56%	10.87%	-21.44%	-10.88%	0.31%
Non-operating Revenue and Expense:									
Interest and Non-Operating Revenue:	464	3,233	2,352	-	6,049	6,577	(528)	4,829	1,220
Interest Expense:	(1,512)	(1,512)	(1,512)	-	(4,536)	(5,718)	1,182	(4,535)	(1)
Total Non-operating Revenue & Expense:	(1,048)	1,721	840	-	1,513	859	654	294	1,219
Net Income:	(43,973)	(5,980)	(15,974)	-	(65,927)	75,738	(141,665)	(66,696)	769
	-22.80%	-2.40%	-8.12%	#DIV/0!	-10.33%	11.00%	281.60%	-10.83%	0.50%
Earnings Before Interest and Depreciation (EBIDA):	(18,415)	16,809	7,695	-	6,089	142,043	(135,954)	6,539	(450)
	-9.55%	6.75%	3.91%	#DIV/0!	0.95%	20.62%	-19.67%	1.06%	-0.11%
Debt Principal Coverage									
Simple Cash Flow (Net Income Plus Depreciation)	(19,463)	18,530	8,535	-	7,602	142,902	(135,300)	6,833	769
Debt Principal	11,478	11,478	-	-	22,956	33,252	(10,296)	22,956	-
Debt Principal Coverage Surplus/Deficit	(30,941)	7,052	8,535	-	(15,354)	109,650	(125,004)	(16,123)	769
Debt Principal Coverage Percentage	0.00%	0.00%	0.00%	0.00%	100%	100%	100%	100%	0%
Simple Asset Replacement Coverage									
Debt Principal Coverage Surplus/Deficit (From Above)	(30,941)	7,052	8,535	-	(15,354)	109,650	(125,004)	(16,123)	769
Depreciation	24,510	24,510	24,509	-	73,529	67,164	(6,365)	73,529	-
Cash Accumulated For/(Taken From) Asset Replacement	(55,451)	(17,458)	(15,974)	-	(88,883)	42,486	(131,369)	(89,652)	769
Working Capital									
Beginning Undesignated Working Capital	295,306	318,537	344,131	354,174	295,306	327,096	(31,790)	295,306	-
Net Income Plus Depreciation Less Principal	(19,463)	18,530	8,535	-	7,602	142,902	(135,300)	6,833	769
CapEx, Accruals, and other Balance Sheet Changes	42,694	7,064	1,508	-	51,266	(146,689)	197,955	-	51,266
Ending Undesignated Working Capital	318,537	344,131	354,174	354,174	354,174	323,309	30,865	302,139	52,035
Working Capital Designated for CapEx	55,132	50,441	24,234	24,234	24,234	142,730	(118,496)	87,561	(63,327)
Current Assets	447,897	468,800	452,636	452,636					
Current Liabilities	(28,315)	(28,315)	(28,315)	(28,315)					
CPLTD	(45,913)	(45,913)	(45,913)	(45,913)					
WCDF Capex	(55,132)	(50,441)	(24,234)	(24,234)					
Undesignated Working Capital	318,537	344,131	354,174	354,174	354,174	323,309	30,865		
Total Working Capital	373,669	394,572	378,408	378,408	378,408	466,039	(87,631)		

City and Borough of Sitka
MIS Fund
Income Statement
For The Twelve-Month Trailing Period Ending March 31, 2015
(Unaudited)

	Apr-Jun 2014	Jul-Sep 2014	Oct-Dec 2014	Jan-Mar 2015	TTM
Revenue:					
Data Processing Charges	194,504	192,896	248,897	196,647	832,944
Other Operating Revenue	<u>1,902</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,902</u>
Total Revenue:	196,406	192,896	248,897	196,647	834,846
Cost of Sales:					
Operations	171,740	211,311	232,088	188,952	804,091
Depreciation	<u>30,875</u>	<u>24,510</u>	<u>24,510</u>	<u>24,509</u>	<u>104,404</u>
Total Cost of Sales:	<u>202,615</u>	<u>235,821</u>	<u>256,598</u>	<u>213,461</u>	<u>908,495</u>
Gross Margin:	(6,209) -3.16%	(42,925) -22.25%	(7,701) -3.09%	(16,814) -8.55%	(73,649) -8.82%
Selling and Administrative Expenses	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Earnings Before Interest (EBI):	(6,209) -3.16%	(42,925) -22.25%	(7,701) -3.09%	(16,814) -8.55%	(73,649) -8.82%
Non-operating Revenue and Expense:					
Interest and Non-Operating Revenue:	1,123	464	3,233	2,352	7,172
Interest Expense:	<u>(4,695)</u>	<u>(1,512)</u>	<u>(1,512)</u>	<u>(1,512)</u>	<u>(9,231)</u>
Total Non-operating Revenue & Expense:	<u>(3,572)</u>	<u>(1,048)</u>	<u>1,721</u>	<u>840</u>	<u>(2,059)</u>
Net Income:	<u>(9,781)</u> -4.98%	<u>(43,973)</u> -22.80%	<u>(5,980)</u> -2.40%	<u>(15,974)</u> -8.12%	<u>(75,708)</u> -9.07%
Earnings Before Interest and Depreciation (EBIDA):	24,666 12.56%	(18,415) -9.55%	16,809 6.75%	7,695 3.91%	30,755 3.68%
<u>Debt Principal Coverage</u>					
Simple Cash Flow (Net Income Plus Depreciation)	21,094	(19,463)	18,530	8,535	28,696
Debt Principal	<u>11,084</u>	<u>11,478</u>	<u>11,478</u>	<u>-</u>	<u>34,040</u>
Debt Principal Coverage Surplus/Deficit	<u>10,010</u>	<u>(30,941)</u>	<u>7,052</u>	<u>8,535</u>	<u>(5,344)</u>
Debt Principal Coverage Percentage	0.00%	0.00%	0.00%	0.00%	100.00%
<u>Simple Asset Replacement Coverage</u>					
Debt Principal Coverage Surplus/Deficit (From Above)	10,010	(30,941)	7,052	8,535	(5,344)
Depreciation	<u>30,875</u>	<u>24,510</u>	<u>24,510</u>	<u>24,509</u>	<u>104,404</u>
Cash Accumulated For/(Taken From) Asset Replacement	<u>(20,865)</u>	<u>(55,451)</u>	<u>(17,458)</u>	<u>(15,974)</u>	<u>(109,748)</u>
<u>Working Capital</u>					
Beginning Undesignated Working Capital	323,309	295,306	318,537	344,131	323,309
Net Income Plus Depreciation Less Principal	21,094	(19,463)	18,530	8,535	28,696
CapEx, Accruals, and other Balance Sheet Changes	<u>(49,097)</u>	<u>42,694</u>	<u>7,064</u>	<u>1,508</u>	<u>2,169</u>
Ending Undesignated Working Capital	295,306	318,537	344,131	354,174	354,174
Working Capital Designated for CapEx	100,176	55,132	50,441	24,234	24,234

**Central Garage Fund
Financial Analysis
As Of, And For The Quarter Ending March 31, 2015**

The Central Garage Fund continues to build back its vehicle sinking fund. At September 30, 2012, the Central Garage Fund's vehicle replacement sinking fund was calculated to be underfunded by approximately \$3,401.4 (\$3.4 million). Since 2012, the underfunding has been improved by \$1,268.9K and now stands at approximately \$1,811.9K. The Central Garage increased the vehicle replacement sinking fund by approximately \$471.4K over the last nine months. It is important to note that contributions to the vehicle replacement sinking fund are a flow-through after expenses and are dependent on expenses running in line with plan.

Operating costs continued to be tightly controlled. Costs of operations for the Central Garage declined by \$36.9K, or 4.5%, from FY2014 and were also \$119.5K less than plan.

Undesignated working capital rose to \$2,546.4K, despite the designation of \$469.2K in the FY15 budget for vehicle replacements. Total working capital was \$2,727.1 as of March 31, 2015.

City and Borough of Sitka
Central Garage Fund
Income Statement
For The Twelve-Month Period From July 1, 2014 to June 30, 2015
(Unaudited)

	Jul-Sep 2014	Oct-Dec 2014	Jan-Mar 2015	Apr-Jun 2015	FY2015 YTD	FY2014 YTD	Variance To FY2014 YTD	FY2015 Plan (S/L - 75%)	Variance To FY2015 Plan
Revenue:									
Vehicle Billings	398,178	400,926	411,540	-	1,210,644	1,099,026	111,618	1,390,505	(179,861)
Other Operating Revenue	33,504	651	-	-	34,155	39,527	(5,372)	25,125	9,030
Total Revenue:	431,682	401,577	411,540	-	1,244,799	1,138,553	106,246	1,415,630	(170,831)
Cost of Sales:									
Operations	73,203	100,589	99,271	-	273,063	306,875	33,812	389,990	116,927
Depreciation	97,976	97,976	55,980	-	251,932	280,231	28,299	251,932	-
Total Cost of Sales:	171,179	198,565	155,251	-	524,995	587,106	62,111	641,922	116,927
Gross Margin:	260,503 60.35%	203,012 50.55%	256,289 62.28%	#DIV/0!	719,804 57.82%	551,447 48.43%	168,357 9.39%	773,709 54.65%	(53,905) 3.17%
Selling and Administrative Expenses	38,510	137,211	75,682	-	251,403	226,221	(25,182)	254,002	2,599
Earnings Before Interest (EBI):	221,993 51.43%	65,801 16.39%	180,607 43.89%	#DIV/0!	468,401 37.63%	325,226 28.56%	143,175 9.06%	519,707 36.71%	(51,306) 0.92%
Non-operating Revenue and Expense:									
Interest and Non-Operating Revenue:	12,759	13,317	13,928	-	40,004	43,855	(3,851)	36,879	3,125
Interest Expense:	(5,000)	(5,000)	(5,000)	-	(15,000)	(15,000)	-	-	(15,000)
Total Non-operating Revenue & Expense:	7,759	8,317	8,928	-	25,004	28,855	(3,851)	36,879	(11,875)
Net Income:	229,752 53.22%	74,118 18.46%	189,535 46.06%	#DIV/0!	493,405 39.64%	354,081 31.10%	139,324 131.13%	556,586 39.32%	(63,181) 0.32%
Earnings Before Interest and Depreciation (EBIDA):	319,969 74.12%	163,777 40.78%	236,587 57.49%	#DIV/0!	720,333 57.87%	605,457 53.18%	114,876 4.69%	771,639 54.51%	(51,306) 3.36%
Debt Principal Coverage									
Simple Cash Flow (Net Income Plus Depreciation)	327,728	172,094	245,515	-	745,337	634,312	111,025	808,518	(63,181)
Debt Principal	12,500	12,500	12,500	-	37,500	37,500	-	37,500	-
Debt Principal Coverage Surplus/Deficit	315,228	159,594	233,015	-	707,837	596,812	111,025	771,018	(63,181)
Debt Principal Coverage Percentage	0.00%	0.00%	0.00%	0.00%	100%	100%	100%	100%	0%
Simple Asset Replacement Coverage									
Debt Principal Coverage Surplus/Deficit (From Above)	315,228	159,594	233,015	-	707,837	596,812	111,025	771,018	(63,181)
Depreciation	97,976	97,976	55,980	-	251,932	280,231	(28,299)	251,932	-
Cash Accumulated For/(Taken From) Asset Replacement	217,252	61,618	177,035	-	455,905	316,581	139,324	519,086	(63,181)
Working Capital									
Beginning Undesignated Working Capital	1,991,553	2,118,746	2,295,838	2,546,354	1,991,553	1,485,108	506,445	1,991,553	-
Net Income Plus Depreciation Less Principal	327,728	172,094	245,515	-	745,337	634,312	111,025	808,518	(63,181)
CapEx, Accruals, and other Balance Sheet Changes	(200,535)	4,998	5,001	-	(190,536)	(264,082)	73,546	(496,200)	305,664
Ending Undesignated Working Capital	2,118,746	2,295,838	2,546,354	2,546,354	2,546,354	1,855,338	691,016	2,303,871	242,483
Working Capital Designated for CapEx	432,919	181,289	180,737	180,737	180,737	263,663	(82,926)	87,561	93,176
Current Assets	2,605,590	2,529,627	2,777,683	2,777,683					
Current Liabilities	(3,925)	(2,500)	(592)	(592)					
CPLTD	(50,000)	(50,000)	(50,000)	(50,000)					
WCDFCapex	(432,919)	(181,289)	(180,737)	(180,737)					
Undesignated Working Capital	2,118,746	2,295,838	2,546,354	2,546,354	2,546,354	1,855,338	691,016		
Total Working Capital	2,551,665	2,477,127	2,727,091	2,727,091	2,727,091	2,119,001	608,090		

City and Borough of Sitka
Central Garage Fund
Income Statement
For The Twelve-Month Trailing Period Ending March 31, 2015
(Unaudited)

	Apr-Jun 2014	Jul-Sep 2014	Oct-Dec 2014	Jan-Mar 2015	TTM
Revenue:					
Vehicle Billings	369,068	398,178	400,926	411,540	1,579,712
Other Operating Revenue	<u>3,309</u>	<u>33,504</u>	<u>651</u>	<u>-</u>	<u>37,464</u>
Total Revenue:	372,377	431,682	401,577	411,540	1,617,176
Cost of Sales:					
Operations	135,307	73,203	100,589	99,271	408,370
Depreciation	<u>111,672</u>	<u>97,976</u>	<u>97,976</u>	<u>55,980</u>	<u>363,604</u>
Total Cost of Sales:	<u>246,979</u>	<u>171,179</u>	<u>198,565</u>	<u>155,251</u>	<u>771,974</u>
Gross Margin:	125,398 33.68%	260,503 60.35%	203,012 50.55%	256,289 62.28%	845,202 52.26%
Selling and Administrative Expenses	<u>92,154</u>	<u>38,510</u>	<u>137,211</u>	<u>75,682</u>	<u>343,557</u>
Earnings Before Interest (EBI):	33,244 8.93%	221,993 51.43%	65,801 16.39%	180,607 43.89%	501,645 31.02%
Non-operating Revenue and Expense:					
Interest and Non-Operating Revenue:	35,340	12,759	13,317	13,928	75,344
Interest Expense:	<u>(5,000)</u>	<u>(5,000)</u>	<u>(5,000)</u>	<u>(5,000)</u>	<u>(20,000)</u>
Total Non-operating Revenue & Expense:	<u>30,340</u>	<u>7,759</u>	<u>8,317</u>	<u>8,928</u>	<u>55,344</u>
Net Income:	<u>63,584</u> 17.08%	<u>229,752</u> 53.22%	<u>74,118</u> 18.46%	<u>189,535</u> 46.06%	<u>556,989</u> 34.44%
Earnings Before Interest and Depreciation (EBIDA):	144,916 38.92%	319,969 74.12%	163,777 40.78%	236,587 57.49%	865,249 53.50%
<u>Debt Principal Coverage</u>					
Simple Cash Flow (Net Income Plus Depreciation)	175,256	327,728	172,094	245,515	920,593
Debt Principal	<u>12,500</u>	<u>12,500</u>	<u>12,500</u>	<u>12,500</u>	<u>50,000</u>
Debt Principal Coverage Surplus/Deficit	<u>162,756</u>	<u>315,228</u>	<u>159,594</u>	<u>233,015</u>	<u>870,593</u>
Debt Principal Coverage Percentage	1402.05%	0.00%	0.00%	0.00%	1841.19%
<u>Simple Asset Replacement Coverage</u>					
Debt Principal Coverage Surplus/Deficit (From Above)	162,756	315,228	159,594	233,015	870,593
Depreciation	<u>93,411</u>	<u>97,976</u>	<u>97,976</u>	<u>55,980</u>	<u>345,343</u>
Cash Accumulated For/(Taken From) Asset Replacement	<u>69,345</u>	<u>217,252</u>	<u>61,618</u>	<u>177,035</u>	<u>525,250</u>
<u>Working Capital</u>					
Beginning Undesignated Working Capital	1,855,338	1,991,553	2,118,746	2,295,838	1,855,338
Net Income Plus Depreciation Less Principal	175,256	327,728	172,094	245,515	920,593
CapEx, Accruals, and other Balance Sheet Changes	<u>(39,041)</u>	<u>(200,535)</u>	<u>4,998</u>	<u>5,001</u>	<u>(229,577)</u>
Ending Undesignated Working Capital	<u>1,991,553</u>	<u>2,118,746</u>	<u>2,295,838</u>	<u>2,546,354</u>	<u>2,546,354</u>
Working Capital Designated for CapEx	263,663	432,919	181,289	180,737	180,737

**Building Maintenance Fund
Financial Analysis
As Of, And For the Quarter Ending March 31, 2015**

The Building Maintenance Fund has continued to stabilize financially, with the decline in working capital slowing substantially. Since July 1, 2014, working capital declined by \$107.4K, to \$2,019K. While internal billings had a negative variance to plan of (\$198.0K), costs of operations were substantially reduced from FY2014, a positive variance of \$40.0K, and well under plan for FY15, a positive variance of \$385.1K.

Going forward, it is management's intention to continue to adjust the internal billing rate so that the Building Maintenance Fund maintains working capital at or above \$2 million dollars.

City and Borough of Sitka
Building Maintenance Fund
Income Statement
For The Twelve-Month Period From July 1, 2014 to June 30, 2015
(Unaudited)

	Jul-Sep 2014	Oct-Dec 2014	Jan-Mar 2015	Apr-Jun 2015	FY2015 YTD	FY2014 YTD	Variance To FY2014 YTD	FY2015 Plan (S/L - 75%)	Variance To FY2015 Plan
Revenue:									
Building Maintenance Charges	86,259	103,537	89,903	-	279,699	223,015	56,684	477,692	(197,993)
Other Operating Revenue	-	-	-	-	-	-	-	27,941	(27,941)
Total Revenue:	86,259	103,537	89,903	-	279,699	223,015	56,684	505,632	(225,933)
Cost of Sales:									
Operations	120,642	152,755	112,529	-	385,926	440,753	54,827	764,063	378,137
Depreciation	624	625	624	-	1,873	1,873	-	1,873	-
Total Cost of Sales:	121,266	153,380	113,153	-	387,799	442,626	54,827	765,936	378,137
Gross Margin:	(35,007)	(49,843)	(23,250)	-	(108,100)	(219,611)	111,511	(260,304)	152,204
	-40.58%	-48.14%	-25.86%	#DIV/0!	-38.65%	-98.47%	59.82%	-51.48%	12.83%
Selling and Administrative Expenses	1,324	65,889	28,630	-	95,843	81,034	(14,809)	88,877	6,966
Earnings Before Interest (EBI):	(36,331)	(115,732)	(51,880)	-	(203,943)	(300,645)	96,702	(349,181)	145,238
	-42.12%	-111.78%	-57.71%	#DIV/0!	-72.92%	-134.81%	61.89%	-69.06%	-3.86%
Non-operating Revenue and Expense:									
Interest and Non-Operating Revenue:	31,360	32,511	31,366	-	95,237	92,648	2,589	50,693	44,545
Interest Expense:	-	-	-	-	-	-	-	-	-
Total Non-operating Revenue & Expense:	31,360	32,511	31,366	-	95,237	92,648	2,589	50,693	44,545
Net Income:	(4,971)	(83,221)	(20,514)	-	(108,706)	(207,997)	99,291	(298,488)	189,782
	-5.76%	-80.38%	-22.82%	#DIV/0!	-38.87%	-93.27%	175.17%	-59.03%	20.17%
Earnings Before Interest and Depreciation (EBID):	(35,707)	(115,107)	(51,256)	-	(202,070)	(298,772)	96,702	(347,308)	145,238
	-41.40%	-111.17%	-57.01%	#DIV/0!	-72.25%	-133.97%	61.72%	-68.69%	-3.56%
Debt Principal Coverage									
Simple Cash Flow (Net Income Plus Depreciation)	(4,347)	(82,596)	(19,890)	-	(106,833)	(204,709)	97,876	(296,615)	189,782
Debt Principal	-	-	-	-	-	-	-	-	-
Debt Principal Coverage Surplus/Deficit	(4,347)	(82,596)	(19,890)	-	(106,833)	(204,709)	97,876	(296,615)	189,782
Debt Principal Coverage Percentage	0.00%	0.00%	0.00%	0.00%	100%	100%	100%	100%	0%
Simple Asset Replacement Coverage									
Debt Principal Coverage Surplus/Deficit (From Above)	(4,347)	(82,596)	(19,890)	-	(106,833)	(204,709)	97,876	(296,615)	189,782
Depreciation	624	625	624	-	1,873	1,873	-	1,873	-
Cash Accumulated For/(Taken From) Asset Replacement	(4,971)	(83,221)	(20,514)	-	(108,706)	(206,582)	97,876	(298,488)	189,782
Working Capital									
Beginning Undesignated Working Capital	2,126,331	2,121,983	2,038,828	2,018,932	2,126,331	2,433,084	(306,753)	2,126,331	-
Net Income Plus Depreciation Less Principal	(4,347)	(82,596)	(19,890)	-	(106,833)	(204,709)	97,876	(296,615)	189,782
CapEx, Accruals, and other Balance Sheet Changes	(1)	(559)	(6)	-	(566)	1	(567)	-	(566)
Ending Undesignated Working Capital	2,121,983	2,038,828	2,018,932	2,018,932	2,018,932	2,228,376	(209,444)	1,829,716	189,216
Working Capital Designated for CapEx	-	-	-	-	-	-	-	-	-
Current Assets	2,145,530	2,062,375	2,042,479	2,042,479					
Current Liabilities	(23,547)	(23,547)	(23,547)	(23,547)					
CPLTD	-	-	-	-					
WCDFCapex	-	-	-	-					
Working Capital	2,121,983	2,038,828	2,018,932	2,018,932	2,018,932	2,228,376	(209,444)		

City and Borough of Sitka
Building Maintenance Fund
Income Statement
For The Twelve-Month Trailing Period Ending March 31, 2015
(Unaudited)

	Apr-Jun 2014	Jul-Sep 2014	Oct-Dec 2014	Jan-Mar 2015	TTM
Revenue:					
Building Maintenance Charges	135,200	86,259	103,537	89,903	414,899
Other Operating Revenue	<u>2,753</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,753</u>
Total Revenue:	137,953	86,259	103,537	89,903	417,652
Cost of Sales:					
Operations	231,352	120,642	152,755	112,529	617,278
Depreciation	<u>624</u>	<u>624</u>	<u>625</u>	<u>624</u>	<u>2,497</u>
Total Cost of Sales:	<u>231,976</u>	<u>121,266</u>	<u>153,380</u>	<u>113,153</u>	<u>619,775</u>
Gross Margin:	(94,023) -68.16%	(35,007) -40.58%	(49,843) -48.14%	(23,250) -25.86%	(202,123) -48.40%
Selling and Administrative Expenses	<u>33,961</u>	<u>1,324</u>	<u>65,889</u>	<u>28,630</u>	<u>129,804</u>
Earnings Before Interest (EBI):	(127,984) -92.77%	(36,331) -42.12%	(115,732) -111.78%	(51,880) -57.71%	(331,927) -79.47%
Non-operating Revenue and Expense:					
Interest and Non-Operating Revenue:	25,315	31,360	32,511	31,366	120,552
Interest Expense:	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Non-operating Revenue & Expense:	<u>25,315</u>	<u>31,360</u>	<u>32,511</u>	<u>31,366</u>	<u>120,552</u>
Net Income:	<u>(102,669)</u> -74.42%	<u>(4,971)</u> -5.76%	<u>(83,221)</u> -80.38%	<u>(20,514)</u> -22.82%	<u>(211,375)</u> -50.61%
Earnings Before Interest and Depreciation (EBID):	(127,360) -92.32%	(35,707) -41.40%	(115,107) -111.17%	(51,256) -57.01%	(329,430) -78.88%
<u>Debt Principal Coverage</u>					
Simple Cash Flow (Net Income Plus Depreciation)	(102,045)	(4,347)	(82,596)	(19,890)	(208,878)
Debt Principal	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Debt Principal Coverage Surplus/Deficit	<u>(102,045)</u>	<u>(4,347)</u>	<u>(82,596)</u>	<u>(19,890)</u>	<u>(208,878)</u>
Debt Principal Coverage Percentage	100%	0.00%	0.00%	0.00%	100%
<u>Simple Asset Replacement Coverage</u>					
Debt Principal Coverage Surplus/Deficit (From Above)	(102,045)	(4,347)	(82,596)	(19,890)	(208,878)
Depreciation	<u>624</u>	<u>624</u>	<u>625</u>	<u>624</u>	<u>2,497</u>
Cash Accumulated For/(Taken From) Asset Replacement	<u>(102,669)</u>	<u>(4,971)</u>	<u>(83,221)</u>	<u>(20,514)</u>	<u>(211,375)</u>
<u>Working Capital</u>					
Beginning Undesignated Working Capital	2,228,376	2,126,331	2,121,983	2,038,828	2,228,376
Net Income Plus Depreciation Less Principal	(102,045)	(4,347)	(82,596)	(19,890)	(208,878)
CapEx, Accruals, and other Balance Sheet Changes	<u>-</u>	<u>(1)</u>	<u>(559)</u>	<u>(6)</u>	<u>(566)</u>
Ending Undesignated Working Capital	<u>2,126,331</u>	<u>2,121,983</u>	<u>2,038,828</u>	<u>2,018,932</u>	<u>2,018,932</u>
Working Capital Designated for CapEx	-	-	-	-	-

Memo

To: City and Borough of Sitka Assembly

From: Jay Sweeney, Chief Financial and Administrative Officer

Date: June 3, 2015

Re: Historical Ramifications of Not Enacting Annual Utility Fee Increases

Mayor McConnell and Assembly Members,

I prepared the attached analysis of our Wastewater Treatment Fund to help illustrate the ramifications of delaying necessary utility fee increases. The overall message the analysis presents us is that we are in a challenging financial position not easily rectified without discipline and sacrifice.

The attached analysis is for the last 20 years. It attempts to match the accumulation of cash necessary to replace aging infrastructure. The basic premise is that working capital should roughly equal accumulated depreciation or, in other words, cash is set aside over time to be available to replace infrastructure when it wears out. Thus, working capital should roughly match accumulated depreciation.

The analysis shows that working capital has stayed flat while infrastructure has grown in value by \$20 million dollars. Accordingly, the percentage of accumulated depreciation that working capital represents has declined from 20% to 13%, despite a 60% increase in user fees over the last 5 years. The 13% is a bit misleading as well, as the "deficit" in the amount of working capital needed tripled over the last two decades, to \$31 million.

At the same time that working capital has stayed static, debt has grown significantly, from \$0 in 2002 to \$6 million in 2015. These are DEC low-interest loans. Likewise, the amount of each user's monthly wastewater fee used to pay for debt service has grown from \$0 in 2002 to \$7.58 in 2015. Thus, in 2015, 15 cents out of every dollar of sewer fees goes to loan payments.

I am concerned that we have painted ourselves into a difficult corner. Infrastructure will continue to need to be replaced and, with minimal working capital on hand to pay for the replacements, we will be compelled to continue to borrow, thus continuing to put upward pressure on rates.

For this reason, I again strongly recommend that the Assembly espouse a fiscal policy of annual utility rate increases. If just a single year of rate increases is skipped, the fiscal challenges increase. Discipline and sacrifice will be required to work through this situation.

Lastly, I don't think anyone can be "blamed" for where the fiscal situation is; I think there was a collective short range focus which did not recognize the growing fiscal challenge that was looming. The health or sufficiency of a fund can't be measured statically; instead, it needs to be measured at any

one point in time against future capital requirements. In this light, the health of the wastewater fund was not good in 2006 and grew progressively worse over the next two decades. What we need to do is learn from the past and recognize the need to ensure that current rates are sufficient to meet future capital requirements as we project them forward.

**City and Borough of Sitka
Wastewater Fund
Analysis of Working Capital, Physical Plant, Debt, and Sinking Fund Deficit
1996 to 2015**

	<u>Current Assets</u>	<u>Current Liabilities</u>	<u>Working Capital</u>	<u>Total Debt</u>	<u>Historical Infrastructure Value</u>	<u>Accumulated Depreciation</u>	<u>Sinking Fund Deficit</u>	<u>Monthly Rate</u>	<u>Debt Payments</u>	<u>Total Debt Per Account</u>	<u>Monthly Debt Payments Per Account</u>
1996	\$ 2,773,471.00	\$ 48,040.00	\$ 2,725,431.00	\$ -	\$ 34,407,061.00	\$ 12,932,984.00	\$ (10,207,553.00)	\$ 24.00			
1997	\$ 2,517,946.00	\$ 78,982.00	\$ 2,438,964.00	\$ -	\$ 36,342,108.00	\$ 13,979,232.00	\$ (11,540,268.00)	\$ 24.00			
1998	\$ 3,471,381.00	\$ 47,454.00	\$ 3,423,927.00	\$ -	\$ 35,292,122.00	\$ 15,052,779.00	\$ (11,628,852.00)	\$ 24.00			
1999	\$ 4,167,390.00	\$ 45,709.00	\$ 4,121,681.00	\$ -	\$ 35,380,929.00	\$ 16,134,624.00	\$ (12,012,943.00)	\$ 24.00			
2000	\$ 5,120,900.00	\$ 74,878.00	\$ 5,046,022.00	\$ -	\$ 35,621,104.00	\$ 17,224,104.00	\$ (12,178,082.00)	\$ 24.00			
2001	\$ 5,752,924.00	\$ 165,212.00	\$ 5,587,712.00	\$ -	\$ 35,907,433.00	\$ 18,317,524.00	\$ (12,729,812.00)	\$ 24.00			
2002	\$ 6,414,934.00	\$ 172,424.00	\$ 6,242,510.00	\$ -	\$ 36,398,483.00	\$ 19,410,783.00	\$ (13,168,273.00)	\$ 24.00			
2003	\$ 6,776,577.00	\$ 322,138.00	\$ 6,454,439.00	\$ 250,000.00	\$ 37,448,599.00	\$ 20,510,022.00	\$ (14,055,583.00)	\$ 24.00			
2004	\$ 6,258,905.00	\$ 64,080.00	\$ 6,194,825.00	\$ 1,140,181.00	\$ 40,511,190.00	\$ 21,617,805.00	\$ (15,422,980.00)	\$ 24.00			
2005	\$ 6,010,660.00	\$ 83,022.00	\$ 5,927,638.00	\$ 1,258,512.00	\$ 40,938,856.00	\$ 22,726,125.00	\$ (16,798,487.00)	\$ 24.00			
2006	\$ 5,553,966.00	\$ 226,865.00	\$ 5,327,101.00	\$ 2,285,166.00	\$ 40,035,252.00	\$ 23,890,289.00	\$ (18,563,188.00)	\$ 30.00			
2007	\$ 6,359,747.00	\$ 1,540,842.00	\$ 4,818,905.00	\$ 2,977,303.00	\$ 41,620,363.00	\$ 25,121,083.00	\$ (20,302,178.00)	\$ 30.00	\$ 104,638	\$ 662	\$ 2.48
2008	\$ 4,967,319.00	\$ 304,355.00	\$ 4,662,964.00	\$ 3,180,967.00	\$ 44,406,015.00	\$ 26,432,049.00	\$ (21,769,085.00)	\$ 30.00	\$ 92,954	\$ 707	\$ 2.20
2009	\$ 4,438,572.00	\$ 364,838.00	\$ 4,073,734.00	\$ 3,057,178.00	\$ 45,288,170.00	\$ 27,832,707.00	\$ (23,758,973.00)	\$ 30.00	\$ 142,312	\$ 679	\$ 3.37
2010	\$ 4,463,849.00	\$ 383,154.00	\$ 4,080,695.00	\$ 3,359,409.00	\$ 47,382,967.00	\$ 29,282,120.00	\$ (25,201,425.00)	\$ 34.00	\$ 142,312	\$ 747	\$ 3.37
2011	\$ 4,444,430.00	\$ 241,733.00	\$ 4,202,697.00	\$ 3,539,569.00	\$ 48,720,311.00	\$ 30,757,557.00	\$ (26,554,860.00)	\$ 38.53	\$ 142,312	\$ 787	\$ 3.37
2012	\$ 4,721,567.00	\$ 589,922.00	\$ 4,131,645.00	\$ 4,518,988.00	\$ 50,625,606.00	\$ 32,118,971.00	\$ (27,987,326.00)	\$ 38.53	\$ 142,312	\$ 1,004	\$ 3.37
2013	\$ 4,747,357.00	\$ 316,552.00	\$ 4,430,805.00	\$ 4,952,822.00	\$ 51,546,546.00	\$ 33,577,313.00	\$ (29,146,508.00)	\$ 42.19	\$ 293,319	\$ 1,101	\$ 6.95
2014	\$ 5,198,626.00	\$ 435,252.00	\$ 4,763,374.00	\$ 5,134,796.00	\$ 52,570,832.00	\$ 35,057,484.00	\$ (30,294,110.00)	\$ 46.20	\$ 324,249	\$ 1,141	\$ 7.69
2015	\$ 5,094,153.00	\$ 408,276.00	\$ 4,685,877.00	\$ 5,981,362.00	\$ 54,094,178.00	\$ 36,537,655.00	\$ (31,851,778.00)	\$ 50.59	\$ 319,614	\$ 1,329	\$ 7.58

**Basic Assumption - Required working capital on hand should equal accumulated depreciation. This is a reasonable assumption for a water utility.
This will ensure that adequate working capital is available to pay for replacement of existing infrastructure**

Observations and Conclusions From Historical Data:

1. The value of the wastewater system infrastructure increased by roughly 60% in 20 years, increasing by \$20 million dollars. Debt was used to pay for roughly one third of the infrastructure.
2. Many additions to infrastructure were replacements of old mains.
3. The Water Fund had just 20% of the necessary working capital to replace aging infrastructure in 1996 based solely on historical cost (meaning now allowance for increased costs of replacement over time)
As infrastructure was replaced at current costs, the percentage of working capital necessary to replace infrastructure declined to 13%, despite significant rate increases from 2010 - 2015.
4. Working capital on hand in 1992 was not sufficient to finance the large increase in infrastructure over the next 20 years, despite significant grants.
This resulted in a significant amount of debt being assumed to pay for the infrastructure.
5. If new infrastructure is going to be constructed, working capital must be set aside to pay for its eventual replacement. Otherwise, the Municipality will be forced to borrow to pay for the new infrastructure and rates will rise dramatically, as we have seen.
6. **MOST IMPORTANTLY**, the financial health, or viability of a fund can only be judged by looking ahead at future capital needs. The Water Fund clearly demonstrates this.
\$2.7 million in working capital in 1992 may seem to be sufficient when judged in isolation, but when compared to future capital requirements, it was clearly insufficient.



Legislation Details

File #: 15-088 Version: 1 Name:

Type: Item Status: AGENDA READY

File created: 6/2/2015 In control: City and Borough Assembly

On agenda: 6/9/2015 Final action:

Title: Approve the minutes of the May 27 and May 28 Assembly meetings

Sponsors:

Indexes:

Code sections:

Attachments: [Consent motion](#)
[Minutes](#)

Date	Ver.	Action By	Action	Result
------	------	-----------	--------	--------

CONSENT AGENDA

POSSIBLE MOTION

I MOVE TO APPROVE THE CONSENT AGENDA
CONSISTING OF ITEMS, A, B, C, D, E & F

I wish to remove Item(s) _____

Note: Item F needs to be pulled from the Consent Agenda.

**REMINDER – Read aloud a portion of each item being
voted on that is included in the consent vote.**

Should this item be pulled from the Consent Agenda the following motion is suggested:

POSSIBLE MOTION

I MOVE TO approve the minutes of the
May 27 and May 28 Assembly meetings.



CITY AND BOROUGH OF SITKA

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

Minutes - Draft

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*

Wednesday, May 27, 2015

6:00 PM

Assembly Chambers

WORK SESSION 5:00 PM

15-083 Taxation Overview by Assessor, Wendy Lawrence

Assessor, Wendy Lawrence, provided an overview of taxation issues.

REGULAR MEETING

I. CALL TO ORDER

II. FLAG SALUTE

III. ROLL CALL

Present: 7 - McConnell, Hunter, Swanson, Miyasato, Eisenbeisz, Guevin, and Putz

IV. CORRESPONDENCE/AGENDA CHANGES

15-085 Reminders, Calendars and Correspondence

V. CEREMONIAL MATTERS

None.

VI. SPECIAL REPORTS: Government to Government, Municipal Boards/Commissions/Committees, Sitka Community Hospital, Municipal Departments, School District, Students and Guests (time limits apply)

Tim Fulton, Sitka School Board Clerk, thanked the Assembly for their support and reported on recent events in the District.

VII. PERSONS TO BE HEARD

Linda Behnken, Director of Alaska Longline Fisherman's Association, reported the North Pacific Fishery Management Council would be in Sitka the week of June 1 to address the issue of Bering Sea halibut bycatch.

Robb Farmer, Director of Kettleson Memorial Library, informed the Assembly and public of upcoming events at the Library.

Cindy Litman, member of the Library Commission, read from the "Kettleson Memorial Library Information Sheet" which was prepared by the Library Commission. She spoke in opposition to reducing the hours of operation at the Library.

Linda Marlin stated the money from the sale of Blue Lake water should go to the people of Sitka.

VIII. REPORTS

a. Mayor, b. Administrator, c. Attorney, d. Liaison Representatives, e. Clerk, f. Other

Mayor - Attended an AML Board meeting in Anchorage which included participating in the Sustainable Alaska Committee formed of AML members providing recommendations to help make the State budget sustainable. McConnell also attended the final Sitka Branding Committee meeting and announced a public unveiling would be held at Harrigan Hall on May 28.

Administrator - Announced recent news of the reduction of community jail funding from the State, reported on Blue Lake Road access and Harbor Mountain Road repair, and announced travel to Washington DC in June to speak to the Delegation about exporting water.

Liaison Representatives - Putz reported on activities of the Tree and Landscape Committee and Investment Committee, Guevin attended Health Needs and Human Services Commission and added that the Commission goals would come before the Assembly for approval in the future, Miyasato attended the Parks and Recreation Committee meeting.

IX. CONSENT AGENDA

A 15-079 Approve the minutes of the May 12, 2015 Assembly meeting

This item was APPROVED on the Consent Agenda. The motion PASSED by a unanimous voice vote.

B 15-077 Approve a request filed by Dove Island Lodge for an expansion of licensed premises under liquor license #5126

Eisenbeisz and Putz expressed concern over safety issues of serving alcohol at the dock. Dove Island Lodge owner, Harold Duane Lambeth, offered it was a service provided to clients and will be closely monitored by staff of Dove Island Lodge.

A motion was made by Hunter to APPROVE this item. The motion PASSED by the following vote.

Yes: 6 - McConnell, Hunter, Swanson, Miyasato, Guevin, and Putz

No: 1 - Eisenbeisz

- C** RES 15-12 Setting the millage rates for the Fiscal Year July 1, 2015 through June 30, 2016

Putz reminded the public how low Sitka's millage rate was and that of the 6 mills, 4 of those went to the schools leaving 2 mills for general purposes.

A motion was made by Putz to APPROVE this Resolution on first and final reading. The motion PASSED by the following vote.

Yes: 7 - McConnell, Hunter, Swanson, Miyasato, Eisenbeisz, Guevin, and Putz

- D** 15-076 ~~Award the Tree and Brush Clearing service contract to Marshall Albertson dba Absolute Tree Care not to exceed an amount of \$175,000 for the FY2016 budget~~ - PULLED

This item was PULLED from the agenda prior to the start of the meeting. No action was taken.

- E** 15-080 Award a contract to MCG Constructors, Inc. in the amount of \$1,145,204.00 for completion of the Baranof Street and Monastery Street Utility and Street Improvements project

Putz wondered if the level of work was necessary and if there might be a way to scale back to save money. Gorman offered this was a great deal for the citizens of Sitka as the funds were coming from the State. Gorman read the funding project revenue sources and noted the loan was at 1.5% interest. Hunter thanked staff for their work.

A motion was made by Hunter to APPROVE this item. The motion PASSED by the following vote.

Yes: 7 - McConnell, Hunter, Swanson, Miyasato, Eisenbeisz, Guevin, and Putz

X. BOARD, COMMISSION, COMMITTEE APPOINTMENTS

- F** 15-078 Reappoint Roberta Littlefield and Ana Dittmar to three-year terms on the Historic Preservation Commission

Putz thanked both individuals for their willingness to serve.

A motion was made by Swanson that this Item be APPROVED. The motion PASSED by the following vote.

Yes: 7 - McConnell, Hunter, Swanson, Miyasato, Eisenbeisz, Guevin, and Putz

XI. UNFINISHED BUSINESS:

- G** ORD 15-24A Amending SGC Section 4.09.100 N entitled Over One Thousand Five Hundred Dollars on Sales and Rents of Tangible Personal Property and on Sales and Services to increase the taxable transaction limit from \$1,500 to \$3,000 (*third and final reading - effective date October 1, 2015*)

Ann Wilkinson, Jennifer Robinson (Chamber of Commerce), Theresa Weiser and John Belcher, John Ohaus, Chuck McNamee, Greg Kain, Sharon Romine, Peggy Gipple, and Matt Donohoe spoke in support of the amendment to change the effective date to October 1, 2015.

Robert Carlson offered that with decreased state and federal spending Sitka needed

to reevaluate its spending and taxation.

Dave Fowler and Volney Smith testified the cost of living in Sitka was continuing to rise and would affect all citizens not just the tourists.

Assembly members thanked those who had testified and offered their opinions on the ordinance. Some stated it was needed in order to fund the schools while others noted a larger conversation was needed to explore what services the community was willing to pay for.

A motion was made by Putz that this Ordinance be APPROVED on second reading. The motion PASSED by the following vote.

Yes: 7 - McConnell, Hunter, Swanson, Miyasato, Eisenbeisz, Guevin, and Putz

H **ORD 15-31**

Clarifying Sitka General Code Title 2 Administration, at Chapter 2.40 Elections, Section 2.40.095 Candidate Biographical Information

A motion was made by Hunter that this Ordinance be APPROVED on second and final reading. The motion PASSED by the following vote.

Yes: 7 - McConnell, Hunter, Swanson, Miyasato, Eisenbeisz, Guevin, and Putz

XII. NEW BUSINESS:

New Business First Reading

I **ORD 15-34**

Amending Sitka General Code Title 23 "Parks and Recreation" by adding a new Chapter 23.40 entitled "Municipal Trees and Landscaping"

Putz and Guevin thanked the Tree and Landscape Committee and staff for their work. Lynne Brandon, Parks and Recreation Manager, and Joe D'Arienzo, Chair of the Tree and Landscape Committee came forward to summarize the ordinance. Brandon stated the main idea behind the ordinance was to manage the City's trees and park areas. Eisenbeisz stated he did not support the ordinance explaining he felt it increased the complexity of government and ultimately increased the cost of operations.

A motion was made by Swanson that this Ordinance be APPROVED on first reading. The motion PASSED by the following vote.

Yes: 6 - McConnell, Hunter, Swanson, Miyasato, Guevin, and Putz

No: 1 - Eisenbeisz

J **ORD 15-10**

Amending Title 15 of the Sitka General Code to increase water rates at Section 15.04.100 entitled "Service Connection Charge", 15.04.320 entitled "Rates and Fees" Sections 15.05.240A entitled "Service Connection Charge", 15.05.620 entitled "Rates and Fees" and to increase wastewater rates

Linda Marlin asked for clarification of rates during the Assembly's deliberation.

Mary Jo McNally encouraged the Assembly to stop raising rates and instead make

cuts in the City budget.

Putz offered that costs to provide services were increasing. She also noted that switching utilities over to a private entity would not be cheaper. Hunter understood the public sentiment regarding rate increases. He reminded the public the City hadn't saved for what was needed over the last 20-30 years and it was necessary to set aside money that paid for operations as well as future infrastructure repairs. Eisenbeisz spoke in opposition to the ordinance stating he didn't feel the public was ready for the increase and wanted to ensure the public was informed.

Swanson wondered how soon another rate increase would be needed. Jay Sweeney, Chief Finance and Administrative Officer, stated a rate increase would be needed each year to pay for identified infrastructure needs. Sweeney stated staff was recommending a 4.9% increase in wastewater rates for FY16 and a 10% fee increase in water rates.

A motion was made by Putz that this Ordinance be APPROVED on first reading. The motion PASSED by the following vote.

Yes: 5 - McConnell, Hunter, Miyasato, Guevin, and Putz

No: 2 - Swanson, and Eisenbeisz

K ORD 15-35

Repealing Sitka General Code Chapter 4.09 "Sales Tax" Section 4.09.100Y. "Exemption for Persons Who Have Reached the Age of Sixty-Five" and establishing section 4.09.130 "Rebate of a portion of Sales Tax for Certain Persons Who Have Reached the Age of Sixty-Five and are Experiencing Financial Hardship"

Matt Hunter, one of the ordinance sponsors, offered a summary of the ordinance which would repeal the exemption and instead institute a rebate program where any senior that currently qualified for the tax exemption would qualify for a rebate. As part of the application process the individual would need to identify themselves as experiencing a financial hardship.

Valorie Nelson, former Assembly member and Mayor, felt past Assemblies were being blamed for not raising rates.

Ann Wilkinson, Debbie Brettsfield, Matt Donohoe, Lawrence SpottedBird, William Kanosh, Robert Carlson, Shirley Robards, Michael Baines, Volney Smith, Mary Jo McNally, Patricia Steadlack, Linda Marlin, Alene Henning, and Amanda Roberts spoke in opposition to the ordinance.

Cindy Litman spoke in support of the ordinance.

Assembly members offered their opinions and ideas on how the ordinance might be edited. Ultimately, members decided to form a three person working group (Hunter, Eisenbeisz, Guevin) and work with staff to bring a substitute ordinance back before the Assembly on June 23, 2015.

A motion was made by Putz that this Ordinance be POSTPONED to June 23, 2015. The motion PASSED by the following vote.

Yes: 7 - McConnell, Hunter, Swanson, Miyasato, Eisenbeisz, Guevin, and Putz

L ORD 15-36

Placing a Ballot Question on the Regular Election on October 6, 2015 to amend the Home Rule Charter of the City and Borough of Sitka at Article

13.03 entitled "Property Tax Limit" to increase the millage rate limit by one tenth of one percent (.001), which would be seven tenths of one percent (.007), or seven (7.0) mills to be used to support the Sitka School District

Mary Wagner, Superintendent of the Sitka School District, spoke to the District's success and thanked the community for their support.

Ann Wilkinson expressed the need for future planning.

Jennifer McNichol spoke in support of the ordinance.

Putz offered that a one mill increase was short-sighted and unrealistic. Putz wished to see an increase of more than one mill with one mill going to the schools and one mill for general purposes.

Assessor, Wendy Lawrence, provided a brief summary of material covered in the worksession on taxation. Lawrence recommended a budget driven mill rate or a revenue capped mill rate.

Administrator, Mark Gorman, stated the City needed to be looking at comprehensive tax reform.

Guevin reminded the Assembly and the public the average mill rate for Alaska was 11.33% - double from Sitka's rate. He encouraged the Assembly and the public to take some time and engage in a more comprehensive approach.

A motion was made by Miyasato that this Ordinance be APPROVED on first reading. The motion PASSED by the following vote.

Yes: 5 - McConnell, Hunter, Miyasato, Eisenbeisz, and Guevin

No: 2 - Swanson, and Putz

A motion was made by Hunter to extend the meeting to 11pm. The motion PASSED by the following vote.

Yes: 7 - Guevin, Putz, McConnell, Eisenbeisz, Swanson, Hunter, Miyasato

M ORD 15-32

Adjusting the FY15 Budget

A motion was made by Hunter that this Ordinance be APPROVED on first reading. The motion PASSED by the following vote.

Yes: 6 - McConnell, Hunter, Swanson, Miyasato, Guevin, and Putz

No: 1 - Eisenbeisz

N ORD 15-33

Adopting budgets for the Fiscal Year July 1, 2015 through June 30, 2016

Putz asked for clarification of the \$700,000 deficit. Administrator, Mark Gorman, confirmed the deficit and added the amount was approaching \$1 million given the recent news of the reduction in State funding for the jails.

Jay Sweeney, Chief Finance and Administrative Officer, explained the process and timeline for passing the budget.

Guevin expressed a desire to reduce the deficit prior to passing the budget.

Assembly members offered it would be worthwhile to put the proposed reduction list before the public and solicit comments.

A motion was made by Swanson that this Ordinance be APPROVED on first reading. The motion PASSED by the following vote.

Yes: 6 - McConnell, Hunter, Swanson, Miyasato, Guevin, and Putz

No: 1 - Eisenbeisz

Additional New Business Items

- O** **15-081** Approve moving forward with a land swap concept between the City and Borough of Sitka and Sound Development, LLC above Emmons Street in the Whitcomb Heights Subdivision

Gorman clarified the highlighted lots in the packet were those the City needed for infrastructure. The land selected for the swap would go before the Planning Commission for discussion and then ultimately come before the Assembly for final approval.

Jeremy Twaddle of Sound Development, LLC explained they were trying to swap the land the City needed for infrastructure back for a comparable amount of land.

Eisenbeisz wondered if a right of way could be placed on the land. Municipal Attorney, Robin Koutchak, said there could be but that the City was trying to come to a mutual agreement between all parties involved. She added this was a very equitable solution.

A motion was made by Putz that this Item be APPROVED. The motion PASSED by the following vote.

Yes: 7 - McConnell, Hunter, Swanson, Miyasato, Eisenbeisz, Guevin, and Putz

- P** **15-082** Approve a final subdivision plat for a Planned Unit Development Subdivision at 100 Indian River Road filed by the Baranof Island Housing Authority

Putz thanked Baranof Island Housing Authority for their work to make affordable housing available to Sitkans.

A motion was made by Putz that this Item be APPROVED. The motion PASSED by the following vote.

Yes: 7 - McConnell, Hunter, Swanson, Miyasato, Eisenbeisz, Guevin, and Putz

- Q** **15-084** Approve the formation of a Citizens' Revenue Taskforce and select members

No action was taken on this item. After further discussion, Assembly members directed the Municipal Administrator to come back to the Assembly with a revised framework for the taskforce.

XIII. PERSONS TO BE HEARD:

None.

XIV. EXECUTIVE SESSION

None.

XV. ADJOURNMENT

A motion was made by Miyasato to ADJOURN. Hearing no objection the meeting ADJOURNED at 10:53pm.

ATTEST: _____
Sara Peterson, CMC
Municipal Clerk



CITY AND BOROUGH OF SITKA

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

Minutes - Draft 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*

Thursday, May 28, 2015

5:00 PM

Assembly Chambers

SPECIAL MEETING

I. CALL TO ORDER

II. FLAG SALUTE

III. ROLL CALL

Present: 5 - McConnell, Miyasato, Eisenbeisz, Guevin, and Putz

Absent: 2 - Hunter, and Swanson

IV. PERSONS TO BE HEARD

None.

V. NEW BUSINESS:

A 15-086

Board of Adjustment: Approve a conditional use permit filed by James Harrigan for an accessory dwelling unit at 1610 Davidoff Street

A motion was made by Miyasato to CONVENE as the Board of Adjustment. The motion PASSED by a unanimous voice vote.

Planning and Community Development Director, Maegan Bosak, provided an overview of the request and applicant, James Harrigan, gave a brief summary of the property.

Guevin noted the request was consistent and compatible with the Comprehensive Plan.

A motion was made by Miyasato to APPROVE a conditional use permit filed by James Harrigan for an accessory dwelling unit at 1610 Davidoff Street, and further, adopt the conditions and findings as recommended by the Planning Commission and request that they are listed in their entirety as part of the

official record.

Required Findings

1. The city may use design standards and other elements in this code to modify the proposal. A conditional use permit may be approved only if all of the following findings can be made regarding the proposal and are supported by the record that the granting of the proposed conditional use permit will not:
 - a. Be detrimental to the public health, safety, and general welfare;
 - b. Adversely affect the established character of the surrounding vicinity; nor
 - c. Be injurious to the uses, property, or improvements adjacent to, and in the vicinity of, the site upon which the proposed use is to be located.
2. The granting of the proposed conditional use permit is consistent and compatible with the intent of the goals, objectives and policies of the comprehensive plan and any implementing regulation, specifically, to seek out ways to make housing more affordable for all Sitkans through various measures including: A. Developing more affordable housing opportunities, including single family homes and multi-family homes and multi-family dwellings.
3. All conditions necessary to lessen any impacts of the proposed use are conditions that can be monitored and enforced.
4. The proposed use will not introduce hazardous conditions at the site that cannot be mitigated to protect adjacent properties, the vicinity, and the public health, safety and welfare of the community from such hazard.
5. The conditional use will be supported by, and not adversely affect, adequate public facilities and services; or that conditions can be imposed to lessen any adverse impacts on such facilities and services.
6. Burden of Proof. The applicant has the burden of proving that the proposed conditional use meets all of the criteria in subsection B of this section.

General approval criteria are as follows:

1. Site topography, slope and soil stability, geophysical hazards such as flooding, surface and subsurface drainage and water quality, and the possible or probable effects of the proposed conditional use upon these factors;
2. Utilities and service requirements of the proposed use, including sewers, storm drainage, water, fire protection, access and electrical power; the assembly and planning commission may enlist the aid of the relevant public utility officials with specialized knowledge in evaluating the probable effects of the proposed use and may consider the costs of enlarging, upgrading or extending public utilities in establishing conditions under which the conditional use may be permitted;
3. Lot or tract characteristics, including lot size, yard requirements, lot coverage and height of structures;
4. Use characteristics of the proposed conditional use that affect adjacent uses and districts, including hours of operation, number of persons, traffic volumes, off-street parking and loading characteristics, trash and litter removal, exterior lighting, noise, vibration, dust, smoke, heat and humidity, recreation and open space requirements;
5. Community appearance such as landscaping, fencing and screening, dependent upon the specific use and its visual impacts.

Conditions

1. The facility shall be operated consistent with the application and plans that were submitted with the request.
2. The Planning Commission, at its discretion, may schedule a public hearing at any time following the first year of operation for the purpose of resolving issues with the request and mitigating adverse impacts on nearby properties.
3. Failure to comply with any of the conditions may result in revocation of the conditional use permit.

The motion **PASSED** by the following vote.

Yes: 5 - McConnell, Miyasato, Eisenbeisz, Guevin, and Putz

Absent: 2 - Hunter, and Swanson

B 15-087

Board of Adjustment: Approve a conditional use permit filed by the Greater Sitka Arts Council for an extension of a nonconforming use at 304 Baranof Street

Maegan Bosak, Planning and Community Development Director, provided a summary of the request. Bosak explained the two story building had been leased to professional offices in the past and explained the applicant was planning to use the building for office, exhibit and storage space. In addition, Bosak explained there was a dwelling unit above which the applicant planned to rent.

Assembly members noted the request was in conformance with the Comprehensive Plan.

A motion was made by Miyasato to APPROVE a conditional use permit filed by the Greater Sitka Arts Council for an extension of a nonconforming use at 304 Baranof Street, and further, adopt the conditions and findings as recommended by the Planning Commission and request that they are listed in their entirety as part of the official record.

Required Findings

1. The city may use design standards and other elements in this code to modify the proposal. A conditional use permit may be approved only if all of the following findings can be made regarding the proposal and are supported by the record that the granting of the proposed conditional use permit will not:
 - a. Be detrimental to the public health, safety, and general welfare;
 - b. Adversely affect the established character of the surrounding vicinity; nor
 - c. Be injurious to the uses, property, or improvements adjacent to, and in the vicinity of, the site upon which the proposed use is to be located.
2. The granting of the proposed conditional use permit is consistent and compatible with the intent of the goals, objectives and policies of the comprehensive plan and any implementing regulation; specifically: To encourage commercial and industrial developments of a quality that does not adversely impact any adjacent recreational and residential areas.
3. All conditions necessary to lessen any impacts of the proposed use are conditions that can be monitored and enforced.
4. The proposed use will not introduce hazardous conditions at the site that cannot be mitigated to protect adjacent properties, the vicinity, and the public health, safety and welfare of the community from such hazard.
5. The conditional use will be supported by, and not adversely affect,

adequate public facilities and services; or that conditions can be imposed to lessen any adverse impacts on such facilities and services.

6. **Burden of Proof.** The applicant has the burden of proving that the proposed conditional use meets all of the criteria in subsection B of this section.

General approval criteria are as follows:

1. Site topography, slope and soil stability, geophysical hazards such as flooding, surface and subsurface drainage and water quality, and the possible or probable effects of the proposed conditional use upon these factors;
2. Utilities and service requirements of the proposed use, including sewers, storm drainage, water, fire protection, access and electrical power; the assembly and planning commission may enlist the aid of the relevant public utility officials with specialized knowledge in evaluating the probable effects of the proposed use and may consider the costs of enlarging, upgrading or extending public utilities in establishing conditions under which the conditional use may be permitted;
3. Lot or tract characteristics, including lot size, yard requirements, lot coverage and height of structures;
4. Use characteristics of the proposed conditional use that affect adjacent uses and districts, including hours of operation, number of persons, traffic volumes, off-street parking and loading characteristics, trash and litter removal, exterior lighting, noise, vibration, dust, smoke, heat and humidity, recreation and open space requirements;
5. Community appearance such as landscaping, fencing and screening, dependent upon the specific use and its visual impacts.

Conditions

1. The facility shall be operated consistent with the application and plans that were submitted with the request.
2. The Planning Commission, at its discretion, may schedule a public hearing at any time following the first year of operation for the purpose of resolving issues with the request and mitigating adverse impacts on nearby properties.
3. Failure to comply with any of the conditions may result in revocation of the conditional use permit.
4. Applicant will submit a detailed parking plan.

The motion **PASSED** by the following vote.

Yes: 5 - McConnell, Miyasato, Eisenbeisz, Guevin, and Putz

Absent: 2 - Hunter, and Swanson

A motion was made by Miyasato to **RECONVENE** as the Assembly in regular session. The motion **PASSED** by unanimous voice vote.

VI. ADJOURNMENT

A motion was made by Miyasato to **ADJOURN**. Hearing no objection the meeting **ADJOURNED** at 5:15pm.

ATTEST: _____
Sara Peterson, CMC
Municipal Clerk



Legislation Details

File #: 15-094 Version: 1 Name:
Type: Item Status: AGENDA READY
File created: 6/3/2015 In control: City and Borough Assembly
On agenda: 6/9/2015 Final action:
Title: Approve the Health Needs and Human Services Commission goals for 2015
Sponsors:
Indexes:
Code sections:
Attachments: [Health Needs 2015 goals](#)

Date	Ver.	Action By	Action	Result
------	------	-----------	--------	--------

Should this item be pulled from the Consent Agenda the following motion is suggested:

POSSIBLE MOTION

I MOVE TO approve the Health Needs and Human Services Commission goals for 2015.

Note: Annual goals of the Commission are to be approved by the Assembly.

SGC 2.13.060 Powers and duties.

A. The commission will annually identify goals developed through the collection and consolidation of vital and current information on human service trends as well as public input. All goals shall be approved by the assembly prior to the commission initiating action. All findings of the commission will be made available to benefit and educate city and borough of Sitka decision-makers.

MEMORANDUM

To: Mayor McConnell and Members of the Assembly

From: Dr. Paul Bahna, Chair of the Health Needs and Human Services Commission

Subject: Health Needs and Human Services Commission 2015 Goals

Date: June 3, 2015

First goal: Wellness Coalition

As a Commission tasked by Sitka city Assembly, we recognize the importance of working together and sharing our caring and loving support to the people of this community in the area of health and wellness. Many health/ wellness aspects are being addressed by different organizations and agencies, governmental and non-governmental, for profit as well as for no-profit. We believe that through networking together, we can celebrate success stories and achievements, as well as finding out areas of need that can be better addressed and managed. Our mission is creating a healthier community where every Sitkan can have access to primary health care services regardless.

The plan is to organize 3 public meetings this year to fulfill the purpose of the Wellness Coalition.

Second goal: Supporting MAPP

It is in tune with our first goal, and is about supporting and acknowledging the great efforts of Sitka MAPP (Mobilization for Action through Planning and Partnerships) which Sitka Health Summit is taking the lead in moving forward through its Steering Committee. They have been successful in mobilizing the community, and recently had the Community Visioning Event, presently working on four MAPP assessments: Community Strengths and Themes, Community Health Status, Public Health System Status, Forces of Change.

As a Health Commission, we not only appreciate those efforts, but also embrace them in making differences in the lives of many Sitkans.

Third goal:

Make an internal and external goal as a Commission by the end of the year to find and resolve to support at least one or more public health and safety policies that could be implemented in Sitka with the goal of improving the health of our residents. Examples are: Safety of Pedestrians, tobacco free zones for Health care organizations and Educational institutions, and boosting safety at Sitka schools.

CITY AND BOROUGH OF SITKA

ORDINANCE NO. 2013-23

**AN ORDINANCE OF CITY AND BOROUGH OF SITKA AMENDING SITKA
GENERAL CODE TITLE 2 ENTITLED "ADMINISTRATION" TO ESTABLISH A
HEALTH NEEDS AND HUMAN SERVICES COMMISSION AND ESTABLISH
ORGANIZATIONAL GUIDELINES FOR SUCH COMMISSION**

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 circumstance shall not be affected.

3. **PURPOSE.** The purpose of this ordinance is to add a provision in SGC Title 2 entitled "Administration" to create a local Health Needs and Human Services Commission ("HNHSC") and establish organizational guidelines for such a commission. HNHSC will serve to address the health and social service needs and concerns of the community by undertaking specified duties, including monitoring and periodically reporting on vital information and current trends in health and human services, as requested by the Assembly of the City and Borough of Sitka.

4. **ENACTMENT, NOW, THEREFORE, BE IT ENACTED** by the Assembly of the City and Borough of Sitka that SGC Chapter 2.13 entitled "Health Needs and Human Services Commission" is added to read as follows (new language underlined; deleted language stricken):

**Title 2
ADMINISTRATION**

Chapters:

2.04 City and Borough Assembly

2.08 City and Borough Departments

2.12 City and Borough of Sitka Hospital Board

2.13 Health Needs and Human Services Commission

2.14 Historic Trust Board

*** * ***

Chapter 2.13

HEALTH NEEDS AND HUMAN SERVICES COMMISSION

Chapters:

2.12.010 Health needs and human services commission.

2.12.020 Term.

2.12.030 Meetings.

2.12.040 Organization.

2.12.050 Resignation.

2.12.060 Powers and duties.

2.12.010 Health needs and human services commission.

There shall be a commission known as the health needs and human services commission which shall be composed of seven members appointed by the Assembly and, to the extent deemed advisable by the Assembly, include professionals from among the fields of health and human services including medicine, psychology, public health, social services, public safety, public administration and other related fields. A member of the Sitka Assembly will serve as a liaison for the commission. All members of the commission shall be at-large members and represent a diverse cross-section of the community.

2.12.020 Term.

The term of a member shall be three years or until a successor is appointed; except, term of the Assembly Liaison shall be for one year. The first members appointed to the commission shall, upon appointment, determine the length of the terms so that the terms of three (3) members shall be for one year and the terms of two (2) members shall be for two years, and the terms of two (2) members shall be for three years, resulting in staggered terms for members subsequently appointed. A vacancy on the commission shall be filled by appointment by the Assembly for any remainder of an unexpired term.

2.12.030 Meetings.

A. Meet a minimum of four times per year at such times that the chair or, in his or her absence, the vice-chair shall determine.

B. Give reasonable public notice of its meetings and shall comply in all respects with the Alaska Open Meetings Law.

2.12.040 Organization.

The commission shall organize itself by electing a chairman, vice chairman, and secretary, each of whom shall be elected by the members of the commission at the first meeting of the fiscal year and shall serve a term to expire upon election of officers at the first meeting of the following fiscal year.

2.12.050 Resignation.

Should an officer resign from their position prior to expiration of their term, or otherwise is unable or unwilling to perform duties as required of the office, the commission may elect an officer to serve out the remainder of that term. In addition to the above officers, the commission, by a majority vote of its members, may designate and elect or appoint such

other officers, assistant officers and agents as it deems necessary at such time, in such manner, and upon and for such terms as it shall prescribe. All officers and agents shall serve at the pleasure of the commission, whenever in its judgment the best interest of the commission will be served.

2.12.060 Powers and Duties.

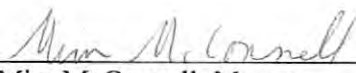
A. The commission will annually identify goals developed through the collection and consolidation of vital and current information on human service trends as well as public input. All goals shall be approved by the Assembly prior to the commission initiating action. All findings of the commission will be made available to benefit and educate city and borough of Sitka decision-makers.

B. The commission will perform other activities which are necessary and proper to carry out the above duties and any other actions determined by the Assembly to be beneficial to carry out the health and human service goals necessary in the city and borough of Sitka.

C. The commission will coordinate with local entities such as the Sitka Tribe of Alaska, Sitka Community Hospital, SEARHC as well as applicable non-profits and local businesses providing health/human services to identify human service needs as well as to best streamline the collection and consolidation of vital and current information on human service needs.

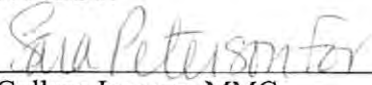
5. EFFECTIVE DATE. This ordinance shall become effective on the day after the date of its passage.

PASSED, APPROVED, AND ADOPTED by the Assembly of the City and Borough of Sitka, Alaska this 14th day of May, 2013.



Mim McConnell, Mayor

ATTEST:



Colleen Ingman, MMC
Municipal Clerk



Legislation Details

File #: 15-089 Version: 1 Name:

Type: Item Status: AGENDA READY

File created: 6/2/2015 In control: City and Borough Assembly

On agenda: 6/9/2015 Final action:

Title: Approve the Tree and Brush Clearing service contract to Marshall Albertson dba Absolute Tree Care not to exceed \$175,000 for FY2016

Sponsors:

Indexes:

Code sections:

Attachments: [Tree and Brush Clearing service contract](#)

Date	Ver.	Action By	Action	Result
------	------	-----------	--------	--------

Should this item be pulled from the Consent Agenda the following motion is suggested:

POSSIBLE MOTION

I MOVE TO approve the Tree and Brush Clearing service contract to Marshall Albertson dba Absolute Tree Care not to exceed \$175,000 for FY2016.



City and Borough of Sitka

ELECTRIC DEPARTMENT

Memorandum

June 1, 2015

To: Mark Gorman, Municipal Administrator
Sara Peterson, Municipal Clerk
From: Dale Goerner, Interim Utility Director *DG*
Subject: Tree and Brush Clearing Contract Award

Request

This is to request Assembly submittal and approval of a Tree and Brush Clearing contract to Marshall Albertson dba Absolute Tree Care for transmission and distribution line clearing.

Background:

The current Tree and Brush Clearing contract expires June 30, 2015.

The bid for a new contract went through a competitive bidding process. Two bids were received. The high bidder – Carlos Tree Service, contested the bid award to the low bidder – Absolute Tree Care, claiming the low bid was non-responsive due to the low bidder submittal of \$ -0- per hour for Flaggers, and that the low bidder had unqualified Flaggers. CBS then contacted the low bidder for further clarification. The low bidder had proper Flagger certifications, Flagging and their costs were done “in-house”, and that the low bidder could only invoice CBS for their Flaggers, at their submitted bid rate of \$ -0- per hour.

CBS was satisfied and confirmed that the lowest bid was responsive. A letter was sent to the higher bidder notifying them of these CBS’ re-evaluation results.

Analysis:

The Electric Department has utilized a service contractor to maintain clearance of power lines by trimming trees and cutting brush. Consistent line clearing and maintenance is critical to the reliable operations of any electric utility. Maintaining adequate clearance of our lines results in savings in operational costs by reducing outages and crew callouts and improves the level of electrical service to our customers.

The on-going line clearance tree and brush clearing work was bid with two responsive bidders. Absolute Tree Care was the lowest responsive, responsible and qualified bidder.

Fiscal Note:

The requested FY2016 budget is not to exceed \$175,000.

Recommended Motion:

I MOVE to approve the Tree and Brush Clearing service contract to Marshall Albertson dba Absolute Tree Care not to exceed \$175,000 for FY 2016.



Legislation Details

File #: 15-090 Version: 1 Name:

Type: Item Status: AGENDA READY

File created: 6/2/2015 In control: City and Borough Assembly

On agenda: 6/9/2015 Final action:

Title: Approve the transfer of \$8,500 from the Electric Department Operating Fund to the Jarvis Control Building Re-Roof project and authorize the expenditure of these funds

Sponsors:

Indexes:

Code sections:

Attachments: [Transfer of funds Jarvis Control Building](#)

Date	Ver.	Action By	Action	Result
------	------	-----------	--------	--------

Should this item be pulled from the Consent Agenda the following motion is suggested:

POSSIBLE MOTION

I MOVE TO approve the transfer of \$8,500 from the Electric Department Operating Fund, 200-600-603-851-5212.000, to the Jarvis Control Building Re-Roof project (project #90765), and authorize the expenditure of these funds.

MEMORANDUM

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

From: Dale Goerner, Interim Utility Director *DS*
Stephen Weatherman, Senior Engineer *[Signature]*

Reviewed: Andy Eggen, Generation Manager *A.E.*
Michael Harmon, P.E., Public Works Director *MH* *[Signature]*
Jay Sweeney, Chief Finance and Administrative Officer
Tori Fleming, Contract Coordinator *[Signature]*
Joey Patel, Grant Accountant *[Signature]*

Date: June 1, 2015

Subject: Transfer of Funds for Jarvis Control Building Reroof

Background:

The Assembly awarded a Design-Build contract to CBC Construction for completion of the Jarvis Control Building Re-Roofing project on September 23, 2014. The original flat (low slope) roof is leaking, under-insulated, and expensive to maintain, thus a shingled gable roof and added insulation are in this design to reduce annual operating and replacement costs.

Analysis:

Entry doors are presently subject to water intrusion and the gable ends on the new roof will increase the problem. CBC has proposed a solution with small shed roof overhangs at the east and west entries and sealing of the Concrete Masonry Units (CMUs) to prevent water entry.

Fiscal Notes:

The total project funding includes \$120,000 provided from the Electric Department Fund. The project requires an additional \$8,500 to cover the project costs. The Electric Department Operations & Maintenance has sufficient funds to perform this work and requests these funds be transferred to the ongoing Capital Improvement project.

Recommendation:

Approve the transfer \$8,500 from the Electric Department Operating Fund, 200-600-603-851-5212.000 to Jarvis Control Building Re-Roof (Project #90765) and authorize the expenditure of these funds.



Legislation Details

File #: 15-092 Version: 1 Name:
Type: Item Status: AGENDA READY
File created: 6/3/2015 In control: City and Borough Assembly
On agenda: 6/9/2015 Final action:
Title: Approve the award of the base bid construction contract for the Harrigan Centennial Hall (HCH) Renewal Project to MCG Constructors, Inc./Dawson Construction, Inc. - Joint Venture in the amount of \$12,717,000

Sponsors:

Indexes:

Code sections:

Attachments: [Award Harrigan Hall base bid construction contract](#)

Date	Ver.	Action By	Action	Result
------	------	-----------	--------	--------

Should this item be pulled from the Consent Agenda the following motion is suggested:

POSSIBLE MOTION

I MOVE TO approve the award of the base bid construction contract for the Harrigan Centennial Hall renewal project to MCG Constructors, Inc./Dawson Construction, Inc. – Joint Venture in the amount of \$12,717,000.

MEMORANDUM

To: Mayor McConnell and Assembly Members
Mark Gorman, Municipal Administrator

From: Michael Harmon, Public Works Director *MA*
Dan Tadic, Municipal Engineer
Kelli Cropper, Project Manager *KE*

Reviewed: Jay Sweeney, Chief Finance & Administrative Officer *JS*
Tori Fleming, Contract Coordinator *TF*

Date: June 3, 2015

Subject: Assembly Approval of Award of the Construction Contract for the Harrigan Centennial Hall (HCH) Renewal Project

Background

With Assembly approval, the Harrigan Centennial Hall (HCH) Renewal Project went out for bids to construct, Wednesday April 22, 2015. The project was bid with a Lump Sum Base Bid item and fourteen (14) Additive Alternates. Bids were opened Thursday May 21, 2015. Two (2) responsive and responsible bids were received as indicated in the following table.

Harrigan Centennial Hall (HCH) Renewal- Bid Comparison			
Name	McG Constructors, Inc / Dawson Construction, Inc-JV	Eklutna Services LLC	95% Cost estimate
HCH Base Bid:	\$12,717,000.00	\$14,273,460.00	\$11,827,450.00
Additive Alternates:			
A1- Interior Glass Display Cases	\$170,000.00	\$158,266.00	\$37,635.00
A2- Museum Expansion	\$66,000.00	\$95,693.00	\$117,635.00
A3- Outdoor Storage Building	\$54,000.00	\$51,400.00	\$30,395.00
A4- Museum Finishes	\$15,000.00	\$33,255.00	\$29,805.00
A4A- Museum Finishes for Expansion	\$6,000.00	\$53,208.00	\$29,799.00
A5- South Site work	\$175,000.00	\$694,176.00	\$501,734.00
A6- Outdoor Seating Areas	\$63,000.00	\$166,793.00	\$63,725.00
A7- Ocean Side Overlook w/ Fire pit	\$12,000.00	\$198,549.00	\$13,993.00
A8- Additional Site Furniture	\$24,000.00	\$12,770.00	\$29,096.00
A9- Exterior Display Cases	\$30,000.00	\$19,072.00	\$20,930.00
A10- Unit Price for Freestanding Mast Column	\$10,000.00	\$25,521.40	\$4,894.00
A11- Condensed Storage Room 126	\$27,000.00	\$33,136.00	\$28,038.00
A12- Condensed Storage Museum Storage 148	\$72,000.00	\$118,030.00	\$85,000.00
A13- Acoustic Wall Panels in Lobby Room 138	\$4,000.00	\$9,810.00	\$0.00
A14- Mobile Reception/Information desk	\$57,000.00	\$53,478.00	\$0.00
TOTAL Additive Alternates	\$785,000	\$1,723,157	\$992,679.00
Grand Total:	\$13,502,000.00	\$15,996,617.40	\$12,820,129.00

The low responsive and responsible bid was received from **McG Constructors, Inc. / Dawson Construction, Inc.-Joint Venture (McGC/DCI-JV)**. The contractors forming the Joint Venture have approximately eighty four (84) years combined experience as General Contractors in our region. Either McGC or DCI has been the Prime General Contractor for nearly all of the major building projects in Sitka over the last decade or more, including;

- Sitka Fire Hall, McGC (formerly MCC)
- Rocky Gutierrez Airport Terminal Expansion, McGC (formerly MCC)
- Sitka High School Auditorium (PAC) Construction, DCI
- Sitka High School Auditorium (PAC) Theater Equipment Project, McGC (formerly MCC)
- Blatchley Middle School Remodel, McGC (formerly MCC)
- UV Disinfection Facility, DCI, currently under construction
- Kettleson Memorial Library, DCI, currently under construction

Analysis

The Low **Construction Base Bid** price of \$12,717,000.00 received from McGC/DCI-JV, is higher than the **95% Base Bid Cost Estimate**, but it fits within the overall project funding. *Budgets* for other project costs, including, Design, CM/Admin, and Furniture Fixtures & Equipment (FF&E), and AV Equipment, were reduced. These reduced budgets are still reasonable and staff will explore possible cost saving suggestions from the contractor during construction in order to restore the budgets and/or award additive alternates.

If cost reductions are realized, the complete AV Equipment package and the Museum Expansion (Additive Alternate 2) will be funded as the top priorities. The bid price of \$66,000.00 for Additive Alternate #2, Museum Expansion, is significantly less than the cost estimate and represents good value that will benefit the Museum and Community well into the future.

For a project like this, typically the construction contingency budget is set between 5% and 10% of the construction price. The HCH construction contingency budget was not reduced to award the base bid and is still healthy at 8.4% of the Base Bid Construction price.

Time is of the essence to allow completion of the project so the HCH can reopen for the large conventions and celebrations set in March of 2017. The Construction Base Bid price fits within the existing funding for the project.

Fiscal Note:

The project funding is comprised of the following Grant & CPET Funds:

Funding		
Name	Grant #	Budget / Funding 11.13.14
Commercial Passenger Vessel Facilities & Visitor Imp.	11-DC-644	\$2,000,000
Commercial Passenger Vessel Facilities & Visitor Imp.	12-DC-616	\$2,500,000
Commercial Passenger Vessel Facilities & Visitor Imp.	13-DC-581	\$3,700,000
Commercial Passenger Vessel Facilities & Visitor Imp.	14-DC-000	\$3,300,000
O'Connell Lightering Grant	10-DC-025	\$1,991,271
AEA-Heat Pump Grant	7071011	\$232,620
O'Connell Sea walk Grant	11-DC-644	\$1,180,957
Marine Passenger Funds	CPET-194	\$1,400,000
Total Budget (grant funds)		\$16,304,848

Funds for the HCH Renewal Project are 100% State of Alaska Grant and CPET funds. These funds are collected mainly from the Visitor Industry. The use of these funds is restricted and must benefit the Visitor and enhance the Visitor Experience. The HCH Renewal Project meets this requirement and offers the added benefit to the Community of Renewing one of the most used facilities in Sitka as it approaches its 50 year anniversary.

Recommendation:

Approve Award of Base Bid Construction Contract for the Harrigan Centennial Hall (HCH) Renewal Project to **McG Constructors, Inc. / Dawson Construction, Inc. – Joint Venture (McGC/DCI-JV)** in the amount of **\$12,717,000.00**.



Legislation Details

File #: 15-091 Version: 1 Name:

Type: Item Status: AGENDA READY

File created: 6/2/2015 In control: City and Borough Assembly

On agenda: 6/9/2015 Final action:

Title: Discussion/Direction/Decision of the Municipal Administrator's recommended reductions to achieve a FY2016 balanced budget

Sponsors:

Indexes:

Code sections:

Attachments: [Budget recommended reductions](#)

Date	Ver.	Action By	Action	Result
------	------	-----------	--------	--------

Item F needs to be pulled from the Consent Agenda.

Discussion/Direction/Decision of the Municipal Administrator's recommended reductions to achieve a FY2016 balanced budget.

POSSIBLE MOTIONS

I MOVE TO approve the Municipal Administrator's recommended reductions to achieve a FY2016 balanced budget with the exception of the Non-Profit Grants which will be considered separately.

AND

I MOVE TO approve the Municipal Administrator's recommendation to eliminate Non-Profit Grants from the FY2016 budget in order to achieve a balanced budget.

Note: It is anticipated at least three Assembly members may need to recuse themselves from the discussion of eliminating Non-Profit Grants from the FY2016 budget.



City and Borough of Sitka

100 Lincoln Street • Sitka, Alaska 99835

Coast Guard City, USA

Memo

To: Mayor McConnell and Members of the Assembly

From: Mark Gorman, Administrator *AG*

Date: June 3, 2015

Re: Administrator's Recommended Reductions to Achieve a FY 2016 Balanced Budget

The attached spreadsheet provides recommended reductions in the proposed FY 2016 operational budget that will achieve a balanced budget for the next fiscal year. Built in to this are two assumptions: the tobacco tax and the increase in sales cap ordinances will be passed. If the Assembly approves these operational reductions, there will be no need to pass additional revenue ordinances in the immediate future. This will allow time for more deliberate and engaged conversations with the community about service levels, budget sustainability, and the most appropriate revenue streams to support our current service levels.

The Charter and Sitka General Code have guided where reductions are being proposed. None of the listed cuts are impactful in terms of the Assembly's responsibility to carry out its charge under the aegis of these two documents. Moreover, these reductions are reflective of considerable public comment that has been received at City Hall and by the Assembly. Comments indicate that prior to asking Sitkans to pay more, there first needs to be meaningful reductions within our municipal government.

One of the proposed reductions is to not provide nonprofit grants in this next budget year. It is important to note that this does not include SEDA, Sitka Historical Society, The RIDE, the Senior Center, and SAFV. Currently, these nonprofits are all identified in the FY 2016 budget.

This balanced budget also includes changing the Permanent Fund withdraw from 4.5% to 6%. The Charter states "the assembly shall annually appropriate to the Sitka General Fund six percent of average market value of the Sitka Permanent Fund for the past three years". The current budget uses 4.5%, anticipating that an October Ballot initiative will pass amending the Charter, to reduce the annual draw from the Permanent Fund in order to inflation proof it. If the Assembly approves the attached budget revision, the Administrator will recommend that if there is a FY 2016 budget surplus part of it will be used to help inflation proof the Permanent Fund. This was done with part of the FY 2015 budget surplus.

Many of the other listed reductions are deferring maintenance on municipal infrastructure. Delaying these projects does not eliminate the need to do them in the future and may in fact result in higher costs.

If the financial picture improves during the 2016 budget year, the Assembly will have the opportunity to consider restoring some of these reductions.

There exists a perception among some in our community that there has been continued growth over the years in the municipal workforce. In 2005, City Hall employed 154 Full Time Equivalent (FTE). If the Assembly approves these proposed budget reductions, our workforce will be 155 FTEs. During this 11 year period, the scope of services including municipal infrastructure has expanded, but without a commensurate increase in workforce. The Municipal Solutions report recommended an increase in our FTEs in several departments. Further, it remarked on the complexity of the municipal services that we, in our isolated island community, are expected to deliver and was impressed with the fact that we accomplished it successfully with such a small workforce. We are at the point where additional reductions in the workforce will need to be balanced by reductions in services to our community. To avoid this scenario, we, as a community, need to find new sources of revenue either from growing our economy or asking our citizens to give more.

Proposed Budget Balancing Operational Reductions

Summary	Reductions	
	\$100,000	Non-profit Grants
	\$30,000	Snow Removal Services
	\$40,000	New Carpet - Fire Hall
	\$50,000	Painting Epoxy on Bay Floors
	\$43,513	Multi-Service Officer 1/2 time
	\$83,000	Animal Shelter Roof Replacement
	\$40,000	Employee Travel/Training
	\$4,500	Streamline Newspaper PSAs
	\$14,735	.5 Centennial Blding Attendant until HCR reopens 1/2017
	\$12,000	Employee Benefits
	\$15,000	Library Hours by 8/week
	\$302,218	Change Permanent Fund Draw from 4.5% to 6% per the Charter
	\$5,500	Administrator/ Assembly Support
	\$20,000	Police Department - Jail Budget
	\$10,000	Lobbying Cost - Administration
Total Operational Reductions	<u>\$770,466</u>	
Tobacco Tax Passage	<u>\$256,000</u>	
Total FY 2016 Budget Reduction	<u>\$1,026,466</u>	
Current FY 2016 Budget Deficit	<u>-1,026,466</u>	
FY 2016 Budget Surplus/Deficit	<u>\$0</u>	



Legislation Details

File #: ORD 15-25 Version: 1 Name:
Type: Ordinance Status: SECOND READING
File created: 4/20/2015 In control: City and Borough Assembly
On agenda: 6/9/2015 Final action:
Title: Amending Title 4 Revenue and Finance, at Chapter 4.26 Excise Tax on Cigarettes and Tobacco Products, under Sections 4.26.010 Applicability of Chapter; 4.26.020 Tax on Cigarettes; and 4.26.030 Tax on other Tobacco Products

Sponsors:

Indexes:

Code sections:

Attachments: [Motion Ord 2015-25](#)
[Ord 2015-25](#)

Date	Ver.	Action By	Action	Result
5/12/2015	1	City and Borough Assembly	APPROVED	Fail
5/12/2015	1	City and Borough Assembly	POSTPONED	Pass
4/28/2015	1	City and Borough Assembly	PASSED ON FIRST READING	Pass

POSSIBLE MOTION

I MOVE TO approve Ordinance 2015-25 on second and final reading.

Note: This ordinance was postponed on second reading at the May 12, 2015 Assembly meeting.

CITY AND BOROUGH OF SITKA

ORDINANCE NO. 2015-25

AN ORDINANCE OF THE CITY AND BOROUGH OF SITKA, ALASKA AMENDING TITLE 4 REVENUE AND FINANCE, AT CHAPTER 4.26 EXCISE TAX ON CIGARETTES AND TOBACCO PRODUCTS, UNDER SECTIONS 4.26.010 APPLICABILITY OF CHAPTER; 4.26.020 TAX ON CIGARETTES; AND 4.26.030 TAX ON OTHER TOBACCO PRODUCTS

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 City and Borough owns and operates Sitka Community Hospital. The Assembly and Sitka Community Hospital need to consider several creative ways to increase revenues to help address budget shortfalls and maintain service levels. As authorized by the voters in 2005, taxes collected from sales of tax on tobacco products goes to a dedicated fund for Sitka Community Hospital. The municipality levies the excise tax adjusted annually by the Consumer Price Index based on the August release of the semiannual report in Anchorage, Alaska. Additionally, the city has imposed a 45% excise tax on the wholesale value of all other tobacco products. Through passage of this ordinance that excise tax on wholesale value will increase to 90%. All tax proceeds, as previously authorized by the voters could only be used to pay for the operating, capital, and debt service needs of Sitka Community Hospital.

4. ENACTMENT. NOW, THEREFORE, BE IT ENACTED by the Assembly of the City and Borough of Sitka that that Title 4 Revenue and Finance is amended to read as follows (old language stricken, new language underlined and bold):

Title 4
Revenue and Finance
Chapter 4.26
EXCISE TAX ON CIGARETTES AND TOBACCO PRODUCTS

Sections:

4.26.010 Applicability of chapter.

Unless provided otherwise, this chapter shall apply to the taxation of all cigarettes and tobacco products, including smokeless tobacco products and electronic cigarettes, brought into or acquired in the city and borough.

46 **4.26.020 Tax on cigarettes.**

47 A. The municipality hereby levies an excise tax of ~~fifty~~ **one hundred twenty three and one tenth (123.1)** mills,
48 adjusted annually as provided in subsection B of this section, on each cigarette brought into the city and
49 borough beginning on ~~January 1, 2006~~ **July 1, 2015**. Cigarettes upon which the tax is imposed are not again
50 subject to the tax when acquired by another person.

51 B. The annual Consumer Price Index adjustment shall be based on the August release date of the semiannual
52 report for the municipality of Anchorage from the United States Department of Labor Statistics and determined
53 to be the percent change to the current year from the average of the first and second halves of the prior year,
54 and will be effective January 1st of each year following the August release date. The first such adjustment date
55 shall be January 1, ~~2007~~ **2016**

56 **4.26.030 Tax on other tobacco products.**

57 An excise tax of ~~forty-five~~ **ninety** percent of the wholesale price is levied on tobacco products **other than**
58 **cigarettes, including smokeless tobacco products and electronic cigarettes**, ~~other than cigarettes,~~
59 brought into the city and borough. The tax **was first** is levied effective January 1, 2006. Tobacco products upon
60 which this tax is imposed are not again subject to this tax when acquired by another person.

61 * * *

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

64
65 **PASSED, APPROVED, AND ADOPTED** by the Assembly of the City and Borough
66 of Sitka, Alaska this 12th day of May, 2015.

67
68
69 _____
Mim McConnell, Mayor

70 **ATTEST:**

71
72
73 _____
Sara Peterson, CMC
Municipal Clerk

74
75
76 1st Reading 4/28/15
77 2nd Reading 5/12/15



Legislation Details

File #: ORD 15-36 Version: 1 Name:
Type: Ordinance Status: SECOND READING
File created: 5/20/2015 In control: City and Borough Assembly
On agenda: 6/9/2015 Final action:
Title: Placing a Ballot Question on the Regular Election on October 6, 2015 to amend the Home Rule Charter of the City and Borough of Sitka at Article 13.03 entitled "Property Tax Limit" to increase the millage rate limit by one tenth of one percent (.001), which would be seven tenths of one percent (.007), or seven (7.0) mills to be used to support the Sitka School District

Sponsors:

Indexes:

Code sections:

Attachments: [Motion Ord 2015-36](#)
[Ord 2015-36](#)

Date	Ver.	Action By	Action	Result
5/27/2015	1	City and Borough Assembly		

POSSIBLE MOTION

I MOVE TO approve Ordinance 2015-36 on second and final reading.

CITY AND BOROUGH OF SITKA

ORDINANCE NO. 2015-36

BALLOT PROPOSITION OCTOBER 2015

**AN ORDINANCE OF THE CITY AND BOROUGH OF SITKA PLACING A
BALLOT QUESTION ON THE REGULAR ELECTION ON OCTOBER 6, 2015
TO AMEND THE HOME RULE CHARTER OF THE CITY AND BOROUGH OF
SITKA AT ARTICLE 13.03 ENTITLED "PROPERTY TAX LIMIT" TO
INCREASE THE MILLAGE RATE LIMIT BY ONE TENTH OF ONE PERCENT
(.001), WHICH WOULD BE SEVEN TENTHS OF ONE PERCENT (.007), OR
SEVEN (7.0) MILLS TO BE USED TO SUPPORT THE SITKA SCHOOL
DISTRICT**

1. **CLASSIFICATION.** All sections of this ordinance, except section 5 regarding the ballot proposition, are of a permanent nature, with section 4 intended to become a part of the Home Rule Charter of the City and Borough of Sitka ("Charter") if approved by the qualified voters at the October 6, 2015 Regular Election.

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.** This ordinance amends the Charter at Article 13.03 entitled "Property Tax Limit," by raising the property tax millage rate limit of 6 mills by 1 mill, to 7 mills.

The City and Borough of Sitka ("Sitka") Assembly intends to use the revenues gained from such an increased property tax millage rate to support the Sitka School District.

4. **ENACTMENT.** NOW, THEREFORE, BE IT ENACTED by the Sitka Assembly that the Sitka Home Rule Charter at Article 13.03, entitled "Property Tax Limit," is amended to read as follows (new language underlined; deleted language stricken):

Section 13.03 Property Tax Limit

The property tax levy shall not exceed ~~six tenths (0.006)~~ seven tenths (0.007) of one per cent (~~6 mill~~)(7 mills) of the assessed valuation of the property to be

45 taxed. The voters may raise this limit by an affirmative vote of the majority of
46 the voters participating in a special or regular election.

47
48 This section shall not in any way limit the ability of the municipality to meet
49 its bonded obligations and in no event shall the property tax levy during a year
50 exceed three percent (thirty mills) of the assessed value of the property in the
51 municipality.

52
53 5. **BALLOT QUESTION.** The following question shall be placed before the
54 voters at the general election to be held on October 6, 2015:

55
56 Shall the City and Borough of Sitka Charter at Article 13.03, entitled
57 "Property Tax Limit," be amended to increase the property tax levy limit by
58 1.0 mill, thus not to exceed seven tenths (.007) of one per cent (7.0 mills) of
59 the assessed valuation of taxable property, to support the Sitka School
60 District?

61
62 YES NO

63
64 **Informational:** An affirmative vote on this question would amend the City
65 and Borough of Sitka Charter at Article 13.03 by increasing the allowable
66 millage rate limit by 1.0 mill, to 7.0 mills.

67
68 6. **EFFECTIVE DATE.** This ordinance shall become effective on the day
69 after the date of its passage. The amendment to the Home Rule Charter of the City and
70 Borough of Sitka set out in Subsection 4 shall only become effective if a majority of the
71 voters voting on this ordinance at the election on October 6, 2015 approve this ordinance,
72 and if a majority of voters so approve then this amendment set out in Subsection 4 shall
73 become effective the day after the election is certified.

74
75 **PASSED, APPROVED, AND ADOPTED** by the Assembly of the City and
76 Borough of Sitka, Alaska this 9th day of June, 2015.

77
78
79
80 _____
Mim McConnell, Mayor

81 ATTEST:

82 _____
83 Sara Peterson
84 Municipal Clerk



Legislation Details

File #: ORD 15-24A Version: 1 Name:

Type: Ordinance Status: THIRD READING

File created: 4/15/2015 In control: City and Borough Assembly

On agenda: 6/9/2015 Final action:

Title: Amending SGC Section 4.09.100 N entitled Over One Thousand Five Hundred Dollars on Sales and Rents of Tangible Personal Property and on Sales and Services to increase the taxable transaction limit from \$1,500 to \$3,000 (third and final reading - effective date October 1, 2015)

Sponsors: Tristan Guevin, Michelle Putz

Indexes:

Code sections:

Attachments: [Motion Ord 2015-24A](#)
[Ord 2015-24A](#)

Date	Ver.	Action By	Action	Result
5/27/2015	1	City and Borough Assembly		
5/12/2015	1	City and Borough Assembly	APPROVED	Fail
5/12/2015	1	City and Borough Assembly	APPROVED	Pass
4/28/2015	1	City and Borough Assembly	PASSED ON FIRST READING	Pass

POSSIBLE MOTION

I MOVE TO approve Ordinance 2015-24A on third and final reading.

CITY AND BOROUGH OF SITKA

ORDINANCE NO. 2015-24A

**AN ORDINANCE OF THE CITY AND BOROUGH OF SITKA
AMENDING THE SALES TAX EXEMPTION AT SITKA GENERAL CODE
SUBSECTION 4.09.100N ENTITLED "OVER ONE THOUSAND FIVE HUNDRED
DOLLARS ON SALES AND RENTS OF TANGIBLE PERSONAL PROPERTY AND ON
SALES OF SERVICES"**

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.** The Assembly is looking at ways to increase revenues without deleting services. The purpose of this ordinance is to amend the sales tax exemption at SGC 4.09.100N entitled "Over One Thousand Five Hundred Dollars on Sales and Rents of Tangible Personal Property and on Sales of Services, and Over One Thousand Five Hundred Dollars in Rent or Lease of Real Property on a Monthly Basis." This ordinance concerns the "sales tax cap" beyond which sales are exempt from taxation. It increases the dollar threshold over which sales are exempt from \$1,500 to \$3,000.

4. **ENACTMENT.** NOW, THEREFORE, BE IT ENACTED by the Assembly of the City and Borough of Sitka that SGC4.09.100N is amended as follows (new language underlined; deleted language stricken):

**Chapter 4.09
Sales Tax**

* * *

4.09.100 Exemptions.

The following sales are exempt from taxation:

* * *

N. Over ~~One Three Thousand Five Hundred~~ Dollars on Sales and Rents of Tangible Personal Property and on Sales of Services, and Over ~~One Three Thousand Five Hundred~~ Dollars in Rent or Lease of Real Property on a Monthly Basis. That portion of a selling price for a single piece of equipment or tangible personal property or sale unit in excess of ~~one three thousand five hundred dollars~~ (\$3,000) is exempt. A single sale unit is:

47
48
49
50
51
52
53
54
55
56
57
58
59
60
61
62
63
64
65
66
67
68
69
70
71
72
73
74
75
76
77
78
79
80
81
82
83
84
85
86
87
88
89

- 1. Any retail merchandise sale where the selling price is totaled on one invoice or any sales slip, although this exemption does not apply if any portion of the invoice or sales slip refers to more than one business day;
- 2. Any sale of services sold by an individual unit price; or
- 3. Any liquor sale by lodges that hold an outdoor recreation lodge liquor license.

Notwithstanding any other provision of law, the exemption described in this subsection does not apply to any “running” invoice or sales slip representing the sale of items or commodities which are not services. The exemption described in this subsection applies to any sales of services in which services provided to more than one individual are packaged together or “bundled” for purposes of payment on one invoice or sales slip to the extent that such individuals are members of the immediate family of the person making the payment and the person making the payment provides to the seller a certification of such relationship on a form provided by the city and borough. For purposes of this subsection, “members of the immediate family” are the individual’s spouse, children, parents, parents-in-law, siblings, grandparents, grandchildren, and domestic partners.

* * *

5. **EFFECTIVE DATE.** This ordinance shall become effective on **October 1, 2015.**

PASSED, APPROVED, AND ADOPTED by the Assembly of the City and Borough of Sitka, Alaska this 9th day of June, 2015.

Mim McConnell, Mayor

ATTEST:

Sara Peterson, CMC
Municipal Clerk

1st reading 4/28/15
2nd reading 5/12/15
2nd reading as amended 5/27/15
3rd reading 6/9/15



Legislation Details

File #: ORD 15-33 Version: 1 Name:
Type: Ordinance Status: SECOND READING
File created: 5/19/2015 In control: City and Borough Assembly
On agenda: 6/9/2015 Final action:
Title: Adopting budgets for the Fiscal Year July 1, 2015 through June 30, 2016
Sponsors:
Indexes:
Code sections:
Attachments: [Motion Ord 2015-33](#)
[Ord 2015-33](#)

Date	Ver.	Action By	Action	Result
5/27/2015	1	City and Borough Assembly		

POSSIBLE MOTION

I MOVE TO approve Ordinance 2015-33 on second and final reading.

Note: If amendments are made, a Special Meeting will need to be held prior to June 20, 2015 to approve the FY2016 budget on third and final reading.

CITY AND BOROUGH OF SITKA

ORDINANCE NO. 2015-33

AN ORDINANCE OF THE CITY AND BOROUGH OF SITKA
ADOPTING BUDGETS FOR THE FISCAL YEAR JULY 1, 2015
THROUGH JUNE 30, 2016

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

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

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

3. **PURPOSE.** The purpose of this ordinance is to set forth budgetary requirements for the operation of the various divisions, departments and organizations of the City and Borough of Sitka for Fiscal Year 2016.

4. **ENACTMENT. NOW THEREFORE, BE IT ENACTED** by the Assembly of the City and Borough of Sitka, Alaska that the following expenditure budgets for the fiscal period beginning July 1, 2015 and ending June 30, 2016 are hereby adopted as follows:

<u>FUND</u>	<u>REVENUE</u>	<u>EXPENDITURE BUDGET</u>		
<u>GENERAL FUNDS</u>	REVENUE	OPERATIONS	CAPITAL/ TRANSFER	TOTAL
General Fund	\$ 28,041,228	\$ 25,305,528	\$ 3,458,700	\$ 28,764,228
<u>ENTERPRISE FUNDS</u>				
Electric Fund	\$ 15,940,234	\$ 17,192,256	\$ 3,535,000	\$ 20,727,256
Water Fund	\$ 2,158,197	\$ 1,762,763	\$ 161,000	\$ 1,923,763
Wastewater Fund	\$ 4,244,250	\$ 2,989,255	\$ 715,500	\$ 3,704,755
Solid Waste Fund	\$ 3,035,500	\$ 3,398,443	\$ 95,000	\$ 3,493,443
Harbor Fund	\$ 12,307,600	\$ 2,279,564	\$ 9,275,000	\$ 11,554,564
Airport Terminal Fund	\$ 691,151	\$ 448,121	\$ 130,000	\$ 578,121
Marine Service Center Fund	\$ 267,184	\$ 134,779	\$ -0-	\$ 134,779
Gary Paxton Industrial Park	\$ 7,342,307	\$ 472,060	\$ -0-	\$ 472,060

29

<u>INTERNAL SERVICE FUNDS</u>	REVENUE	OPERATIONS	CAPITAL/ TRANSFER	TOTAL
Management Information Systems Fund	\$ 1,229,868	\$ 892,138	\$ 502,000	\$ 1,394,138
Central Garage Fund	\$ 1,374,692	\$ 984,579	\$ 626,927	\$ 1,611,506
Building Maintenance Fund	\$ 961,218	\$ 1,009,220	\$ -0-	\$ 1,009,220
<u>SPECIAL REVENUE FUNDS</u>				
SE Alaska Economic Development Fund	\$ 75,000	\$ 75,000	\$ -0-	\$ 75,000
Revolving Fund	\$ -0-	\$ 29,373	\$ -0-	\$ 29,373
Guarantee Fund	\$ -0-	\$ 6,200	\$ -0-	\$ 6,200
Rowe Trust Fund	\$ 4,950	\$ 4,950	\$ -0-	\$ 4,950
Library Endowment Fund	\$ 7,000	\$ 21,000	\$ -0-	\$ 21,000
Southeast Alaska Communities Against Drugs Fund	\$ 28,000	\$ 28,000	\$ -0-	\$ 28,000
City/Borough Forfeiture Fund	\$ 2,836	\$ 2,836	\$ -0-	2,836
Narco Task Force Grant	\$ 202,000	\$ 202,000	\$ -0-	\$ 202,000
State Forfeiture Fund	\$ 4,230	\$ 4,230	\$ -0-	\$ 4,230
Homeland Security Grant	\$ 18,000	\$ 18,000	\$ -0-	\$ 18,000
Library Building Fund	\$ 14,500	\$ 17,000	\$ -0-	\$ 17,000
GPIP Contingency Fund	\$ 16,700	\$ 16,700	\$ -0-	\$ 16,700
Tobacco Excise Tax Fund	\$ 425,500	\$ 424,000	\$ -0-	\$ 424,000
Fisheries Enhancement Fund	\$ 40,000	\$ 40,000	\$ -0-	\$ 40,000
Commercial Passenger Vessel Excise Tax Fund	\$ 193,200	\$ 638,000	\$ -0-	\$ 638,000
Cemetery Fund	\$ 4,000	\$ 2,800	\$ -0-	\$ 2,800
Visitor Enhancement Fund	\$ 388,000	\$ 335,000	\$ -0-	\$ 335,000
Seasonal Sales Tax/School Bond Debt Service Fund	\$ 1,091,700	\$ 3,707,017	\$ -0-	\$ 3,707,017
<u>PERMANENT FUND</u>				
Permanent Fund	\$ 400,000	\$ 660,000	\$ -0-	\$ 660,000

30

31

<u>CAPITAL PROJECT FUNDS</u>	REVENUE	OPERATIONS	CAPITAL /TRANSFER	TOTAL
General Capital Project Fund	\$ 2,287,000	\$ -0-	\$ 2,287,000	\$ 2,287,000
GF Contingent on State/Federal Funding	\$ 39,968,000	\$ -0-	\$ 39,968,000	\$39,968,000
Electric Capital Project Fund	\$ 3,535,000	\$ -0-	\$ 3,535,000	\$ 3,535,000
Water Capital Project Fund	\$ 161,000	\$ -0-	\$ 161,000	\$ 161,000
Water Contingent on State/Federal Funding	\$ 12,324,850	\$ -0-	\$ 12,324,850	\$12,324,850
Wastewater Capital Project Fund	\$ 709,000	\$ -0-	\$ 709,000	\$ 709,000
Wastewater Contingent on State/Federal Funding	\$ 18,136,450	\$ -0-	\$ 18,136,450	\$18,136,450
Solid Waste Capital Project Fund	\$ 95,000	\$ -0-	\$ 95,000	\$ 95,000
Harbor Capital Project Fund	\$ 175,000	\$ -0-	\$ 175,000	\$ 175,000
Harbor Contingent on State/Federal Funding	\$ 26,340,000	\$ -0-	\$ 26,340,000	\$26,340,000
Airport Terminal Fund	\$ 130,000	\$ -0-	\$ 130,000	\$ 130,000
Airport Contingent on State/Federal Funding	\$ 2,320,000	\$ -0-	\$ 2,320,000	\$ 2,320,000
GPIP Contingent on State/Federal Funding	\$ 3,000,000	\$ -0-	\$ 3,000,000	\$ 3,000,000
<u>COMPONENT UNIT</u>				
Sitka Community Hospital	\$ 24,118,705	\$ 23,586,585	\$ 247,570	\$ 23,834,155

32
33
34
35
36
37
38
39
40
41
42
43
44
45
46
47

48 **EXPLANATION**

49
50 Details of individual budgets are contained in Enclosure 1. Support to the Sitka School District has been included in
51 the General Fund Expenditures. Budgeted amounts for all funds include revenue, operating expenditures and new
52 capital outlays.

53
54 **5. EFFECTIVE DATE.** This ordinance shall become effective on July 1, 2015.

55
56 PASSED, APPROVED, AND ADOPTED by the Assembly of the City and Borough of Sitka, Alaska this 9th day of
57 June, 2015.

58
59
60
61

Mim McConnell, Mayor

62
63 ATTEST:

64
65
66
67

Sara Peterson, CMC
68 Municipal Clerk
69



Legislation Details

File #: ORD 15-32 Version: 1 Name:
Type: Ordinance Status: SECOND READING
File created: 5/19/2015 In control: City and Borough Assembly
On agenda: 6/9/2015 Final action:
Title: Adjusting the FY15 Budget
Sponsors:
Indexes:
Code sections:
Attachments: [Motion Ord 2015-32](#)
[Ord 2015-32](#)

Date	Ver.	Action By	Action	Result
5/27/2015	1	City and Borough Assembly		

POSSIBLE MOTION

I MOVE TO approve Ordinance 2015-32 on second and final reading.

Memo

Thru : Mark Gorman, Administrator

To: City and Borough of Sitka Assembly

From: Jay Sweeney, Chief Financial and Administrative Officer 

Date: May 18, 2015

Re: Supplemental Budget Ordinance For Introduction May 26th

Mayor McConnell and Assembly Members,

The attached FY15 supplemental budget ordinance accomplishes four purposes: (1) accomplishes transfer of \$2,500,000 from the Southeast Alaska Economic Development Fund to the Electric Fund; (2) accomplishes the re-appropriation of \$10,000 from snow plowing contracts to donations, in order to fund a donation to the Sitka Historical society for the 2017 Sesquicentennial of the Alaska Territory; (3) increases the approved project budget for the new library in order to recognize settlement revenue for design deficiencies and authorize the spending of the settlement funds; (4) provides emergency funding for asbestos abatement testing at the Centennial Building; and, (5), accomplishes small transfers within Departments in order to fund training.

This ordinance is necessary even though several of these items have already been approved. The reason is that increased spending, through supplemental appropriations, or transfers in between certain categories of expenditures can only be accomplished through passage of an ordinance, per the Sitka Home Rule Charter.

CITY AND BOROUGH OF SITKA

ORDINANCE NO. 2015-32

AN ORDINANCE OF THE CITY AND BOROUGH OF SITKA
ADJUSTING THE FY15 BUDGET

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

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

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

3. **PURPOSE.** The purpose of this ordinance is to adjust the FY15 budgets for known changes.

4. **ENACTMENT.** The Assembly of the City and Borough of Sitka hereby adjusts the FY15 budget for known changes. In accordance with Section 11.10(a) of the Charter of the City and Borough of Sitka, Alaska, the budget for the fiscal period beginning July 1, 2014 and ending June 30, 2015 is hereby adjusted as follows:

Account Number	Account	Increase	Decrease
<u>FISCAL YEAR 2015 EXPENDITURE BUDGETS</u>			
GENERAL FUND			
Finance – Travel & Training:			
100-500-004-5110.001	Salary/Wages	\$4,500	
100-500-004-5201.000	Travel & Training	\$4,500	
The Deputy Finance Director has requested to transfer funds from Salaries to Travel & Training. This is due to additional unplanned travel & training expenses. Reimbursements have been received for a portion, but are recorded as revenue.			
Assessing Department – Travel & Training			
100-500-005-5212.000	Contracted/Purchased Services		\$2,500
100-500-005-5201.000	Travel & Training	\$2,500	
Training for the Assessing Administrative Assistant to go to a business personal property course. This course has not been offered in Alaska since 2001. These funds will be transferred from their contracted / purchased service account.			
Donations & Non-profit Support – Operations:			
100-530-033-815-5212.000	Contracted/Purchased Services		\$10,000
100-500-008-5212.000	Contracted/Purchased Services	\$10,000	
At the May 12, 2015 meeting, the Assembly approved to transfer \$10,000 from the Public Works snow removal budget to the Other Expenditures Donation budget to match a Sitka Historical Society Sesquicentennial (150 th) Grant.			
Centennial Building – Operations:			
100-540-043-5212.000	Contracted/Purchased Services	\$5,000	
To pay for assistance in the monitoring and removal of what may be asbestos.			

<u>Account Number</u>	<u>Account</u>	<u>Increase</u>	<u>Decrease</u>
<u>Enterprise and Internal Service Funds</u>			
Electric Fund – Operations			
171-500-601-5290.000	Other Expense	\$2,500,000	
200-300-340-3408.000	Electric - Other	\$2,500,000	
At the May 4, 2015 meeting, the Assembly approved to transfer \$2,500,000 from the Southeast Alaska Economic Development Fund to increase revenue for electricity sold by the Electric Fund. In effect this is a rate subsidy paid by the City to the Electric Fund for ratepayers.			
Management Information Systems – Operations:			
300-600-630-5212.000	Contracted/Purchased Services	\$57,000	
The Information Technology Director has requested to increase his contracted services in the amount of \$45,000 for utility billing system migration and in the amount of \$12,000 for the Internal collection software.			
<u>Capital Projects</u>			
Crescent Harbor Shelter Roof Replacement Project #90769: The Municipal Engineer has requested to transfer \$6,500 from the ANB Harbor Project #90674 to the Crescent Harbor Shelter Roof Replacement Project #90769. The Contractor discovered more deteriorated decking than had been anticipated. This is informational purpose only, no further action is required:			
Kettleson Memorial Library Expansion Project #90739			
700-300-380-3807.000	Misc Revenue	\$482,598	
700-600-630-5212.000	Contracted/Purchased Services	\$482,598	
Recognize revenue for a Settlement Agreement for structural design deficiencies which resulted in additional cost to the construction contract. These funds will be paid by PDC (subconsultant of MRV) and paid to Dawson Construction for the deficiencies.			

26
27
28
29
30
31
32
33
34
35
36
37
38
39
40
41
42
43
44

EXPLANATION

Necessary revisions in the FY 2015 budget were identified. These changes involve the increase of expenditure accounts and causes decreased cash flows to the fund balance of various funds. A short explanation of each budget revision is included.

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

PASSED, APPROVED, AND ADOPTED by the Assembly of the City and Borough of Sitka, Alaska this 9th Day of June, 2015.

ATTEST:

Mim McConnell, Mayor

Sara Peterson, CMC
Municipal Clerk



Legislation Details

File #: ORD 15-10 Version: 1 Name:

Type: Ordinance Status: SECOND READING

File created: 2/18/2015 In control: City and Borough Assembly

On agenda: 6/9/2015 Final action:

Title: Amending Title 15 of the Sitka General Code to increase water rates at Section 15.04.100 entitled "Service Connection Charge", 15.04.320 entitled "Rates and Fees" Sections 15.05.240A entitled "Service Connection Charge", 15.05.620 entitled "Rates and Fees" and to increase wastewater rates

Sponsors:

Indexes:

Code sections:

Attachments: [Motion Ord 2015-10](#)
[REVISED 2015-10](#)
[Ord 2015-10](#)

Date	Ver.	Action By	Action	Result
5/27/2015	1	City and Borough Assembly		
2/24/2015	1	City and Borough Assembly		

POSSIBLE MOTION

I MOVE TO approve Ordinance 2015-10 on second and final reading.

CITY AND BOROUGH OF SITKA

ORDINANCE NO. 2015-10

AN ORDINANCE OF THE CITY AND BOROUGH OF SITKA AMENDING TITLE 15 OF THE SITKA GENERAL CODE TO INCREASE WATER RATES AT SECTIONS 15.04.100 ENTITLED "SERVICE CONNECTION CHARGE", 15.04.320 ENTITLED "RATES AND FEES" SECTIONS 15.05.240A ENTITLED "SERVICE CONNECTION CHARGE", 15.05.620 ENTITLED "RATES AND FEES" AND TO INCREASE WASTEWATER RATES

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 circumstance shall not be affected.

3. PURPOSE. The purpose of this ordinance is to increase user fees for water and wastewater service; and, to increase the connection charges for connecting a structure to the Municipal water and wastewater systems.

4. ENACTMENT, NOW, THEREFORE, BE IT ENACTED by the Assembly of the City and Borough of Sitka that SGC Sections: 15.04.100A, 15.04.320, 15.05.240A, 15.05.0620, and are amended to read as follows (new language underlined; deleted language stricken):

* * *

15.04.100 Service Connection Charge.

A. At the time the applicant files for a connection permit where no service previously existed; or, if the applicant is filing for a change in service connection, or size, or to serve a new structure, the applicant shall submit with the application the service connection charge of ~~six hundred ninety~~ seven hundred twenty five dollars. This charge is to cover the costs to the CBS of locating the stub-out from the sewer main (if available), inspection of the sewer service line, administrative costs, and permit fees. Upon approval of the connection, the property owner may proceed in accordance with the provisions in Section 15.04.130.

* * *

15.04.320 Rates and Fees.

A. Base rate: ~~fifty dollars and fifty nine~~ fifty three dollars and seven cents per unit per month.

Table with 2 columns: UNIT DESCRIPTION and UNIT

UNIT DESCRIPTION		UNIT
Residential/Dwelling Unit⁽¹⁾		1.0 ⁽²⁾
Commercial (General, Miscellaneous)⁽³⁾		1.0
Clubs and lodges without bar or restaurant		
Garages, service stations		
Offices including medical (10 or less employees)		
Shops and stores without food processing		
Commercial Specifics⁽³⁾ (1 Minimum) Plus	Per Each	
Bar, lounge, restaurant, snack bar	seat or stool	0.05
Barber, beauty shop (one station = 1.0)	station	0.6
Bowling alley	lane	1.0
Church	10 seats	0.1
Office/office space	over 10 employees	0.2
Hospital	bed	0.8
Meat market		3.0
Supermarket, grocery store with food process		8.0
Rest home	bed	0.2
Hotel, motel ⁽⁴⁾	bed or room	0.3
Dormitory, boardinghouse ⁽⁴⁾	bed or room	0.3
RV park ⁽⁴⁾⁽⁶⁾	RV space	0.3
Bed and breakfast ⁽⁴⁾	bed or room	0.15
Commercial laundry	wet machine	8.0
Launderette	wet machine	1.0
Schools, college, day care ⁽⁵⁾	10 students	0.4
Theater	10 seats	0.2
Car wash (no minimum)	stall	2.0

46

47

48

49

50

51

Notes:

⁽¹⁾ Including apartments and trailers, per each. (Apartments shall be assessed as if on a separate meter.)

⁽²⁾ Base rate.

⁽³⁾ Business in homes shall be assessed for the additional appropriate commercial rate.

52 (4) Hotel, motel, B&B may count rooms only. Dormitory or boardinghouse must count
53 beds or rooms. RV parks count RV spaces with utility hookups. (Vacation rates do not
54 apply.)

55 (5) Approximate enrollment—may be reviewed annually.

56 (6) RV parks have all mobile units able to be underway on the road with a minimal
57 amount of time and not require special permits to drive on the road. Underway can be
58 under its own power, pulled by a vehicle or in the bed of a pickup. Rental rates are
59 based on the day and utilities are included.

60

61 B. Sewer Service in Conjunction with Metered Water.

62 1. General Sewer Service in Conjunction with Metered Water. Minimum charge:
63 One times the unmetered sewer base rate plus ~~two dollars and seventy three~~
64 two dollars eighty six cents per one thousand metered gallons.

65 2. Gary Paxton Industrial Park. Treated wastewater, metered: ~~one hundred dollars one~~
66 hundred four dollars and ninety cents per month minimum.

67 a. Treated wastewater, metered: ~~two dollars and ninety nine cents~~ three dollars and
68 fourteen cents per one thousand gallons water use.

69 C. Connection Fee. ~~Six hundred ninety dollars~~ seven hundred twenty five dollars per
70 connection.

71 * * *

72

73 **15.05.240. Service Connection Charge.**

74

75 A. At the time the applicant files for a connection permit where no service previously
76 existed; or, if the applicant is filing for a change in service location, or size, or to serve a
77 new structure, the applicant shall submit with this application the service connection
78 charge of ~~six hundred and ninety~~ seven hundred twenty five dollars. This charge is to
79 cover permit fees, inspection, and administrative costs.

80 * * *

81 **15.05.620 Rates and fees.**

82 A. Unmetered Water. Base rate: ~~thirty five dollars and forty two cents~~ thirty eight dollars and ninety six
83 cents per unit.

UNIT DESCRIPTION	UNIT
Residential/Dwelling Unit⁽¹⁾	1.0 ⁽²⁾
Commercial (General, Miscellaneous)⁽³⁾	1.0
Clubs and lodges without bar or restaurant	

UNIT DESCRIPTION	UNIT	
Garages, service stations		
Offices including medical (10 or less employees)		
Shops and stores without food processing		
Commercial Specifics⁽³⁾ (1 Minimum) Plus	Per Each	
Bar, lounge, restaurant, snack bar	seat or stool	0.05
Barber, beauty shop (one station = 1.0)	station	0.6
Bowling alley	lane	1.0
Church	10 seats	0.1
Office/office space	over 10 employees	0.2
Hospital	bed	0.8
Meat market		3.0
Supermarket, grocery store with food process		8.0
Rest home	bed	0.2
Hotel, motel ⁽⁴⁾	bed or room	0.3
Dormitory, boardinghouse ⁽⁴⁾	bed or room	0.3
RV park ⁽⁴⁾⁽⁶⁾	RV space	0.3
Bed and breakfast ⁽⁴⁾	bed or room	0.15
Commercial laundry	wet machine	8.0
Launderette	wet machine	1.0
Schools, college, day care ⁽⁵⁾	10 students	0.4
Theater	10 seats	0.2
Car wash (no minimum)	stall	2.0

- 85 ⁽¹⁾Including apartments and trailers, per each. (Apartments shall be assessed as if on a separate meter.)
- 86 ⁽²⁾ Base rate.
- 87 ⁽³⁾ Business in homes shall be assessed for the additional appropriate commercial rate.
- 88 ⁽⁴⁾ Hotel, motel, B&B may count rooms only. Dormitory or boardinghouse must count beds or rooms. RV parks count
- 89 RV spaces with utility hookups. (Vacation rates do not apply.)
- 90 ⁽⁵⁾ Approximate enrollment—may be reviewed annually.
- 91 ⁽⁶⁾ RV parks have all mobile units able to be underway on the road with a minimal amount of time and not require
- 92 special permits to drive on the road. Underway can be under its own power, pulled by a vehicle or in the bed of a
- 93 pickup. Rental rates are based on the day and utilities are included.

94 B. Metered Water Service.

95 1. General Metered Water Service

Meter Size	Allowance (GAL)	Minimum Charge
Up to 1”	15,000	\$50.50 <u>\$55.55</u>
2”	50,000	\$110.75 <u>\$121.83</u>
3”	100,000	\$166.12 <u>\$182.73</u>
4”	250,000	\$332.24 <u>\$365.46</u>
6” and above	500,000	\$664.47 <u>\$730.92</u>

96

97 All over allowance charged at minimum charge plus ~~one dollar ten cents~~ one dollar twenty one cents per

98 one thousand gallons. The over allowance charged at minimum charge plus ~~fifty one cents~~ fifty-six cents

99 per one thousand gallons will apply to major fish processing plants (Seafood Producers Cooperative,

100 Sitka Sound Seafoods, Inc., aka North Pacific Seafoods, and Stikine Holdings, LLC, aka Silver Bay

101 Seafoods).

102 2. Gary Paxton Industrial Park.

103 a. Metered water: ~~one hundred ten dollars and seventy five cents~~ one hundred twenty one dollars and
104 eighty three cents per month minimum.

105 i. Treated water: ~~two dollars and twenty two cents~~ two dollars and forty four cents per one
106 thousand gallons.

107 ii. Treated water, fish processing use: ~~one dollar and sixty seven cents~~ one dollar and eighty four
108 cents per one thousand gallons.

109 C. Curb Stop/Service Valve Operation Fee. Except for the initial turn-on that occurs when property
110 is first connected to the municipal water system, each customer or applicant for service shall pay a fee of
111 ~~fifty~~ fifty five dollars for turning on or turning off the water service to the property. The fee shall be paid
112 for each turn-on and turn-off whether at the customer's or applicant's request or due to nonpayment for
113 water services. The water service to a property may not be turned on unless all water system fees
114 associated with the property have been paid in full.

115
116 E. Connection Fee. ~~Six hundred ninety dollars~~ seven hundred twenty five dollars per connection.

117
118 * * *

119
120 **5. EFFECTIVE DATE.** This ordinance shall become effective July 1, 2015.

121
122 **PASSED, APPROVED, AND ADOPTED** by the Assembly of the City and Borough of
123 Sitka, Alaska this 9th day of June, 2015.

124
125 _____
126 Mim McConnell, Mayor

127 ATTEST:

128
129
130 _____
131 Sara Peterson, CMC
132 Municipal Clerk
133

Memo

To: City and Borough of Sitka Assembly

Thru: Mark Gorman, Municipal Administrator

From: Jay Sweeney, Chief Financial and Administrative Officer *JS*
Michael Harmon, Public Works Director *MH*

Date: May 20, 2015

Re: FY16 Wastewater and Water Fee Increase

Staff is recommending fee increases for FY16 for wastewater and water. The following is a summary justification for each fund including a potential alternative that could reduce the proposed water rates.

Wastewater:

Staff is recommending a 4.9% fee increase in wastewater rates for FY16. The fee has been determined through the wastewater long range financial plan and is the amount necessary to continue to generate sufficient cash flow from operations to fund debt service and capital improvements. The fee increase takes into account potential State of Alaska grants for the future with one major matching grant per fiscal year built into the rate model. The fee increase for FY16 is less than what the Wastewater Master Plan recommended and what was passed last year for the FY15 budget.

Water:

Over the course of the last five years, the user fee in the Water Fund has been increased by 14% per year. Staff is recommending a 10% fee increase in water rates for FY16. A key issue necessitating these fee increases has been the annual debt service for the Whitcomb Heights Water Tank loan, which has been borne by the Water Fund since 2011. The annual debt service for the Whitcomb loan has been approximately \$200,000 per year. The challenge with the water tank loan is that the improvements primarily benefit a small group of customers – those in Whitcomb Heights – while all of the rate payers have borne the annual fee increases.

Alternatively, this water system debt could be funded by way of special user fees assessed within the benefited area of Whitcomb Heights. For example a Local Improvement District (LID) assessment could be placed on CBS property and a special water connection fee could be adopted for properties connecting to this system in the future. The CBS has an LID Fund that could be used to pay the annual assessments on CBS property. The LID Fund would be recouped eventually through the future sales of these properties. After these fees are adopted, it would be possible to reduce the overall water rates by up to 10% effectively eliminating the current proposed increase.

Looking beyond FY16, it is important to note that the current rate model projects the need to increase user fees by approximately 5.7% annually through 2026. These future fee increases are projected through the long range financial plan and is the amount necessary to continue to generate sufficient cash flow from operations to fund debt service and capital improvements. These user fee projections will be reanalyzed and adjust every year as appropriate.

Recommendation:

Staff recommends passing the attached fee ordinance consisting of a 4.9% fee increase in wastewater and a 10% fee increase in water. If the Assembly directs staff to pursue alternative water fees/assessments associated to the Whitcomb Heights development, that course of action will be initiated. It is anticipated that this would be a lengthy process.

CITY AND BOROUGH OF SITKA

ORDINANCE NO. 2015-10

AN ORDINANCE OF THE CITY AND BOROUGH OF SITKA AMENDING TITLE 15 OF THE SITKA GENERAL CODE TO INCREASE WATER RATES AT SECTIONS 15.04.100 ENTITLED "SERVICE CONNECTION CHARGE", 15.04.320 ENTITLED "RATES AND FEES" SECTIONS 15.05.240A ENTITLED "SERVICE CONNECTION CHARGE", 15.05.620 ENTITLED "RATES AND FEES" AND TO INCREASE WASTEWATER RATES

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 circumstance shall not be affected.

3. PURPOSE. The purpose of this ordinance is to increase user fees for water and wastewater service; and, to increase the connection charges for connecting a structure to the Municipal water and wastewater systems.

4. ENACTMENT, NOW, THEREFORE, BE IT ENACTED by the Assembly of the City and Borough of Sitka that SGC Sections: 15.04.100A, 15.04.320, 15.05.240A, 15.05.0620, and are amended to read as follows (new language underlined; deleted language stricken):

* * *

15.04.100 Service Connection Charge.

A. At the time the applicant files for a connection permit where no service previously existed; or, if the applicant is filing for a change in service connection, or size, or to serve a new structure, the applicant shall submit with the application the service connection charge of ~~six hundred ninety~~ seven hundred twenty five dollars. This charge is to cover the costs to the CBS of locating the stub-out from the sewer main (if available), inspection of the sewer service line, administrative costs, and permit fees. Upon approval of the connection, the property owner may proceed in accordance with the provisions in Section 15.04.130.

* * *

15.04.320 Rates and Fees.

A. Base rate: ~~fifty dollars and fifty nine~~ fifty three dollars and seven cents per unit per month.

UNIT DESCRIPTION	UNIT
------------------	------

UNIT DESCRIPTION		UNIT
Residential/Dwelling Unit ⁽¹⁾		1.0 ⁽²⁾
Commercial (General, Miscellaneous) ⁽³⁾		1.0
Clubs and lodges without bar or restaurant		
Garages, service stations		
Offices including medical (10 or less employees)		
Shops and stores without food processing		
Commercial Specifics⁽³⁾ (1 Minimum) Plus	Per Each	
Bar, lounge, restaurant, snack bar	seat or stool	0.05
Barber, beauty shop (one station = 1.0)	station	0.6
Bowling alley	lane	1.0
Church	10 seats	0.1
Office/office space	over 10 employees	0.2
Hospital	bed	0.8
Meat market		3.0
Supermarket, grocery store with food process		8.0
Rest home	bed	0.2
Hotel, motel ⁽⁴⁾	bed or room	0.3
Dormitory, boardinghouse ⁽⁴⁾	bed or room	0.3
RV park ⁽⁴⁾⁽⁶⁾	RV space	0.3
Bed and breakfast ⁽⁴⁾	bed or room	0.15
Commercial laundry	wet machine	8.0
Launderette	wet machine	1.0
Schools, college, day care ⁽⁵⁾	10 students	0.4
Theater	10 seats	0.2
Car wash (no minimum)	stall	2.0

46
47
48
49
50
51

Notes:

(1) Including apartments and trailers, per each. (Apartments shall be assessed as if on a separate meter.)

(2) Base rate.

(3) Business in homes shall be assessed for the additional appropriate commercial rate.

- 52 (4) Hotel, motel, B&B may count rooms only. Dormitory or boardinghouse must count
- 53 beds. RV parks count RV spaces with utility hookups. (Vacation rates do not apply.)
- 54 (5) Approximate enrollment—may be reviewed annually.
- 55 (6) RV parks have all mobile units able to be underway on the road with a minimal
- 56 amount of time and not require special permits to drive on the road. Underway can be
- 57 under its own power, pulled by a vehicle or in the bed of a pickup. Rental rates are
- 58 based on the day and utilities are included.

- 60 B. Sewer Service in Conjunction with Metered Water.
- 61 1. General Sewer Service in Conjunction with Metered Water. Minimum charge:
- 62 One times the unmetered sewer base rate plus ~~two dollars and seventy three~~
- 63 two dollars eighty six cents per one thousand metered gallons.
- 64 2. Gary Paxton Industrial Park. Treated wastewater, metered: ~~one hundred dollars one~~
- 65 hundred four dollars and ninety cents per month minimum.
- 66 a. Treated wastewater, metered: ~~two dollars and ninety nine cents~~ three dollars and
- 67 fourteen cents per one thousand gallons water use.

- 68 C. Connection Fee. ~~Six hundred ninety dollars~~ seven hundred twenty five dollars per
- 69 connection.

70 * * *

71
72 **15.05.240. Service Connection Charge.**

- 74 A. At the time the applicant files for a connection permit where no service previously
- 75 existed; or, if the applicant is filing for a change in service location, or size, or to serve a
- 76 new structure, the applicant shall submit with this application the service connection
- 77 charge of ~~six hundred and ninety~~ seven hundred twenty five dollars. This charge is to
- 78 cover permit fees, inspection, and administrative costs.

79 * * *

80 **15.05.620 Rates and fees.**

- 81 A. Unmetered Water. Base rate: ~~thirty five dollars and forty two cents~~ thirty eight dollars and ninety six
- 82 cents per unit.

UNIT DESCRIPTION	UNIT
Residential/Dwelling Unit ⁽¹⁾	1.0 ⁽²⁾
Commercial (General, Miscellaneous) ⁽³⁾	1.0
Clubs and lodges without bar or restaurant	
Garages, service stations	

UNIT DESCRIPTION		UNIT
Offices including medical (10 or less employees)		
Shops and stores without food processing		
Commercial Specifics⁽³⁾ (1 Minimum) Plus	Per Each	
Bar, lounge, restaurant, snack bar	seat or stool	0.05
Barber, beauty shop (one station = 1.0)	station	0.6
Bowling alley	lane	1.0
Church	10 seats	0.1
Office/office space	over 10 employees	0.2
Hospital	bed	0.8
Meat market		3.0
Supermarket, grocery store with food process		8.0
Rest home	bed	0.2
Hotel, motel ⁽⁴⁾	bed or room	0.3
Dormitory, boardinghouse ⁽⁴⁾	bed or room	0.3
RV park ⁽⁴⁾⁽⁶⁾	RV space	0.3
Bed and breakfast ⁽⁴⁾	bed or room	0.15
Commercial laundry	wet machine	8.0
Launderette	wet machine	1.0
Schools, college, day care ⁽⁵⁾	10 students	0.4
Theater	10 seats	0.2
Car wash (no minimum)	stall	2.0

83 Notes:

84 ⁽⁴⁾Including apartments and trailers, per each. (Apartments shall be assessed as if on a separate meter.)

85 ⁽²⁾ Base rate.

86 ⁽³⁾ Business in homes shall be assessed for the additional appropriate commercial rate.

87 ⁽⁴⁾ Hotel, motel, B&B may count rooms only. Dormitory or boardinghouse must count beds. RV parks count RV spaces
88 with utility hookups. (Vacation rates do not apply.)

89 ⁽⁵⁾ Approximate enrollment—may be reviewed annually.

90 ⁽⁶⁾ RV parks have all mobile units able to be underway on the road with a minimal amount of time and not require
91 special permits to drive on the road. Underway can be under its own power, pulled by a vehicle or in the bed of a
92 pickup. Rental rates are based on the day and utilities are included.

93 B. Metered Water Service.

94 1. General Metered Water Service

Meter Size	Allowance (GAL)	Minimum Charge
Up to 1"	15,000	\$50.50 <u>\$55.55</u>
2"	50,000	\$110.75 <u>\$121.83</u>
3"	100,000	\$166.12 <u>\$182.73</u>
4"	250,000	\$332.24 <u>\$365.46</u>
6" and above	500,000	\$664.47 <u>\$730.92</u>

95
96 All over allowance charged at minimum charge plus ~~one dollar ten cents~~ one dollar twenty one cents per
97 one thousand gallons. The over allowance charged at minimum charge plus ~~fifty one cents~~ fifty-six cents
98 per one thousand gallons will apply to major fish processing plants (Seafood Producers Cooperative,
99 Sitka Sound Seafoods, Inc., aka North Pacific Seafoods, and Stikine Holdings, LLC, aka Silver Bay
100 Seafoods).

101 2. Gary Paxton Industrial Park.

102 a. Metered water: ~~one hundred ten dollars and seventy five cents~~ one hundred twenty one dollars and
103 eighty three cents per month minimum.

104 i. Treated water: ~~two dollars and twenty two cents~~ two dollars and forty four cents per one
105 thousand gallons.

106 ii. Treated water, fish processing use: ~~one dollar and sixty seven cents~~ one dollar and eighty four
107 cents per one thousand gallons.

108 C. Curb Stop/Service Valve Operation Fee. Except for the initial turn-on that occurs when property
109 is first connected to the municipal water system, each customer or applicant for service shall pay a fee of
110 ~~five~~ fifty five dollars for turning on or turning off the water service to the property. The fee shall be paid
111 for each turn-on and turn-off whether at the customer's or applicant's request or due to nonpayment for
112 water services. The water service to a property may not be turned on unless all water system fees
113 associated with the property have been paid in full.

114
115 E. Connection Fee. ~~Six hundred ninety dollars~~ seven hundred twenty five dollars per connection.

116
117 * * *

118
119 **5. EFFECTIVE DATE.** This ordinance shall become effective July 1, 2015.

120
121 **PASSED, APPROVED, AND ADOPTED** by the Assembly of the City and Borough of
122 Sitka, Alaska this 9th day of June, 2015.

123
124
125 _____
Mim McConnell, Mayor

126 ATTEST:

127
128
129 _____
130 Sara Peterson, CMC
131 Municipal Clerk
132



Legislation Details

File #: ORD 15-34 Version: 1 Name:

Type: Ordinance Status: SECOND READING

File created: 5/19/2015 In control: City and Borough Assembly

On agenda: 6/9/2015 Final action:

Title: Amending Sitka General Code Title 23 "Parks and Recreation" by adding a new Chapter 23.40 entitled "Municipal Trees and Landscaping"

Sponsors:

Indexes:

Code sections:

Attachments: [Motion Ord 2015-34](#)
[Ord 2015-34](#)

Date	Ver.	Action By	Action	Result
5/27/2015	1	City and Borough Assembly		

POSSIBLE MOTION

I MOVE TO approve Ordinance 2015-34 on second and final reading.

April 28, 2015

Dear City Administrator, Mayor McConnell and members of the Assembly,

The passage of Sitka Tree Ordinance has been a goal of the Tree and Landscape Committee for many years. The Sitka Urban Forest Management Plan (accepted by the Assembly 7/13) has the establishment of an ordinance as a key component of good urban forest management. The Committee members have spent considerable time reviewing other municipality's ordinances and crafting an ordinance that they believe matches both CBS's and community's interests, financial and personnel resources as well as political and public acceptance.

In recognition of the many benefits conveyed by trees, many local governments adopt tree ordinances that, for the most part, apply to publicly owned trees and hazardous trees on private property. Properly applied ordinances are tools that help communities protect trees and preserve green space.

Tree ordinances reflect the values of a community and the worth of its trees. An ordinance encourages tree maintenance to secure air purification, noise and dust abatement, storm water management, water quality, property value enhancements, beautification, public health, safety and other benefits trees provide.

The Tree Ordinance and Sitka Urban Forest Management Plan (an Assembly accepted plan completed in 2012) will be integrated into the overall management strategy for public trees. This Tree Ordinance provides the city an opportunity institute regulation and levels of authority that the Tree and Landscape Committee members have tailored to community capacity and CBS resources. It provides clear authorization for CBS to manage public trees.

This ordinance has been reviewed by CBS staff, including Chris Brewton, Utility Director; Michael Harmon, Public Works Director, Mark Gorman, Municipal Administrator and Robin Koutchak, Municipal Attorney as well as the staff at the Alaska Community Forestry Program.

The Tree Ordinance doesn't include any fiscal obligation.

Thank you for your careful consideration of Ordinance 2015-34 amending the Sitka General Code at Title 23 to add Chapter 23.40 titled "Municipal Trees and Landscaping".

Sincerely,

Joe D'Arienzo
Chair, Sitka Tree and Landscape Committee

Attachments:
Sitka Tree Ordinance No.2015-34

CITY AND BOROUGH OF SITKA

ORDINANCE NO. 2015 -34

AN ORDINANCE OF THE CITY AND BOROUGH OF SITKA AMENDING SITKA GENERAL CODE TITLE 23 "PARKS AND RECREATION" BY ADDING A NEW CHAPTER 23.40 ENTITLED "MUNICIPAL TREES AND LANDSCAPING"

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. INTRODUCTION. Urban trees and forestlands are essential to the health and sustainability of the community. The intent of this ordinance is, through the preservation, protection, and planting of trees, to:

- a. Protect vital water resources and reduce storm water runoff;
b. Provide for healthy salmon fisheries and wildlife habitat;
c. Foster additional retail activity;
d. Improve community health;
e. Improve air and water quality;
f. Reduce crime;
g. Increase property value;
h. Counter climate change;
i. Improve local food security with use of edible plantings;
j. Ensure roadway safety by traffic calming and
k. Enhance Sitka as an attractive visitor destination which will lead to better visitor experiences.

3. PURPOSE. This ordinance adds a new chapter to the SGC at Title 23 regarding "Parks and Recreation." This is chapter 40, entitled "Municipal Trees and Landscaping."

The purpose of this ordinance is to promote and protect the public health, safety and general welfare by managing trees on municipal property and to maximize their benefits while reflecting the values of the community. The ordinance establishes standards and guides the planting, pruning, removal, and maintenance of trees, shrubs and other plants within municipal parks and rights-of-way and on other municipal land.

Further, the ordinance supports implementation of the "Sitka Urban Forest Management Plan" and maintaining Sitka's status as a Tree City USA.

46
47 Responsible Official
48 The Sitka Park and Recreation Division exercises jurisdiction over all trees, shrubs, other
49 plants, and landscaping in municipal parks and rights-of-way and other lands owned and
50 managed by the City and Borough of Sitka.

51
52 The Public Works Director is designated as the official responsible for municipal
53 landscaping. The Public Works Director may designate an employee to perform the
54 duties of administering the program.

55
56 The Public Works Director or designee regulates the planting, pruning, removal,
57 replacement and maintenance of all trees and shrubs within the City right-of-way and
58 properties and is the main point of contact.

59
60 The Public Works Director or designee shall determine whether a tree within City right-of-way
61 or land is contagiously diseased, dead, or hazardous, obstructing the right-of-way or posing a
62 threat to public safety and has the right to take samples from trees and shrubs for laboratory
63 testing.

64
65 4. **ENACTMENT.** NOW, THEREFORE, BE IT ENACTED by the Assembly
66 of the City and Borough of Sitka that Chapter 40 entitled "Municipal Trees and Landscaping" is
67 added to SGC at Title 23 which concerns Parks and Recreation:

68
69 Title 23
70 **PARKS AND RECREATION**
71 * * *

72
73 **Chapter 23.40**

74
75 **MUNICIPAL LANDSCAPING AND TREES**

76
77 **Sections:**

- 78 **23.40.010** **Definitions.**
79 **23.40.020** **Purpose.**
80 **23.40.030** **Requirements.**
81 **23.40.040** **General Tree and Landscaping standards.**
82 **23.40.050** **Installation of landscaping for municipal projects.**
83 **23.40.060** **Tree planting recommendations and guidelines.**
84 **23.40.070** **Municipal tree care.**
85 **23.40.080** **Tree removal and tree topping on municipal property.**
86 **23.40.090** **Tree pruning on municipal property or right-of-way.**

87
88

89 **23.40.010 Definitions.**

90 The terms and phrases used in this chapter shall have the following meanings:

- 91 A. "Landscaping" means an area in which plants and/or landscape features or
92 hardscape elements have been placed or constructed, and may include mounds
93 and berms but doesn't include turf.
94 B. "Roadways" means any highway, street, alley, or lane.
95 C. "Urban forest or street tree" means trees, shrubs, bushes and all other woody
96 vegetation located in named municipal parks and rights-of-way and on municipal
97 building grounds and/or identified in the Parks Division's tree inventory.
98 D. "Woody vegetation" means a plant that produces wood as its structural issue. It
99 may have one or many hard, woody stems and includes trees, shrubs or bushes.
100 E. "Turf" means a surface layer of soil containing a dense growth of grass and its
101 matted roots, including sod or lawn.
102 F. "Right-of-way" means the land covered by and adjacent to the roadway that the
103 municipality maintains, is used as legal access and is reserved for the purposes of
104 maintenance or expansion of existing services. This also includes easements on
105 lands over which power lines and other utilities extend (e.g. utility easements).
106 G. "Tree topping" means removal of the leader stem of a tree or the severe cutting
107 back of limbs larger than three inches in diameter within the tree's crown to stubs
108 to such a degree so as to remove the normal canopy and disfigure the tree.
109 to such a degree so as to remove the normal canopy and disfigure the tree.
110 to such a degree so as to remove the normal canopy and disfigure the tree.
111 to such a degree so as to remove the normal canopy and disfigure the tree.
112 to such a degree so as to remove the normal canopy and disfigure the tree.
113 to such a degree so as to remove the normal canopy and disfigure the tree.
114 to such a degree so as to remove the normal canopy and disfigure the tree.
115 to such a degree so as to remove the normal canopy and disfigure the tree.
116 to such a degree so as to remove the normal canopy and disfigure the tree.
117 to such a degree so as to remove the normal canopy and disfigure the tree.

118 **23.40.020 Purpose.**

119 The purpose of this ordinance is to guide the planting and maintenance of trees and
120 landscaped areas in the City and Borough of Sitka's urban forest. The ordinance
121 establishes guidelines and standards for the care of and the installation of trees and
122 landscape materials on municipal projects.
123 landscape materials on municipal projects.

124 **23.40.030 Requirements.**

125 Tree and Landscape planting requirements shall be based on standards set out in this
126 chapter and shall apply to new or existing landscaping and any associated with publicly
127 accessible municipal buildings that are constructed or renovated.
128 accessible municipal buildings that are constructed or renovated.
129 accessible municipal buildings that are constructed or renovated.
130 accessible municipal buildings that are constructed or renovated.
131 accessible municipal buildings that are constructed or renovated.

132
133
134
135
136
137
138
139
140
141
142
143
144
145
146
147
148
149
150
151
152
153
154
155
156
157
158
159
160
161
162
163
164
165
166
167
168
169
170
171
172
173
174
175
176

23.40.040 General Tree and Landscaping Standards.

- A. Trees and landscaping for municipal projects shall be planned in consultation with Parks and Recreation Division staff. Installation and maintenance shall be directed by the Public Works Director or designee and according to The Sitka Urban Forest Management Plan and associated best management practices and standards for tree planting and care outlined in this document.
- B. The municipality shall encourage at least one staff person to be a certified arborist.

23.40.050 Installation of landscaping for municipal projects.

Consultation with municipal Parks and Recreation Division staff will occur during project planning and implementation including changes. Landscaping and turf for municipal projects shall be installed according standards established in the *Sitka Urban Forest Management Plan* and industry standard best management practices.

23.40.060 Tree planting recommendations and guidelines.

Tree planting on municipal lands shall conform to the Sitka Urban Forest Management Plan and industry standard best management practices.

23.40.070 Municipal tree care.

The Municipality shall have the right to plant, prune, maintain and remove trees, plants and shrubs along all roadways and on municipal land as may be necessary to ensure public safety and for municipal purposes. Consultation with the Parks and Recreation Division staff should occur prior to removal of any urban tree, insofar as practicable.

23.40.080 Tree removal and tree topping on municipal property.

- A. The City and Borough of Sitka will continue to maintain ROW and utility easements to ensure public safety and to protect CBS infrastructure which at times does include removal of hazardous trees.
- B. Tree Topping. Tree topping on municipal property is not permitted.

23.40.090 Tree pruning on municipal property or right-of-way.

Pruning shall be conducted according to this chapter.

- A. Tree pruning on municipal property shall conform to standards established in the Sitka Urban Forest Management Plan for tree care operations and under the general supervision of the Parks and Recreation Staff who is a certified arborist.
- B. No one other than qualified utility employees or contractor shall prune any plant within ten feet (10') of an overhead utility line.

- 177 C. Any person growing a tree adjacent to municipal roadways, sidewalks or within
- 178 an access rights-of-way is:
- 179 1. Responsible for removing all dead, diseased or dangerous trees, or broken or
- 180 decayed limbs, which constitute a menace to the safety of the public.
- 181 D. The Municipality shall have the right to prune any tree or shrub on private
- 182 property when it interferes with visibility of any traffic control device or
- 183 intersections or to ensure public safety.
- 184

185 5. **EFFECTIVE DATE.** This ordinance shall become effective on the day

186 after the date of its passage.

187

188 **PASSED, APPROVED, AND ADOPTED** by the Assembly of the City and

189 Borough of Sitka, Alaska this day of 9th day of June, 2015.

190

191

192

Mim McConnell, Mayor

193 **ATTEST:**

194

195

196

Sara Peterson, CMC

197 Municipal Clerk

198



Legislation Details

File #: ORD 15-37 Version: 1 Name:

Type: Ordinance Status: AGENDA READY

File created: 6/2/2015 In control: City and Borough Assembly

On agenda: 6/9/2015 Final action:

Title: Amending Section 2.12.010 City and Borough of Sitka Hospital Board and Section 2.12.070 Organization, formally dissolving the existing Sitka Community Hospital Board (SCH) and its framework and re-establishing and reorganizing membership under new criteria by decreasing voting membership from seven to five with the goal of providing financial welfare and economic financial stability to Sitka Community Hospital. The new membership will include one CBS standing seat (and alternate) appointed by the Municipal Administrator.

Sponsors:

Indexes:

Code sections:

Attachments: [Motion Ord 2015-37](#)
[Ord 2015-37](#)

Date	Ver.	Action By	Action	Result
------	------	-----------	--------	--------

POSSIBLE MOTION

I MOVE TO approve Ordinance 2015-37 on
first reading.

CITY AND BOROUGH OF SITKA

ORDINANCE NO. 2015-37

AN ORDINANCE OF THE CITY AND BOROUGH OF SITKA (CBS), ALASKA AMENDING SECTION 2.12.010 CITY AND BOROUGH OF SITKA HOSPITAL BOARD AND SECTION 2.12.070 ORGANIZATION, FORMALLY DISSOLVING THE EXISTING SITKA COMMUNITY HOSPITAL BOARD (SCH) AND ITS FRAMEWORK AND RE-ESTABLISHING AND REORGANIZING MEMBERSHIP UNDER NEW CRITERIA BY DECREASING VOTING MEMBERSHIP FROM SEVEN TO FIVE WITH THE GOAL OF PROVIDING FINANCIAL WELFARE AND ECONOMIC FINANCIAL STABILITY TO SITKA COMMUNITY HOSPITAL. THE NEW MEMBERSHIP WILL INCLUDE ONE CBS STANDING SEAT (AND ALTERNATE) APPOINTED BY THE MUNICIPAL ADMINISTRATOR.

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 Assembly, through passage of this ordinance, has determined that Sitka Community Hospital will be better served by dissolving the existing board and its current membership structure and re-creating a new board structure that establishes new criteria and board membership. Of the five member board, one CBS standing board member (senior staff) and alternate will be appointed by the Municipal Administrator due to CBS's fiduciary responsibility for the Sitka Community Hospital finances. This position will be approved by the Assembly. This position will be a full voting seat, will not hold any board office (e.g. chair, secretary), and will not be subject to term expiration. At least one additional board seat will be filled by a person with professional financial experience such as a certified public accountant, auditor, or financial analyst. One seat shall be filled by a person not employed by SCH who has professional medical experience such as a physician or close equivalent. The remaining two voting seats will be at-large. Membership will also include two ex-officio, non-voting seats consisting of a member of Sitka Community Hospital chief medical staff (elected by SCH medical staff in December of each year) and an Assembly Member who will serve as liaison. All voting members will be approved by the City and Borough Assembly. In October of each year an assembly liaison will be appointed to serve as a conduit between the Sitka Community Hospital Board and CBS Assembly.

Additionally, this ordinance gives the required fifteen day notice to existing board members of their removal, which is appealable to the Assembly. All existing board members will have the opportunity to reapply for any seat in which they qualify.

49 4. **ENACTMENT.** NOW, THEREFORE, BE IT ENACTED by the Assembly of
50 the City and Borough of Sitka that SGC Chapter 2.12 is amended (old language
51 stricken, new language underlined) as follows:

52
53 **Chapter 2.12**
54 **CITY AND BOROUGH OF SITKA HOSPITAL BOARD**

55
56 **Section 2.12.010 City and Borough of Sitka Hospital Board**

57
58 ~~There shall be a board known as the city and borough of Sitka hospital board which~~
59 ~~shall consist of nine members: seven regular members, one of whom shall be a~~
60 ~~physician unless a physician does not apply within sixty days of a seat becoming open~~
61 ~~when no other physician is a regular member of the board, who shall serve three year~~
62 ~~terms; and two nonvoting members who shall serve one year terms. One ex officio~~
63 ~~member shall be a member of the assembly and the other shall be a member of the~~
64 ~~medical staff. All members shall be approved by the assembly.~~

65
66 **There shall be a board known as the City and Borough of Sitka Hospital Board**
67 **which shall consist of five voting members:**

- 68 • **The City and Borough of Sitka Municipal Administrator will appoint a**
69 **member of the senior staff as well as an alternate. This person will not**
70 **hold any board office, such as chair or secretary. This term will not expire.**
- 71 • **A person having professional financial experience such as a certified**
72 **public accountant, auditor, or financial analyst. Three year term.**
- 73 • **A person having professional medical experience, such as a physician or**
74 **close equivalent. This person may not be an employee of Sitka Community**
75 **Hospital. Three year term.**
- 76 • **Two people from the community at-large. Two year terms.**

77 **There shall also be two non-voting, ex-officio members:**

- 78 • **A member of the Sitka Community Hospital chief medical staff. This term**
79 **will not expire. Elected each December by SCH medical staff.**
- 80 • **An Assembly member who will serve as liaison. Appointed each October.**

81 **All Sitka Community Hospital Board members will be approved by the Assembly.**

82
83 * * *

84 **Section 2.12.070 Organization**

85 The board shall organize itself by electing a chairman and secretary who shall hold their
86 offices as provided by hospital board by-laws.

87 A. The board shall adopt by-laws for the conduct of its business; provided, that ~~four~~
88 **three voting** members of the board shall constitute a quorum for the transaction of
89 business, and ~~four~~ **three** affirmative votes shall be necessary to carry any questions;

90 B. Board meetings shall be held in the city and borough at least once each month;

91 C. The board shall cause a record of proceedings to be kept. A copy of that record
92 shall be delivered to the assembly in a timely manner;

93 D. All meetings are subject to the Alaska Open Meetings Act. All meetings shall be
94 open to the public. No member of the Assembly, or ~~municipal administrator~~ wishing to
95 attend shall be excluded from an executive session.

96 * * *

97 5. **EFFECTIVE DATE.** Upon the dissolution of the current board, the SCH Hospital
98 Administrator will appoint a "Responsible Individual," as allowed in the Medicare
99 Conditions of Participation Regulations for Critical Access Hospital C-0240 §485.627(a),
100 to carry out the requisite Governing Body (Hospital Board) functions. The Responsible
101 Individual will serve in this role until the new Hospital Board has been seated by the
102 Assembly. During this period of transition, the Sitka Community Hospital Administrator
103 will report to the Municipal Administrator. Once the new Hospital Board is seated, the
104 SCH Administrator will report to this body. This ordinance shall become effective on the
105 day after the date of its passage.

106
107 **PASSED, APPROVED, AND ADOPTED** by the Assembly of the City and Borough
108 of Sitka, Alaska this 23rd day of June, 2015.

109
110
111 _____
Mim McConnell, Mayor

112 **ATTEST:**

113
114 _____
115 Melissa Henshaw
116 Acting Municipal Clerk

117
118 1st reading 6/9/15
119 2nd reading 6/23/15

120



Legislation Details

File #: 15-093 Version: 1 Name:

Type: Item Status: AGENDA READY

File created: 6/3/2015 In control: City and Borough Assembly

On agenda: 6/9/2015 Final action:

Title: Consideration and award of the request for proposals submitted for the available funds (\$39,765) in the Fisheries Enhancement Fund

Sponsors:

Indexes:

Code sections:

Attachments: [Motion Fisheries Enhancement Memo](#)
[Ord 2006-38](#)
[Sitka Sound Science Center](#)
[Sitka Seafood Festival](#)
[Chinook Futures Coalition](#)

Date	Ver.	Action By	Action	Result
------	------	-----------	--------	--------

Consideration and award of the request for proposals submitted for the available funds in the Fisheries Enhancement Fund.

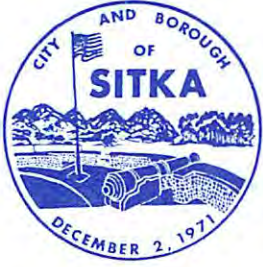
POSSIBLE MOTIONS

I MOVE TO award \$_____ to the Sitka Sound Science Center. (*Note: \$39,700 requested*)

I MOVE TO award \$_____ to the Sitka Seafood Festival. (*Note: \$11,500 requested*)

I MOVE TO award \$_____ to the Chinook Futures Coalition. (*Note: \$5,000 requested*)

Note: \$39,765 is available for disbursement from the Fisheries Enhancement Fund. A total of \$56,200 has been requested.



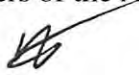
City and Borough of Sitka

100 Lincoln Street Sitka, Alaska 99835

Coast Guard City, USA

Memo

To: Mayor McConnell and Members of the Assembly

From: Mark Gorman, Administrator 

Date: June 3, 2015

Re: FY2015 Fisheries Enhancement Fund Proposals

The Fisheries Enhancement Fund was established by Ordinance 2006-38 and approved by voters in 2006.

The amount available for disbursement from the FY2015 budget is \$39,765. Our office received three timely proposals from:

- Sitka Sound Science Center
- Sitka Seafood Festival
- Chinook Futures Coalition

By the terms of the Ordinance all three proposals meet the requirements.

The Assembly is required by Ordinance to make a determination of the distribution of funds.

FY15 Fisheries Enhancement Grant Requests

Applicant	FY 2015 Requested	To be Used For	Amount Recommended
Sitka Sound Science Center	\$39,700.00	To continue its hatchery production and enhancement operations	
Sitka Seafood Festival	\$11,500.00	1) Shoot, produce and edit a short film on sustainable fishing in Sitka, 2) Produce a series of podcasts detailing Sitka's sustainable fisheries, 3) Cover costs of formatting and distributing final products on web-based interfaces.	
Chinook Futures Coalition	5,000.00	To continue to provide additional legal and scientific support to the State of Alaska Department of Fish and Game and the US Canada Salmon Commission Treaty Team.	
TOTAL	\$56,200.00		\$0.00

Note: \$39,765 is available for disbursement from the Fisheries Enhancement Fund

LEGAL NOTICE

Request for Proposals By the City and Borough of Sitka, Alaska Fisheries Enhancement Fund

Request for Proposals for the disbursement of the available \$39,765 in the Fisheries Enhancement Fund, established by Ordinance 2006-38 and approved by voters in the regular election held October 3, 2006, will be received at the office of the Municipal Clerk, City Hall, City and Borough of Sitka, 100 Lincoln Street, Sitka, Alaska until Friday, May 29, 2015, 2:00 pm. Proposals received after the time fixed for receipt will not be considered.

The proposal should contain the following information:

- History of the organization
- Current balance sheet
- Pro forma financial statements
- Dollars requested from funds
- Statement of what will be achieved with the funding
- Explanation of how this will enhance the fisheries within the City and Borough of Sitka

Questions may be directed to Sara Peterson, Municipal Clerk, 100 Lincoln St., Sitka, Alaska, 747-1811.

Publish: April 29, May 6, May 8, May 13, May 22, May 27

CITY AND BOROUGH OF SITKA

ORDINANCE NO. 2006-38

-AN ORDINANCE OF THE CITY AND BOROUGH OF SITKA AMENDING SITKA GENERAL CODE SECTION 4.09.010 ENTITLED "LEVY OF SALES TAX" TO IMPOSE A FLAT SALES TAX RATE TO BE PAID BY FISHING CHARTER CUSTOMERS ON THE VALUE OF PACKAGED FISH AND/OR SEAFOOD CAUGHT OR TAKEN BY FISHING CHARTER CUSTOMERS.

1. **CLASIFICATION.** This ordinance is of a permanent nature and is intended to be a part of the Sitka General Code of the City and Borough of Sitka, Alaska upon election certification.

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.** Sitka General Code Section 4.09.030, entitled "Presumption of taxability—sales price and purchase price," recognizes that "in a sale which the amount of money paid does not represent the value of the property or service purchased, the sales tax must be imposed on the value of property or service purchased." Under the current Sitka General Code sales tax provisions, the value of the packaged fish and/or seafood obtained by fish charter customers as part of a charter has not been taxed. Fish charter customers are charged the same charter fee regardless if they obtain fish and/or seafood as part of a charter, and is then packaged for the customer. The purpose of this ordinance is to impose a sales tax on the value of the packaged fish and/or seafood caught or taken and retained by fish charter customers as a result of their charter.

The proposed amendment to Sitka General Code Section 4.09.010 would impose a flat rate charge of \$10 per fish box as a reasonable sales tax levy rate for the value of the packaged fish and/or seafood of fishing charter customers. This flat rate levy and the amount of the tax takes into consideration that each fish box may contain a varied amount, type, and size of fish and/or seafood which makes it difficult to precisely calculate its value. Additionally, since the fish and/or seafood has been caught and/or taken by the charter customer, the value of the packaged fish and/or seafood cannot be directly correlated with retail sales prices of fish and/or seafood. Thus, the City and Borough of Sitka, Alaska finds that the flat rate charge of \$10 per fish box is a reasonable sales tax rate.

Additionally, the sales tax collected from this levy on fish boxes shall be deposited by the finance director in the following funds and in the following rations:

- a. 20% in the harbor fund;
- b. 30% in the Sitka Permanent Fund;
- c. 20% in a fisheries enhancement fund, available to be used for any fisheries enhancement proposal upon approval of the proposal by the Assembly; and
- d. 30% in the general fund.

4. **ENACTMENT.** NOW, THEREFORE, BE IT ENACTED By the City and Borough of Sitka that Sitka General Code Section 4.09.010, entitled "Levy of Sales Tax," is amended by adding a new subsection to read as follows (new language underlined, deleted language stricken):

4.09.010 Levy of sales tax.


- A. There is levied a consumer's sales tax on sales, rents, and leases made in the City and Borough of Sitka. This tax applies to sales, rentals, and leases of tangible personal property; sales of services sold within the City and Borough of Sitka; sales of services performed wholly or partially within the City and Borough of Sitka when the provisions of such services originates or terminates within the City and Borough of Sitka; and rentals and leases of real property located with the City and Borough of Sitka. Notwithstanding any provision of law, air or sea charter services, provided a person or entity in the business of providing such charter services, are exempt from sales tax by the City and Borough of Sitka if the charter does not commence and end within the City and Borough of Sitka.
- B. The rate of levy of the sales tax levied under subsection A of this section is five percent on sales made during the months of October, November, December, January, February, and March. Effective April 1, 2004, the rate of levy of the sales tax levied under subsection A of this section is six percent on sales made during the months of April, May, June, July, August, and September. The rate of levy of the sales tax shall become five percent all year around three days after the Administrator certifies in writing to the Assembly that either (a) any and all bonds issued pursuant to the ratification by the voters on March 18, 2003, of propositions set out in Ordinances Nos. 02-1707 and 02-1712 are entirely paid off or (b) the seasonal sales tax increase of one percentage point on sales made during the months of April, May, June, July, August, and September described in the previous sentence has generated (or-based on historical projections-will generate in the next succeeding quarter) sufficient revenues to pay off any and all bonds issued pursuant to the ratification by the voters on march 18, 2003, of propositions set out in Ordinances Nos. 02-1707 and 02-1712, whether or not such bonds have been paid off.

- C. A flat rate of \$10 per fish box shall be levied on the packaged fish and/or seafood caught or taken and retained by fish charter customers as part of the fish charter. This tax shall be paid by the fish charter customer,
- D. collected by whoever packages the fish and/or seafood caught or taken by the fish charter customer, and is in addition to any sales tax paid based on the cost of the charter. This tax is effective January 1, 2007. For purposes of this subsection, a fish box means any packaging by a fish charter operator or processor, of fish and/or seafood caught or taken as part of the charter by a fish charter customer. The sales tax collected from this levy on fish boxes shall be deposited by the finance director in the following funds in the following ratios:
1. 20% in the harbor fund;
 2. 30% in the Sitka Permanent Fund;
 3. 20% in a fisheries enhancement fund, available to be used for any fisheries enhancement proposal upon approval of the proposal by the Assembly; and
 4. 30% in the general fund.
- E. Except as provided in subsection C above, all moneys accumulated under the terms of this chapter shall be deposited by the Finance Director in the general fund of the City and Borough of Sitka and shall be used for the general operating expenses of the City and Borough of Sitka in such a proportion as deemed advisable from time to time by the Assembly.

5. **EFFECTIVE DATE.** This ordinance shall become effective immediately on certification of the election results that show a majority of qualified voters approved the enactment.

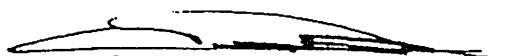
PASSED BY A MAJORITY VOTE OF THE ELECTORATE AT A REGULAR MUNICIPAL ELECTION HELD OCTOBER 3, 2006.

Results: YES = 2,011
NO = 1,000



Marko Dapcevich, Mayor

ATTEST:


Colleen Pellett, MMC
Municipal Clerk

Application City and Borough of Sitka Fisheries Enhancement Fund

Sitka Sound Science Center

2015

The Sitka Sound Science Center's respectfully requests the City and Borough of Sitka consider providing the Sheldon Jackson Salmon Hatchery \$39,700 from the Fisheries Enhancement Fund. The SJ salmon hatchery is one of the oldest salmon production facilities in the State of Alaska. Our facility is permitted for 12 million chums, 3 million pink and 250,000 Coho eggs. The Sitka Sound Science Center produces these fish for the commercial, sport and subsistence harvest in Sitka Sound and Deep Inlet. We have a strong partnership with the Northern Southeast Regional Aquaculture, for whom we provide 9 million chum eggs which has returned \$4.3 million total value to the fishing fleets of Sitka in the past five years.

History of the Organization: Sitka Sound Science Center

The Sitka Sound Science Center is a non-profit 501c3 organization formed in 2007. The Sitka Sound Science Center is dedicated to increasing understanding and awareness of terrestrial and aquatic ecosystems of Alaska through education and research. Our vision is to build on Sitka's legacy and potential as an educational and scientific community. We have 14 year round staff members and 14 additional summer employees. We own the 1929-era Sage building that at one time housed the Sheldon Jackson college science classrooms and laboratories. Today we operate the Molly O. Ahlgren Aquarium and the Sheldon Jackson Salmon Hatchery. Our hatchery contributes to the Sitka Sound common property fishery, the Deep Inlet chum fishery and towards training people in the UAS Fisheries Technology Training Program. These students are the future of salmon enhancement and fisheries management. For example this year, Richard Shafran, a 2015 graduate of the UAS Fisheries Technology Program, and recipient of the UAS Sitka Outstanding Student Award was an intern at our hatchery throughout his time at UAS, and has now been offered a full time job in the aquaculture industry.

The Sheldon Jackson Salmon Hatchery was one the first hatcheries permitted in the State of Alaska. The hatchery was a production facility and a training location where students learned fisheries biology, natural resource management and fisheries enhancement techniques. Graduates from the fisheries program at Sheldon Jackson College from 1975 to 2007 are now professionals and leaders in fisheries enhancement, management and policy around the State of Alaska. When the Science Center took over operation of the hatchery in 2007, our board remained committed to contributing to the common property fishery and continuation of the unique training program our location and facility affords.

Our programs:

Our hatchery facility

What's new? We recently completed a \$1.3 million exterior renovation to the Sage Building that houses the Science Center. With funds from the Rasmuson Foundation, DIPAC, the Ahlgren Family Fund, a loan from the State of Alaska Revolving Loan Fund for Fisheries Enhancement, and private donations we replaced the windows, the roof and repaired the concrete exterior. These renovations raise the profile of our facility considerably in the community, and help improve the efficiency of the hatchery. Also this year we completed an upgrade to our freshwater intake system and upgrade electrical service to the building. This year we continued our strong partnerships with the University of Alaska Fish Tech program, NSRAA, Mt. Edgecumbe High School and the Alaska Longline Fishermen's Association and we built new partnerships with the Aleutian Pribilof Island Community Development Association, U.S. Coast Guard Academy, Moat Marine Laboratory, University of California and University of Washington. We now provide logistics support for Little Port Walter, the NOAA research facility on the east side of Baranof Island, laboratory space for the U.S. Forest Service and the U.S. Geologic Survey.

Enhancement

Sitka Sound Science Center is part of the almost \$1 billion aquaculture industry in Alaska. Southeast Alaska hatcheries contribute millions of pounds of fish to commercial, charter, sport, personal use and subsistence fisheries, resulting in the injection of millions of dollars into the Sitka economy. The McDowell study (May 2010) demonstrates how important hatcheries are to our community and regional economy. The SJ hatchery facility is permitted by the State for 12 million Chums, 3 million Pinks, and 250,000 Coho that return to Crescent Bay, providing important local sport, commercial and charter fishing opportunities near town. Our nonprofit organization provides 9 million chum eggs for the Deep Inlet remote release site. **The value of the SSSC's S.J. Hatchery contribution over the last seven years is estimated at \$5.4 million in total value. Over \$3.7 million of that value has gone to the common property fishery.** Because of our location our returning fish are easily accessible to recreational fishermen as well as commercial fishermen, including land based sport fishing. In addition, our organization is training people to work in fisheries enhancement. We have a formal Memorandum of Understanding with the University of Alaska Southeast to provide hands on training to people in the University of Alaska Fisheries Technology Program. We are the only working hatchery in the State of Alaska, and in most of the Pacific Northwest, to have such a training facility.

The Science Center coordinates and conducts scientific research related to enhancement. We are entering our third year working with the Prince William Sound Science Center on a multi-million State of Alaska project to investigate hatchery and wild salmon interactions.

We continue to conduct controlled research experiments for the hatchery feed company Skretting in which we are testing alternative fish food ingredients. Currently we are doing research in

partnership with University of Alaska Southeast, University of Alaska Fairbanks School of Fisheries, NSRAA and SeaGrant on humpback whales feeding on hatchery released smolt and fry. This is a growing problem for the common property fishery and hatcheries who are seeing enhanced salmon production literally swallowed up by marine mammals.

We conduct longline fishery research, funded by NOAA, and in partnership with Scripps Institution of Oceanography, the University of Alaska Southeast, the Central Bering Sea Fishermen's Cooperative, and the Alaska Longline Fishermen's Association. We are working with the National Marine Fisheries Service on an ocean acidification study and we are funded by NOAA and the Department of Environmental Conservation to conduct monitoring and clean-up of marine debris on the beaches around Sitka. We also conduct a number of projects for the National Oceanic and Atmospheric Administration (NOAA) including a RNA/DNA of black cod and outreach for the \$18 million Gulf of Alaska Integrated Ecosystem Research (GOAIERP) project that is investigating fish recruitment of commercially important species.

The Sitka Sound Science Center has an important partnership with the University of Alaska Fisheries Technology Training Program to train students in aquaculture, fisheries and marine biology at our facility. This year UAS moved this program from Ketchikan to Sitka in part because of our strong partnership. We provide aquaculture instruction to a number of colleges and universities outside of Sitka that bring students to Sitka for field courses and research in marine-related sciences. These colleges include: Stanford University, University of San Francisco; Duke University, Knox College, and University of Alaska Fairbanks School of Fisheries.

Community Support

Sitka Sound Science Center has a wide breadth of community support as represented by our donation and inkind support from fish processors such as Silver Bay Seafoods, Seafood Producers Cooperative and Sitka Sound Seafoods; private foundations including the Sitka Permanent Charitable Trust, the Boat Company, Rasmuson Foundation, and a breadth of individual donations. We are also supported by Douglas Island Pink and Chum (DIPAC) and the Northern Southeast Regional Aquaculture Association (NSRAA). Our Board of Directors represents a cross section of Sitka. Our board members are: Trish White (vice chair, owner, White's Pharmacy); Heather Woody (treasurer, Southeast Regional Health Consortium); Kitty LaBounty (secretary, UAS); Justin Penny (Wells Fargo), Linda Waller(chair, Sitka Sound Seafoods); Nancy LeClerc-Davidson (retired); Rob Allen (Sitka Community Hospital administrator), and Steve Clayton (building contractor).

Dollars Requested: Sitka Sound Science Center respectfully requests the balance of the fisheries enhancement fund \$39,700.

Statement of what will be achieved with the funding: Fisheries Enhancement funding will enable Sitka Sound Science Center to continue building its hatchery production and enhancement

operations. The monies from the Fisheries Enhancement Fund will go directly into supporting hatchery operations and funding our hatchery technician. This position is responsible for feeding fish, tagging fish, water quality monitoring and other essential hatchery tasks that support strong, healthy fish releases.

Explanation of how this will enhance the fisheries within the City and Borough of Sitka: Sitka Sound Science Center provides fisheries enhancement in many ways. We directly contribute to salmon fishing opportunities for all users in Sitka by:

- Enhance the quantity of fish stocks returning to Sitka Sound by releasing 250,000 Coho, 3 million Chum and 3 million Pink salmon that return to Crescent Bay.
- Enhance and contribute to the Deep Inlet terminal fishery in partnership with NSRAA to release 9 million Chum salmon.

Additionally we ensure fisheries enhancement into the future by:

- Train adults and students to become competent aquaculture technicians for work at NSRAA or other hatcheries/salmon enhancement projects through on-the-job training and UAS Fisheries Technology class laboratories.
- Introduce K-12 students to fisheries enhancement, science and other marine related disciplines as options for their future careers by providing hands-on laboratories and supporting science curriculum at all Sitka Schools.
- Educate visitors about hatcheries and how salmon enhancement works in conjunction with wild salmon management and conservation in Southeast Alaska
- Educate visitors and residents about the important role of commercial, sport and subsistence fishing to Sitka's economy, lifestyle and culture.
- Provide internship opportunities for college students studying science and to work in science education and hatchery operations during the summer.
- Provide summer employment opportunities for Sitka High School students to work in science education and hatchery operations.

ATTACHED:

Letters of Support from NSRAA and Silver Bay Seafoods

Hatchery Pro Forma

2014 SSSC Balance Sheet

SJ Hatchery Proforma

<i>PROJECTED FINANCIAL STATUS</i>	<i>RETURN YEAR</i>				
	2014	2015	2016	2017	2018
<i>FISCAL YEAR</i>	2014	2015	2016	2017	2018
INCOME:					
PINK GROSS REVENUES	\$ 32,814		\$ 64,882	\$ 65,097	\$ 66,725
CHUM GROSS REVENUES	\$ 3,014	\$ 10,644	\$ 6,952	\$ 16,882	\$ 46,706
COHO GROSS REVENUES	\$827	\$0	\$4,050	\$25,522	\$26,161
CHINOOK GROSS REVENUES	\$0	\$0	\$0	\$0	\$0
Grants	\$33,900	\$39,700	\$35,000	\$35,000	\$35,000
Loans	\$0	\$0	\$0	\$0	\$0
Education & Research (NOAA, ADF&G, etc)	\$0	\$20,000	\$25,000	\$25,000	\$25,000
NSRAA agreement	\$130,000	\$160,400	\$167,272	\$172,290	\$177,459
TOTAL REVENUE	\$ 200,555	\$ 230,744	\$ 303,156	\$ 339,792	\$ 377,050
EXPENSES:					
OPERATING	\$260,864	\$267,386	\$274,070	\$280,922	\$287,945
– FISH FOOD	\$41,000	\$42,025	\$43,076	\$44,153	\$45,256
CAPTIAL IMPROVEMENTS	\$0	\$26,837	\$0	\$0	\$10,000
LOAN PAYMENT					
TOTAL EXPENSES	\$301,864	\$336,248	\$317,146	\$325,075	\$343,201
NET INCOME	(\$101,309)	(\$105,504)	(\$13,990)	\$14,718	\$33,849

Sitka Sound Science Center
Balance Sheet
As of December 31, 2014

	<u>Dec 31, 14</u>
ASSETS	
Current Assets	
Checking/Savings	906,181.47
Accounts Receivable	148,905.44
Other Current Assets	8,638.62
Total Current Assets	<u>1,063,725.53</u>
Fixed Assets	
15000 · Sage Building	1,283,946.59
15001 · Lincoln Street Land	377,000.00
15500 · Equipment Capitalized	129,344.58
15555 · Accumulated Depreciation	-20,674.00
Total Fixed Assets	<u>1,769,617.17</u>
TOTAL ASSETS	<u><u>2,833,342.70</u></u>
LIABILITIES & EQUITY	
Liabilities	
Current Liabilities	97,136.14
Long Term Liabilities	635,109.67
Total Liabilities	<u>732,245.81</u>
Equity	
32000 · Retained Earnings	1,178,576.35
Net Income	922,520.54
Total Equity	<u>2,101,096.89</u>
TOTAL LIABILITIES & EQUITY	<u><u>2,833,342.70</u></u>

NORTHERN



SOUTHEAST REGIONAL AQUACULTURE ASSOCIATION, INC.

(907) 747-6850
FAX (907) 747-1470
steve_reifenstuhl@nsraa.org

1308 Sawmill Creek Road Sitka, Alaska 99835

May 14, 2015

RE: Support for Sitka Sound Science Center 2015 Fish Box Tax Request

Dear Mayor McConnell & Sitka Assembly,

The Sitka Sound Science Center through its operation of the Sheldon Jackson Hatchery fully meets the criteria for receiving the 2014 Fish Box Tax funds in the category for salmon enhancement. SSSC conducts and is committed to salmon enhancement programs that benefit common property fisheries in Sitka. No other entity in Sitka, applying for the funds, fulfills that mission. In addition, SSSC provides several functions that support enhancement programs in important and fundamental ways, including educating students from kindergarten to college in science, aquaculture research, and providing student/employee salmon hatchery training.

Commercial fishermen have benefited directly from the 12 million chum eggs (increased from 10 million in 2013) associated with the Sheldon Jackson Hatchery permit. If it were not for SSSC operating the hatchery there would be 200,000 fewer adult chum salmon to catch in Sitka Sound each year. The total value of the SJ hatchery chum caught in Deep Inlet by the commercial fleet from 2006 to 2014 is \$4,300,000. These dollars flow through Sitka's economy.

NSRAA is a private non-profit fisheries enhancement organization based in Sitka. We have several large salmon production facilities that benefit commercial, sport, subsistence, and personal use fishermen in the region. The NSRAA board is comprised of 15 commercial fishermen representing the three salmon gear groups, one crew seat, and 9 non-commercial seats including subsistence, conservation, municipality, Native organization, and sport fishermen. NSRAA has a strong partnership with Sitka Sound Science Center that began at its inception. NSRAA believes SSSC is ideally suited for receipt of the fish box tax, and wholly deserves the funds.

The SJ hatchery was one of the very first permitted enhancement facilities in the State of Alaska. It has been producing salmon for common property fisheries in Sitka Sound since 1975. Importantly, SSSC has improved the hatchery infrastructure, staff, and programs. Fishermen depend on SSSC's 12 million permitted chum eggs which provide a meaningful common property contribution.

Please support this important enhancement operation in Sitka.

Sincerely,

A handwritten signature in blue ink that reads "Steve Reifenstuhl". The signature is fluid and cursive, with the first name being the most prominent.

Steve Reifenstuhl, General Manager
Northern Southeast Regional Aquaculture Association



May 14, 2015

Mayor Mim McConnell and
Members of the Assembly
City and Borough of Sitka
100 Lincoln St.
Sitka, AK 99835

Dear Mayor McConnell and Members of the Assembly,

On behalf of Silver Bay Seafoods, I join the Sitka community in strongly endorsing the Sitka Sound Science Center (SSSC) to receive the fish box tax money from the City of Sitka. Silver Bay Seafoods believes in the work of the Science Center – both in its mission of scientific research and science education and as a salmon production facility.

Silver Bay has a long-term contract with the Science Center for cost recovery and fish processing. We are supportive of the contributions that the Science Center makes to the common property fishery in Sitka Sound, enhancing commercial, sport and subsistence fishing. While SSSC is not a large production facility, it has a long and important history in Sitka and in Alaska. It was one of the original hatcheries permitted by the State of Alaska in 1972 (it holds permit number 3 issued by the State) and holds a long and important legacy of salmon enhancement for the State of Alaska.

We are grateful that the hatchery was stabilized by Sitka Sound Science Center after Sheldon Jackson College shut down in 2007. As a non-profit, SSSC has done a good job in diversifying its revenue sources. The developing non-profit is showing great promise for helping our local economy in a number of ways and we believe it well deserves to receive the City and Borough of Sitka Fish Box tax money this year.

Thank you for your support.

Sincerely,



Richard A. Riggs, CEO

Application City and Borough of Sitka Fisheries

Enhancement Fund Applicant: Sitka Seafood Festival

History of the Organization: Sitka Seafood Festival

The Sitka Seafood Festival is a non-profit 501c3 organization, which has been hosting an annual festival focused on the celebration of high quality, sustainably managed seafood since 2010. Sitka and its surrounding areas are steeped in natural resources and culture consistent with a rich fishing history. Our group of founding volunteers felt that we had a great opportunity to celebrate these resources through the sharing of this food and culture. In 2012 attained our non-profit status after several years of sweat from volunteers and generous donations to get the event established.

The Sitka Seafood Festival is a weekend long community festival to celebrate, and raise awareness for, our sustainable seafood industry. The festival aims to highlight Sitka's seafood through a culinary medium. Our festival includes cooking demos, cooking classes, guest speakers, tours of seafood processing plants, round table discussions with representatives of the fishing and culinary industries, games for children and adults alike including Highland Games. We also give a paid culinary internship to a student of the culinary arts to work with our five chefs to prepare a seafood gala for the community. Attendees to the gala and outdoor festival come from all over Alaska and beyond. Now in our 6th year, we witnessed participation of approximately 2,500 people in 2014.

While our outdoor festival is a ton of fun, it's more than just a big party with exquisite food. Our sustainable seafood industry is a vital part of our economy in southeast Alaska and an important part of the world's food supply. Scientists, conservationists, fishermen, chefs, food merchants all come together at the Sitka Seafood Festival to help us educate and preserve our sustainable food resource. In this partnership with sustainable seafood purveyors, scientists, and media personnel we hope to further enhance the fishery and continue to expand upon the scope of the Seafood Festival in promoting Sitka's seafood.

Dollars Requested: The Sitka Seafood Festival respectfully requests a total of \$11,500 from the total of the fisheries enhancement fund. Sitka Salmon Shares Inc and the Sitka Seafood Festival will both be providing in-kind match for this project in the form of significant staff resources that will go into guiding the media production process, providing travel and housing for the media production personnel, and promoting and sharing the final product.

What will be achieved with the funding:

- \$7,000 of the funding will be used to shoot, produce and edit a short film on sustainable fishing in Sitka, AK similar to this one entitled, Sustainable Catch

(<https://vimeo.com/111591662>). This film will be hosted on the web by the Sitka Seafood festival and will be shared broadly with members of the Sitka Seafood community. A short film with more detail on the festival and the culture surrounding it will also be produced and distributed. The main purpose of this film will be to advertise and promote the seafood festival in the future. Promotion of the festival will bring interested stakeholders to Sitka to engage in fisheries celebration and promotion.

- \$4,000 will be used to produce a series of podcasts detailing Sitka's sustainable fisheries, and the science and culture behind it. These podcasts will be used internally by the Seafood festival and will also be shared more broadly with the sustainably seafood community. They will be pitched to NPR and other media sources in order to drive earned media for Sitka's rich seafood culture. Podcasts are a highly popular new media and allow stakeholders to interact with the media source when they are away from a computer screen.
- \$1500 will be used to cover the costs of formatting and distribution of final products on web-based interfaces.

Explanation of how this will enhance the fisheries within the City and Borough of Sitka:

Fisheries Enhancement funding will enable the Sitka Seafood Festival to expand its work in educating seafood consumers on the importance of seafood sourcing. This work will allow us to show consumers and seafood stakeholders the amazing products that are coming out of Sitka, AK and the amazing people who are a part of creating that product. This work will help to establish Sitka's fisheries as a source of premier, high-quality, seafood in the same way that Cooper River has been successful in branding their area of origin product.

Branding Sitka's seafood as a premier product will ensure that fishermen get a more equitable price for their product. When fishermen are getting paid an equitable price for careful management of the fisheries resource, the ecology, economy, and community are all enhanced.

We have put together a team of highly qualified professionals to produce high quality media products to adequately reflect the quality of the seafood being produced. The curriculum vitae for podcast producer, Chris Bocast is included in this application. Biography for videographer, JD Schuyler can be accessed on his website, <http://www.jdschuyler.com/>.

Chris Bocast

608-609-5614 / chris@divergentarts.com

Chris Bocast recently earned an interdisciplinary Ph.D. in Environment and Resources at the Nelson Institute for Environmental Studies. His portfolio focused on the intersection of sound and the environment, and included bioacoustic analysis, environmental philosophy, media production, and live performance. He combines a solid academic background in environmental studies with a lifetime of experience in professional music and audio; these provide the foundation for his rigorous and innovative studies of sound environments, as well as his enthusiastic and engaging presentation style. In January 2012, he received an Emerging Interfaces Award from the Wisconsin Institute of Discovery for his work in new media. In January 2014, he attended the NSF-sponsored Summit on the Future of Undergraduate Geoscience Education at UT-Austin, Texas. He participated in the NSF-funded Global Sustainable Soundscapes Network workshop held in Wells, Maine, in July, 2014. Chris shared his bioacoustic research involving lake sturgeon spawning sounds at the American Fisheries Society international conference in Quebec this past August. In conjunction with private partners and the state of Alaska, Chris will be producing a new series of podcasts on sustainable fisheries this summer.

Education

Doctor of Philosophy - Environment and Resources. Subject areas: Environmental Studies; Acoustics; Music
University of Wisconsin - Madison, August 24, 2014

Thesis: *Interdisciplinary Adventures in Perceptual Ecology* Advisor: Dr. Michael M. Bell, Professor of Environmental Sociology, Director of the University of Wisconsin-Madison's Center for Integrated Agricultural Systems

Master of Arts - American Studies, Environmental History emphasis
University of Texas at Austin, 2005

Thesis: *The Curious Story of Camels in America*

Advisor: Dr. William H. Goetzmann, Pulitzer Prize-winning author of *Exploration and Empire: the Explorer and the Scientist in the Winning of the American West*

Bachelor of Arts - Humanities, Cross-Cultural Arts Emphasis

San Francisco State University, 1999

Thesis: *Becoming Berlin (the Golden Twenties in Weimar Germany)*

Humanities Faculty Honoree 1999, Wendell Otey Writing Scholarship for Music History 1997

Teaching Experience

2015	Guest Lecturer	University of Wisconsin – Madison, Madison, WI
	Topic:	Introduction to Sensory Ecology
2012-2014	Senior Lecturer	University of Wisconsin - Rock County Janesville, WI
	Courses:	Human Impacts on the Environment (GEO 130) Fall 2012 , 2013, 2014 Disasters: Living on the Edge (GEO 170) Spring 2013, Spring 2015
2013-2014	Lecturer	University of Wisconsin - Platteville Platteville, WI
	Courses:	World and Regional Geography (GEO 1330) Fall 2013/Sp, Fall 2014/Sp 2015 Planet Earth (GEO 1040) Fall 2014
2011	Instructor	University of Wisconsin – Design Lab Madison, WI
	Course:	Sound Design Workshop for the Digital Humanities Initiative Developed sound design conceptual training for graduate students
2009	Teaching Assistant	University of Wisconsin - SLIS Madison, WI
	Courses:	The Information Society (LIS 201 /Comm B) – two sections
2008-2009	Instructor	Lakeland College Madison, WI
	Courses:	Environment and Consumption (GEN 443) Science, Non-Science, and Pseudoscience (GEN 355) Ethics (PHI 232) – three sections Music History and Appreciation (MUS 120) – two sections
2007-2008	Instructor	Pikes Peak Community College Colorado Springs, CO
	Courses:	Early Civilizations (HUM 121) – seven sections Medieval Cultures to Modern (HUM 122) – two sections
2007-2008	Instructor	Colorado Technical University Colorado Springs, CO
	Courses:	Art and Music Appreciation (HUM 200) – six sections World Cultures and Values (HIST 250) World History since 1500 (HIST 150) – three sections

Technical Skills

Consummate media professional; expert and fast audio producer/sound designer/recording engineer; owns and operates Pro Tools recording system and portable Studio One 2 recording system; owns and operates Wildlife Acoustics field recorder with hydrophone for underwater acoustics research; trained in Raven spectrographic frequency analysis; can handle and produce talent for media projects efficiently while being supportive, finishes projects on time and on budget (has produced several audiobooks, podcasts, and albums from initial idea to final master for various platforms, purposes, and genres); can direct or train personnel; stand-out lecture/presentation skills; MAX programming; audio restoration and spectral repair (Izotope 2); video editing, especially in conjunction with soundtrack work; graphics editing and design; live camera/video/lighting skills; interactive educational software; professional writing, editing, and proofing; GIS skills (ESRI)

Technical Work Experience

Chris has a rich background in media production and stays current with the latest developments in digital audio; this knowledge has proven very useful in the practical implementation of meaningful environmental humanities content.

2010-present	Audio Producer	UW Sea Grant Institute	Madison, WI	Responsible for producing general audience podcasts on science for UW Sea Grant, UW iTunes U, PRX Produced major audiobook project in conjunction with the Wisconsin Historical Society Press Research, write, and narrate scripts; research, compose, record, and perform incidental music Record, edit, mix, master, publish, and promote productions in appropriate outlets
2009	Verifier	United States Census	Madison, WI	Verified listed addresses through ground truth Marked GPS locations using proprietary US Census technology Was recruited for management but chose graduate school (!)
2005-2007	Audio Producer/Music Director	Sagebrush Productions	Florissant, CO	Complete responsibility for professional pop music album Rehearsed, arranged, recorded, edited, mixed and mastered product Auditioned, scheduled, and managed talent Composed, scored, and performed necessary music (guitar, slide, keyboards, bass)
2001-2005	Lead Audio Technician	UT Performing Arts Center	Austin, TX	Responsible for all University of Texas Jazz productions Led and assisted in all types of university productions, from small speeches and academic conferences to full Broadway shows Specialized in live sound design for Bustamente-Sharir modern dance troupe
1993-2001	Lead Audio-Video Technician	McCune A/V/V	San Francisco, CA	Crew leader for all manner of audio-visual presentation Worked in every imaginable professional environment, from corporate conferences, hotels, and churches to the Chinese New Year Parade Handled audio recording and restoration projects
1989-1992	Database Manager/Technical Writer	Opcode, Inc.	Menlo Park, CA	Managed database/ mailing lists/ customer support for music software company Wrote for newsletter and press pieces; worked trade shows

Chris enjoys writing. One section of Chris' dissertation portfolio has already been published by *Organised Sound*. Chris' recent discovery of infrasonic sound and other signals produced by spawning sturgeon, the centerpiece of his dissertation research, has already received a surprising amount of media attention. Sturgeon researchers from across the world have been eagerly anticipating the publication of this data. Chris can write broadly and comfortably on a host of subjects as they pertain to environment issues, soundscape conservation, and natural resources.

Publications: "Examining the Place of Music in Western Eco-cosmology, with Considerations for Electro-acoustic Practice"
Published in the December 2012 issue of *Organised Sound*, Cambridge University Press

"Sound production of spawning lake sturgeon (*Acipenser fulvescens*) in the Lake Winnebago watershed, Wisconsin"
Published in the December 2014, *Journal of Applied Ichthyology*, Wiley Publications

The emerging scholarly genre of podcasts exemplifies the outreach possible with new media. These series represent a vast amount of work and provide an ongoing resource for outreach professionals. Available world-wide through Apple's iTunes U, Chris has produced six multiple episode podcast series for the Wisconsin Institute of Discovery, the University of Wisconsin Water Resources Institute, and the University of Wisconsin-Madison Sea Grant Institute.

Podcast series: *Aquifers and Watersheds: Understanding Our Water Resources* – UW-Madison's iTunes U (2014)
Sea Grant and Lake Michigan: Waters in Transition – UW-Madison's iTunes U (2013)
Sea Grant and Lake Superior: Sustaining the Freshwater Sea – UW-Madison's iTunes U (2013)
WID: the Challenge of Transdisciplinary Science – UW-Madison's iTunes U (2012)
Aquaculture and You – UW-Madison's iTunes U (2012)
Water, Wisconsin, and the Mercury Cycle – UW-Madison's iTunes U (2010)

Chris has been producing narrative audio for many years, and has his own audio production company, Divergent Arts Ltd. His collection, *Emerson on Nature*, has been favorably reviewed in the top trade magazine, *Audiophile*. As part of his Ph.D. portfolio, he produced *People of the Sturgeon*, (Wisconsin Historical Society Press) is a tour-de-force in sound design, which won the National Indie Award for Excellence in the Audiobooks category in 2012. As a Divergent Arts producer, Chris consults on bioacoustic and soundscape studies, does audio restoration, and delivers customized recording projects.

Audiobooks: *Creating Dairyland* – Ed Janus (WHSP - 2012)
People of the Sturgeon – Schmidt, Bruch, Binkowski (WHSP - 2012)
Emerson on Nature - Ralph Waldo Emerson, Chris Bocast ed. (2010)
Essential Emerson - Ralph Waldo Emerson, Chris Bocast ed. (2009)
Captain Stormfield's Visit to Heaven - Mark Twain (2007)
The Diaries of Adam and Eve - Mark Twain (2007)
Practical Mysticism - Evelyn Underhill (2007)
Great American Sermons – Edwards, Parker, Moody, et al.; Chris Bocast ed. (2006)
The Mysterious Stranger - Mark Twain (2006)

The soundmark series Chris produces for Wisconsin Public Radio is representative of communication strategies that can successfully convey knowledge gained in serious environmental study to today's audiences. Chris works closely with Anne Strainchamps, best known for her NPR series *To the Best of Our Knowledge*, when producing episodes for Wisconsin Life. He has also contributed music on several occasions to the NPR show, including a re-interpretation of their title theme. WPR pieces can be heard at: <http://wilife.tumblr.com>.

Radio series: *Sturgeon Thunder* – Wisconsin Public Radio (2012)
Soundmark: the UW Steam Whistle – Wisconsin Public Radio (2011)
Soundscape of Craft Brewing – Wisconsin Public Radio (2011)
Soundmark: the Call of the Sandhill Crane – Wisconsin Public Radio (2010)

Chris documented the first comprehensive scientific recordings of sturgeon spawning, including drumming sounds concentrated in the infrasonic range. The recordings are searchable through Proquest since the deposit of the dissertation research. Chris has also assisted the Wilbarger Lab at the UW School of Kinesiology, designing sounds for neuroscientific investigations and calibrating laboratory sound equipment. Chris received a grant from the Wisconsin Department of Natural Resources to do definitive fieldwork on sturgeon bioacoustics, working closely with a team of DNR biologists, and has discovered more intriguing sound production behaviors of sturgeon. Chris presented the final results of their research to the Seventh International Symposium on Sturgeon this July, and received an award for "Liveliest Presentation" due to audience engagement and audio-visual integration.

Scientific recordings: Sturgeon spawning – *Interdisciplinary Adventures in Perceptual Ecology* (Proquest)

One off-shoot from the publicity surrounding his sturgeon research is that Chris has been asked to appear on national television as an underwater field recording expert. In this show for the National Geographic International Channel, Chris used his skills in bioacoustics to debunk bogus claims made regarding sounds attributed to the Lake Champlain monster. Chris was interviewed by Fox Television News in Green Bay about his sturgeon sound research in January, 2015 (broadcast February, 2015).

Television appearances: *Paranatural - Episode 2: Monsters of the Deep*
National Geographic International Channel - aired in fall 2013

His recent collaboration with Dr. Stanley Temple, a reconstruction of a 1940's soundscape, has garnered international press as well as coverage by Boston Public Radio's *Living on Earth*, NPR's *All Things Considered*, and similar outlets. It has been recently included in installations at Purdue University and will be permanently installed at the Panorama Theater at the Aldo Leopold Foundation this year. You can learn about this audio project at:

International news coverage: Wired
Wired UK
Popular Science
Living on Earth

Chris is a confident speaker and enjoys discussing his research with both specialized and general audiences, who are all increasingly interested in acoustic ecology, soundscapes, and the impacts of digital humanities research.

Conference talks: *Inspiring Change through Film and New Media*
Sixth Annual Nelson Institute Earth Day Conference, Monona Terrace
Madison, Wisconsin – April 16, 2012

A Case Study in Soundscape Ecology: Sturgeon Low Frequency Sound Production
Global Sustainable Soundscapes Network Kickoff Conference, Aldo Leopold Center,
Baraboo, Wisconsin - July 23, 2012

In Search of... Sturgeon Thunder
Seventh Annual Nelson Institute Earth Day Conference, Monona Terrace
Madison, Wisconsin – April 15, 2013

Examining the Place of Music in Western Eco-cosmology
Music and Ecologies of Sound International Symposium, University of Paris 8
Paris, France – May 28, 2013

Description and analysis of spawning sounds produced by lake sturgeon, Acipenser fulvescens.
Seventh International Symposium on Sturgeon (ISS7), Vancouver Island Conference Centre
Nanaimo, British Columbia – July 25, 2013

Description and analysis of spawning sounds produced by lake sturgeon, Acipenser fulvescens.

American Fisheries Society Annual Meeting

Quebec City Conference Centre

Quebec, Quebec – August 20, 2014

Recent Creative Works

Chris maintains an active professional music performance and recording schedule. His most recent shows have been intimate solo guitar appearances; more elaborate recent productions have featured soundscapes, guest musicians, and interactive video performed on Isadora. He has appeared with major label talent at venues across the world, including Radio City Music Hall in New York, the Fillmore in San Francisco, the Olympic Theater in Dublin, Ireland, Maple Leaf Gardens in Toronto, Canada, and the Overture Center in Madison, Wisconsin; his albums enjoy international radio airplay, particularly on Sirius XM satellite radio and on Public Radio International's acclaimed Echoes radio show, and are streamed constantly on internet services such as Pandora and Spotify. His album *Stratagem* was voted one of the Top One Hundred Albums of the past 20 years by Echoes listeners in 2010. His arrangement and performance of Beethoven's Ode to Joy for acoustic guitar has been featured in the Hollywood movie *Finding Joy*, released in U. S. theaters on June 7, 2013. He produced an EP in 2013 to accompany the film release. He continues to do studio session work and has licensed music for everything from network television broadcasts and international advertising campaigns to obscure German art student films. Chris has also written and recorded music on commission for Vital Sounds, Inc. for specific use in musical therapy for autistic children. Music samples, archival photos, and full musical biography available at www.chrisbocast.com.

Music albums: *What You've Got* – Well-Adjusted People – Chris appears on 4 tracks (2014)
 Music of the Extraordinary Voyages – Larkenlyre – Chris appears on 5 tracks (2013)
 Intrinsic - Chris Bocast (2013)
 Stratagem - Chris Bocast & MJCatalin (2009)
 It's My Mother's Fault - Lissa Hanner (2007)
 Synthetic Bliss - Tokyo Vogue (2005)
 Through the Airlock – Chris Bocast (2003)

Collaborations are fun and invaluable for expanding intellectual comprehension and honing media skills; Chris is frequently asked to assist other artists and academics in various projects. Some of the most recent collaborations include:

Collaborations: *Smart Media and the Space of Thought: The Revelations of Dr. Kx4l3ndj3r* – w/ Jon McKenzie,
 Associate Professor of English, Coordinator of Digital Humanities Initiative (UW-Madison)
 Communication Technologies & New Performance Practices in Chile Conference. Universidad de las Artes,
 Ciencia y Comunicación and Centro Gabriela Mistral. Santiago, Chile - April 23, 2012
 Contributed sound consultation, design, and mastering for keynote lecture and video presentation

Cosmographic – w/ Dale Kaminski, MFA (UW-Madison) and Koala Yip, MFA (CalArts)
 Wisconsin Institute for Discovery, Madison, Wisconsin - May 15, 2012
 Contributed original live and recorded music for dance, video, and interactive motion detector performance

Leopold Soundscape Reconstruction – w/ Dr. Stanley Temple, (UW-Madison), Aldo Leopold Foundation
 Global Sustainable Soundscapes Network Kickoff, Aldo Leopold Center, Baraboo, Wisconsin - July 23, 2012
 Time-lapse audio reconstruction of dawn chorus from Aldo Leopold's field-notes for keynote presentation

Earth Day Remix – multiple artists (UW-Madison)
 University of Wisconsin Music Hall, Madison, Wisconsin - April 12, 2013
 This unique show, which served as Chris' exit seminar, combines live music performance and audio mash-ups with mesmerizing interactive live video performance utilizing scientific imagery.

Fermentation Fest – multiple artists (UW-Madison)

St. Boniface Church, Lime Ridge, Wisconsin – October 5, 2013

This particular grant required music written by Chris performed in conjunction with live interactive video featuring highlights from the local community. The concert was the centerpiece of a 10 day local foods and arts celebration.

Earth Day Redux – multiple artists (UW-Madison)

Madison Museum of Contemporary Art, Madison, Wisconsin - April 22, 2014

By request, the exit seminar show was restaged for the Nelson Institute's 2014 Earth Day Conference.

To assist his research, Chris will at times secure grants and commissions. These range from the scientific to the artistic, but they all hold to furthering the transdisciplinary goals of his vision for a sustainable future.

Grants:

Emerging Interfaces Award (new media)
Wisconsin Institute of Discovery
January 2012

Sturgeon sound research (2 separate grants)
Wisconsin Department of Natural Resources
July, 2011 and July, 2013

D-Composition Grant – July 2013
Composition and performance commission
Performance at D-Tour Local Food and Art Fest, Oct. 5, 2013

Professional Organizations

Chris is a member of Broadcast Music, Inc. (BMI), the World Sturgeon Conservation Society (WSCS), the American Society for Acoustic Ecology, the American Fisheries Society, and Performance Philosophy.

Endorsements

Chris is an official endorser of Valhalla DSP plug-ins and Monte Allums Mods.

10:34 AM
 05/29/15
 Accrual Basis

Sitka Seafood Festival Profit & Loss January through December 2014

	Jan - Dec 14
Ordinary Income/Expense	
Income	
Auction Income	12,030.06
Banquet ticket sales	11,285.00
Beer Fest Income	1,364.17
Beer Garden Income	7,179.00
Festival Market Place Income	1,020.00
Food Booth	2,922.00
Kids game income	0.00
Root Beer float booth	622.00
VIP ticket sales	1,285.00
Wine tasting Income	2,050.00
4100 · Donations	10,100.00
4200 · Fundraising	295.00
4700 · Retail Sales	
Hat sales	0.00
4700 · Retail Sales - Other	985.00
Total 4700 · Retail Sales	985.00
Total Income	51,137.23
Cost of Goods Sold	
5000 · Merchandise For Resale	
T-Shirts	325.00
5000 · Merchandise For Resale - Other	1,684.00
Total 5000 · Merchandise For Resale	2,009.00
Total COGS	2,009.00
Gross Profit	49,128.23
Expense	
Beer Fest	516.73
Beer Garden Expense	5,629.75
Credit card fee expense	647.69
Directors stipend	2,500.00
Festival Expense	
Auction Expense	241.54
Banquet Expense	5,380.57
Campus rental Expense	2,385.00
Contract labor	3,012.50
Festival Food Expense	955.26
Games expense	453.62
Highland Games Expense	1,065.00
Misc Festival Expense	1,343.69
Total Festival Expense	14,837.18
Food Booth Expense	1,155.42
License and Fees	103.00
MarketPlace expense	16.80
Parade Expense	317.24
Postage	507.97
Root Beer Float Expense	100.12
Scholarship expense	500.00
Storage expense	227.88
Travel Expense	
Car Rental	1,226.57
Travel Expense --Carolyn Kinnee	1,717.63
Travel Expense - Other	91.00
Travel Expense Chefs	4,951.40
Travel Expense Entertainment	406.64
Total Travel Expense	8,393.24
Web expense	181.97
Wine Tasting Expense	698.40
6000 · Advertising	2,652.22

10:34 AM
05/29/15
Accrual Basis

Sitka Seafood Festival
Profit & Loss
January through December 2014

	<u>Jan - Dec 14</u>
6100 · Dues & Subscriptions	165.00
6200 · Insurance Expense	
D&O	726.94
Liability	1,222.00
6200 · Insurance Expense - Other	<u>579.05</u>
Total 6200 · Insurance Expense	2,527.99
6300 · Meeting Expense	26.50
6400 · Office Expense	
Supplies	356.46
Tele conference expense	347.14
6400 · Office Expense - Other	<u>93.65</u>
Total 6400 · Office Expense	797.25
6500 · Professional Fees	
Accounting	207.60
Chefs	1,000.00
Other Professional Fee	<u>5,000.00</u>
Total 6500 · Professional Fees	6,207.60
6530 · Special Event Expense	860.81
6540 · Fundraising Expense	178.88
6600 · Printing and Copying	180.92
6700 · Rent/Utilities	
Storage Rent	<u>2,832.85</u>
Total 6700 · Rent/Utilities	<u>2,832.85</u>
Total Expense	<u>52,763.41</u>
Net Ordinary Income	<u>-3,635.18</u>
Net Income	<u><u>-3,635.18</u></u>

Sitka Seafood Festival
Balance Sheet
As of December 31, 2014

	<u>Dec 31, 14</u>
ASSETS	
Current Assets	
Checking/Savings	
First Bank Checking 8260	6,115.53
Total Checking/Savings	6,115.53
Accounts Receivable	
11000 · Accounts Receivable	900.00
Total Accounts Receivable	900.00
Other Current Assets	
Deposits	1,500.00
Petty Cash	300.00
Tables	1,500.54
Tents	793.63
Total Other Current Assets	4,094.17
Total Current Assets	11,109.70
TOTAL ASSETS	<u><u>11,109.70</u></u>
LIABILITIES & EQUITY	
Liabilities	
Current Liabilities	
Other Current Liabilities	
Misc Accounts payable	927.50
Pamyua ticket sales payable	157.00
Total Other Current Liabilities	1,084.50
Total Current Liabilities	1,084.50
Total Liabilities	1,084.50
Equity	
3200 · Unrestricted Net Assets	13,660.38
Net Income	-3,635.18
Total Equity	10,025.20
TOTAL LIABILITIES & EQUITY	<u><u>11,109.70</u></u>



CITY AND BOROUGH OF SITKA
FISHERIES ENHANCEMENT FUND

CHINOOK FUTURES COALITION
\$5,000 REQUEST FOR SUPPORT

Howard Pendell – Board President

PO Box 1615

Sitka, AK 99835

907-738-3137

pendell@ak.net

Dear Mayor McConnell and Assembly Members of the City and Borough of Sitka,

In 2012, I started a group called the Chinook Futures Coalition. Randy Nichols and Gary Mulligan, also Trollers, joined with me to incorporate our organization. Our purpose is to:

1. To promote the availability of Chinook salmon in Southeast Alaska for harvest by commercial and recreational fishermen.
2. To promote and enhance the economic value of Chinook salmon harvested in Southeast Alaska to seafood consumers, visitors to the region and local communities.
3. To engage in activities directed at the improvement of business conditions for southeast Alaska businesses engaged in the harvest of Chinook salmon.
4. To conduct scientific and public policy research about Chinook salmon ecology and fishery management and provide information, outreach and education services to members and the public.
5. To seek, receive and maintain funds for the above purposes.
6. To pursue other appropriate action to promote the interests of its members to the extent consistent with the Alaska Non-profit Corporations Act and § 501(c) of the Internal Revenue Code as amended, which allows for exemption from federal income taxes, and § 170(a) of the Internal Revenue Code of 1986, which allows for tax deductible contributions to the organization.

I am the Alaska Troll industry representative on the Northern Panel of the Pacific Salmon Commission and I see firsthand, from inside the process, how the State of Alaska struggles each year to get a reasonable amount of fishing opportunity through the Pacific Salmon Commission. The States of Washington and Oregon, the Pacific Northwest Tribes and Canada are united in their efforts to keep Alaska from fishing, despite the fact the abundance of Chinook salmon in our waters are at record high levels. The goal of our group is to assist the State with additional research, public support and legal advice. We have been successful so far and are asking for your support to continue to provide additional legal and scientific support to the State of Alaska Department of Fish and Game and the US Canada Salmon Commission Treaty team.

During the 2008 Pacific Salmon Treaty negotiations, the State of Alaska agreed to a 15% reduction in Chinook harvest from the levels agreed to in 1999. The reduction was made in response to pressure from Canada, the Pacific Northwest Tribes and the States of Washington and Oregon. The other participants in the Pacific Salmon Treaty argued that some Chinook salmon stocks were thought to be performing poorly and could be helped if Alaska reduced harvest. Alaska's role in the 2008 Treaty Agreement was a good faith effort to respond to the concerns of the other parties and to protect all the Alaska fisheries subject to the terms of the Treaty.

The 15% reduction in harvest made in good faith by Alaska now appears to be for unfounded conservation concerns and has deprived Alaska of 77,500 fish in 2014. These are fish that the State and our fishermen have been working to rebuild since 1976. The loss of 57,425 Chinook from the troll fishery represented a loss of \$2,331,355 dollars.

Last year the July troll season lasted one week. True, the catch was very high but this fishery traditionally began in June and was open continuously until the fall. Trollers and recreational fishermen are the home guard residents of our rural communities. Now that the salmon runs are restored to health, the fisheries should be restored as well. We are working with the state to increase the level of chinook harvest allocated to Alaska.

In writing this letter to ask for support I struggled with how much detail to include. This is a long and complicated fish story so I will just summarize the most important points.

On January 16, 2015 Chinook Futures Coalition filed a petition with the National Marine Fisheries Service asking them to open a review of the status of Snake River Fall Chinook. This specie occurs in small numbers in our fisheries. On the basis of the scientific evidence that CFC presented, the NMFS agreed that a review **is** justified and that there is a possibility that the SRFC Chinook salmon are no longer threatened with extinction. The review period is now underway and a decision will be made within a year. This is a hugely positive step and we are encouraged that our very thoughtful, deliberate and cautious approach; our reliance on expert advisers and known allies to Alaska are bringing positive results.

NSRAA, DIPAC, Sitka Sound Seafoods, Seafood Producers Coop and the Alaska Trollers Association are all in support of CFC efforts. Enhancement has played a major role in the comeback story of SRFC and our local aquaculture associations think that success should be celebrated. We are also in communication with the members of Alaska's Treaty team and are working to support them.

Just a few fish that are from Pacific Northwest stocks listed as endangered are caught in the Southeast Alaska fisheries. However the presence of Endangered Species brings great scrutiny, caution and conservative management. Last year over 60,000 Snake River Fall Chinook returned to their spawning grounds, the year before over 50,000. These stocks are rebuilt and healthy and should be celebrated as such, instead the National Marine Fisheries Service is insisting that the State of Alaska accept a much reduced harvest level for our Chinook fisheries in the coming year. This debate, currently underway, involves a wider spectrum of issues than just one purportedly endangered stock that occurs in very small numbers in our harvests. CFC's efforts to have one stock recognized as healthy and rebuilt seems small but we are doing what we can to turn the tide of opinion that is currently running against our fisheries. Please assist our efforts work within the regulatory framework of the Pacific Salmon Commission and the Endangered Species Act to increase access to Chinook salmon for our fisherman and to bring these hard won economic benefits to the community of Sitka.

Chinook Futures efforts to date include:

- CFC Commissioned an extensive and thorough research paper by Dr. David Bernard investigating the possibility of petitioning National Marine Fisheries Service to delist Snake River Fall Chinook under the ESA with funding provided by NSRAA;
- On January 16th 2015 CFC submitted a ten page petition letter to remove Snake River Fall Chinook from threatened status under the Endangered Species Act. A 15 page background paper was also submitted. This action was taken based on the findings of the research paper and the advice of our attorney, George Mannina of Nossaman, LLP, a Washington DC firm experienced in ESA-related litigation.
- CFC is a non-profit 501(c)(6) and in good standing with the State of Alaska. The Annual Meeting was held on October 29, 2014 and the most recent Board

of Directors meeting was May 28th, 2015. A port meeting is planned for June 15, 2015.

- CFC received a grant of \$100,000 from DIPAC last year. It has been used exclusively for the attorney's fees and legal and scientific document preparation, over half of the funds have been spent and these costs are ongoing.
- CFC has signed an agreement letter with FISHSPEAK Services to help organize our non-profit, keep books and file taxes. We are modeling our support of the State on the Pacific Salmon Treaty Coalition efforts of 1996 - 2000.
- CFC is currently working with the Southeast Conference Fisheries Committee and communities in Southeast Alaska to increase awareness on the issue chinook salmon abundance. Hundreds of thousands of healthy rebuilt runs of Chinook swim past our shores this past season and the region's fishermen should have had more opportunity to harvest them. Delisting could help increase access to healthy Chinook stocks in our fisheries.
- CFC is working with the State of Alaska Pacific Salmon Treaty Commissioner Charles Swanton and with the Alaska Trollers Association. We are in support of the State's efforts in the US/Canada arena.
- We are developing a strategy to support the State of Alaska's efforts on behalf of fishermen and processors and will continue to provide legal, scientific and professional assistance to the State.

Thank you Mayor, and Assembly members. Please do not hesitate to give me a call if you have questions.

Howard Pendell

CFC Board President
738-3137

3:59 PM
05/28/15
Accrual Basis

Chinook Futures Coalition
Balance Sheet
As of May 28, 2015

	<u>May 28, 15</u>
ASSETS	
Current Assets	
Checking/Savings	
1000 · Cash	
1010 · WF Gold Bus Checking	44,524.71
Total 1000 · Cash	<u>44,524.71</u>
Total Checking/Savings	44,524.71
Other Current Assets	
12000 · Undeposited Funds	2,204.86
Total Other Current Assets	<u>2,204.86</u>
Total Current Assets	<u>46,729.57</u>
TOTAL ASSETS	<u><u>46,729.57</u></u>
LIABILITIES & EQUITY	
Equity	
32000 · Unrestricted Net Assets	72,219.77
Net Income	-25,490.20
Total Equity	<u>46,729.57</u>
TOTAL LIABILITIES & EQUITY	<u><u>46,729.57</u></u>

3:59 PM

05/28/15

Accrual Basis

Chinook Futures Coalition
Statement of Financial Income and Expense
January 1 through May 28, 2015

	<u>Unclassified</u>	<u>TOTAL</u>
Ordinary Income/Expense		
Income		
43400 · Direct Public Support		
43410 · Corporate Contributions	5,000.00	5,000.00
Total 43400 · Direct Public Support	<u>5,000.00</u>	<u>5,000.00</u>
47200 · Program Income		
47230 · Membership Dues	250.00	250.00
Total 47200 · Program Income	<u>250.00</u>	<u>250.00</u>
Total Income	5,250.00	5,250.00
Expense		
60900 · Business Expenses		
60910 · Bank Charges	21.05	21.05
Total 60900 · Business Expenses	<u>21.05</u>	<u>21.05</u>
62100 · Contract Services		
62110 · Accounting Fees	1,334.25	1,334.25
62140 · Legal Fees	24,580.00	24,580.00
62150 · Outside Contract Services	4,804.90	4,804.90
Total 62100 · Contract Services	<u>30,719.15</u>	<u>30,719.15</u>
Total Expense	<u>30,740.20</u>	<u>30,740.20</u>
Net Ordinary Income	<u>-25,490.20</u>	<u>-25,490.20</u>
Net Income	<u><u>-25,490.20</u></u>	<u><u>-25,490.20</u></u>

Chinook Futures Coalition

Statement of Financial Income and Expense

January through December 2014

	Jan - Dec 14
Ordinary Income/Expense	
Income	
43400 · Direct Public Support	
43450 · Individ, Business Contributions	102,456.86
Total 43400 · Direct Public Support	102,456.86
45000 · Investments	
45030 · Interest-Savings, Short-term CD	1.13
Total 45000 · Investments	1.13
47200 · Program Income	
47230 · Membership Dues	750.00
Total 47200 · Program Income	750.00
Total Income	103,207.99
Expense	
60900 · Business Expenses	
60910 · Bank Charges	31.65
60920 · Business Registration Fees	1,435.00
Total 60900 · Business Expenses	1,466.65
62100 · Contract Services	
62110 · Accounting Fees	500.00
62140 · Legal Fees	45,928.08
Total 62100 · Contract Services	46,428.08
65000 · Operations	
65040 · Supplies	58.88
Total 65000 · Operations	58.88
65100 · Other Types of Expenses	
65120 · Insurance - Liability, D and O	665.00
Total 65100 · Other Types of Expenses	665.00
68300 · Travel and Meetings	
68320 · Travel	645.00
Total 68300 · Travel and Meetings	645.00
Total Expense	49,263.61
Net Ordinary Income	53,944.38
Net Income	53,944.38

Chinook Futures Coalition
Statement of Financial Position
 As of May 28, 2015

	May 28, 15	May 28, 14	\$ Change	% Change
ASSETS				
Current Assets				
Checking/Savings				
1000 · Cash				
1010 · WF Gold Bus Checking	44,524.71	83,691.51	-39,166.80	-46.8%
1020 · Savings	0.00	2,054.71	-2,054.71	-100.0%
Total 1000 · Cash	<u>44,524.71</u>	<u>85,746.22</u>	<u>-41,221.51</u>	<u>-48.1%</u>
Total Checking/Savings	44,524.71	85,746.22	-41,221.51	-48.1%
Other Current Assets				
12000 · Undeposited Funds	2,204.86	2,000.00	204.86	10.2%
Total Other Current Assets	<u>2,204.86</u>	<u>2,000.00</u>	<u>204.86</u>	<u>10.2%</u>
Total Current Assets	<u>46,729.57</u>	<u>87,746.22</u>	<u>-41,016.65</u>	<u>-46.7%</u>
TOTAL ASSETS	<u><u>46,729.57</u></u>	<u><u>87,746.22</u></u>	<u><u>-41,016.65</u></u>	<u><u>-46.7%</u></u>
LIABILITIES & EQUITY				
Equity				
32000 · Unrestricted Net Assets	72,219.77	18,275.39	53,944.38	295.2%
Net Income	-25,490.20	69,470.83	-94,961.03	-136.7%
Total Equity	<u>46,729.57</u>	<u>87,746.22</u>	<u>-41,016.65</u>	<u>-46.7%</u>
TOTAL LIABILITIES & EQUITY	<u><u>46,729.57</u></u>	<u><u>87,746.22</u></u>	<u><u>-41,016.65</u></u>	<u><u>-46.7%</u></u>

Chinook Futures Coalition
Statement of Financial Position
 As of December 31, 2014

	Dec 31, 14	Dec 31, 13	\$ Change	% Change
ASSETS				
Current Assets				
Checking/Savings				
1000 · Cash				
1010 · WF Gold Bus Checking	70,014.91	11,971.66	58,043.25	484.8%
1020 · Savings	0.00	6,303.73	-6,303.73	-100.0%
Total 1000 · Cash	<u>70,014.91</u>	<u>18,275.39</u>	<u>51,739.52</u>	<u>283.1%</u>
Total Checking/Savings	70,014.91	18,275.39	51,739.52	283.1%
Other Current Assets				
12000 · Undeposited Funds	2,204.86	0.00	2,204.86	100.0%
Total Other Current Assets	<u>2,204.86</u>	<u>0.00</u>	<u>2,204.86</u>	<u>100.0%</u>
Total Current Assets	<u>72,219.77</u>	<u>18,275.39</u>	<u>53,944.38</u>	<u>295.2%</u>
TOTAL ASSETS	<u>72,219.77</u>	<u>18,275.39</u>	<u>53,944.38</u>	<u>295.2%</u>
LIABILITIES & EQUITY				
Equity				
32000 · Unrestricted Net Assets	18,275.39	9,255.17	9,020.22	97.5%
Net Income	53,944.38	9,020.22	44,924.16	498.0%
Total Equity	<u>72,219.77</u>	<u>18,275.39</u>	<u>53,944.38</u>	<u>295.2%</u>
TOTAL LIABILITIES & EQUITY	<u>72,219.77</u>	<u>18,275.39</u>	<u>53,944.38</u>	<u>295.2%</u>



Legislation Details

File #: 15-095 Version: 1 Name:

Type: Item Status: AGENDA READY

File created: 6/3/2015 In control: City and Borough Assembly

On agenda: 6/9/2015 Final action:

Title: Discussion/Direction/Decision on the future direction of the Sitka Convention and Visitors Bureau

Sponsors:

Indexes:

Code sections:

Attachments: [Sitka Convention and Visitors Bureau](#)

Date	Ver.	Action By	Action	Result
------	------	-----------	--------	--------

Discussion/Direction/Decision
on the future direction of the Sitka Convention and
Visitors Bureau.




City and Borough of Sitka

100 Lincoln Street Sitka, Alaska 99835

Coast Guard City, USA

Memo

To: Mayor McConnell and Members of the Assembly

From: Mark Gorman, Administrator 

Date: June 3, 2015

Re: Future Direction of Sitka Convention and Visitor's Bureau

Ordinance 2015-03A authorized the CBS to issue an RFP for convention and visitors services in Sitka. In April, the solicitation was issued. There was only one applicant, the Sitka Convention and Visitors Bureau (SCVB). The SCVB's response was considered unresponsive in terms of meeting the requirements of the RFP. Given that there was only one application, the SCVB was asked to provide additional information about its application. It did so but it was determined that the application was still unresponsive in terms of the overall RFP.

Ordinance 2015-03A states that the SCVB will be dissolved at the point that a contract is awarded. As of this time, there will be no contract awarded. Therefore, I'm seeking direction from the Assembly as to what course it would like to pursue. I believe there are three options to be considered:

1. Issue a new RFP
2. Continue the status quo of the SCVB being managed through an Assembly appointed commission as a quasi CBS service
3. Absorb the SCVB functions within the CBS in modified hybrid structure

My recommendation is the Assembly consider option three. Given direction, staff will develop a detailed proposal for how this will work but the basic concept would be as follows:

- The SCVB function would be integrated into the Harrigan Centennial Hall (HCH) management structure
- One FTE position (Coordinator of Convention and Visitor's Services) would be added to staff plus a budget for seasonal/temporary staff
- HCH staff would multitask and support SCVB functions
- Marketing and advertising would be contracted
- Upon completion of the renovated HCH, the Sitka Convention and Visitors Center would be located in the Centennial Building affording visitors better access and eliminating the need to rent space