



CITY AND BOROUGH OF SITKA

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

Meeting Agenda

City and Borough Assembly

Mayor Matthew Hunter
Deputy Mayor Bob Potrzuski
Vice-Deputy Mayor Steven Eisenbeisz
Tristan Guevin, Kevin Knox
Aaron Bean, and Aaron Swanson

Municipal Administrator: Keith Brady
Municipal Attorney: Brian Hanson
Municipal Clerk: Sara Peterson

Tuesday, September 26, 2017

6:00 PM

Assembly Chambers

REGULAR MEETING

I. CALL TO ORDER

II. FLAG SALUTE

III. ROLL CALL

IV. CORRESPONDENCE/AGENDA CHANGES

[17-165](#) Reminders, Calendars and General Correspondence

Attachments: [Reminders and Calendars.pdf](#)

[Local Purchase Counts-Totals.pdf](#)

[Public Works Update.pdf](#)

[Complete Hospital Report small file Redacted.pdf](#)

V. CEREMONIAL MATTERS

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

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** [17-160](#) Approve the minutes of the September 12 and 14 Assembly meetings

Attachments: [Consent and Minutes.pdf](#)

X. BOARD, COMMISSION, COMMITTEE APPOINTMENTS

- B** [17-162](#) Appoint 1) Max Rule to a three-year term on the Investment Committee in the category of alternate, and, 2) Michael Sanders to a three-year term on the Local Emergency Planning Committee in category 2

Attachments: [Motion appointments.pdf](#)

[Rule.pdf](#)

[Sanders.pdf](#)

XI. UNFINISHED BUSINESS:

- C** [ORD 17-32](#) Adjusting the FY18 Budget (Solid Waste Fund - Operations)

Attachments: [Motion Memo and Ord 2017-32.pdf](#)

XII. NEW BUSINESS:

- D** [RES 17-20](#) Supporting adoption of the second Monday in October as Indigenous Peoples' Day (1st and final reading)

Attachments: [Motion and Res 2017-20.pdf](#)

[Tribal Council Resolution for Indigenous Peoples day.pdf](#)

- E** [ORD 17-33](#) Amending Sitka General Code Title 4 "Revenue and Finance" by adding a new Chapter 4.27 "Excise Tax on Marijuana and Marijuana Products" (1st reading)

Attachments: [Motion Ord 2017-33.pdf](#)

[Memo Marijuana Excise Tax.pdf](#)

[Ord 2017-33.pdf](#)

[Excerpt Health Needs and Human Services Commission.pdf](#)

- F [17-161](#) Discussion/Direction of the Sitka Community Land Trust's request of \$62,000 for contaminated soil remediation costs at 1306 Halibut Point Road (possible executive session)
 Attachments: [Motion and Sitka Community Land Trust request.pdf](#)
- G [17-163](#) Discussion/Direction/Decision of the Administrator's annual recommended transfer to the Public Infrastructure Sinking Fund
 Attachments: [Steps for Public Infrastructure Sinking Fund.pdf](#)
 [SGC 4.45.pdf](#)
- H [17-164](#) Adopt the Chief Finance and Administrative Officer's interpretation of the term "sales unit" as set forth in Sitka General Code 4.09.100 (N), and, further clarify the term "sale unit" as it pertains to the provision of services and bundled invoices
 Attachments: [CFAO interpretation.pdf](#)

XIII. PERSONS TO BE HEARD:

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

XIV. EXECUTIVE SESSION

XV. ADJOURNMENT

Note: Detailed information on these agenda items can be found on the City website at <https://sitka.legistar.com/Calendar.aspx> or by contacting the Municipal Clerk's Office at City Hall, 100 Lincoln Street or 747-1811. A hard copy of the Assembly packet is available at the Sitka Public Library. Assembly meetings are aired live on KCAW FM 104.7 and via video streaming from the City's website. To receive Assembly agenda notifications, sign up with GovDelivery on the City website.

*Sara Peterson, CMC, Municipal Clerk
Publish: September 22*



CITY AND BOROUGH OF SITKA

Legislation Details

File #: 17-165 **Version:** 1 **Name:**
Type: Item **Status:** AGENDA READY
File created: 9/21/2017 **In control:** City and Borough Assembly
On agenda: 9/26/2017 **Final action:**
Title: Reminders, Calendars and General Correspondence
Sponsors:
Indexes:
Code sections:
Attachments: [Reminders and Calendars.pdf](#)
[Local Purchase Counts-Totals.pdf](#)
[Public Works Update.pdf](#)
[Complete Hospital Report small file_Redacted.pdf](#)

Date	Ver.	Action By	Action	Result
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REMINDERS

<u>DATE</u>	<u>EVENT</u>	<u>TIME</u>
Tuesday, September 26	Regular Meeting	6:00 PM
Tuesday, October 10	Regular Meeting	6:00 PM



2017 Municipal Election Reminders

Monday, September 18	First day of advanced absentee voting
Tuesday, October 3	Municipal Election
Friday, October 6	Advanced/Absentee/Questioned Ballot Counting

Expiring Terms:

Assembly
Steven Eisenbeisz
Tristan Guevin
Aaron Swanson

School Board
Dionne Brady-Howard
Tom Conley

Assembly Calendar

2016 Jan Feb Mar Apr May Jun Jul Aug Sep Oct Nov Dec 2018

September 2017

Sunday	Monday	Tuesday	Wednesday	Thursday	Friday	Saturday
27 Aug	28	29	30	31	1 Sep	2
Eisenbeisz	Eisenbeisz	Eisenbeisz	Eisenbeisz 6:00pm - 8:30pm Healthcare Town Hall at ANB Hall	Eisenbeisz 6:00pm - 8:30pm Healthcare Town Hall at Harrigan Centennial Hall meeting room 1	Eisenbeisz	
3	4	5	6	7	8	9
	HOLIDAY	7:00pm Planning	6:30pm Library Commission	12:00pm SEDA Board Meeting	Knox	Knox
10	11	12	13	14	15	16
Knox	6:00pm Special Hospital Board Meeting and Work Session	Guevin 12:00pm Parks & Rec 5:00pm Work Session: Smart Growth America 6:00pm Regular Assembly Mtg		12:00pm Health Needs & Human Services Commission 12:00pm LEPC 6:00pm Special Meeting: Non Profit Grant Awards	12:00pm Historic Preservation	
17	18	19	20	21	22	23
		12:00pm Tree/Landscape 7:00pm Planning				
24	25	26	27	28	29	30 Oct
		Guevin - telephonic 6:00pm Regular Assembly Mtg	Knox 6:00pm Police and Fire Commission	Knox 6:00pm Hospital Board Meeting	Knox	Knox

Assembly Calendar

2016 Jan Feb Mar Apr May Jun Jul Aug Sep Oct Nov Dec 2018

October 2017

Sunday	Monday	Tuesday	Wednesday	Thursday	Friday	Saturday
1 Oct	2	3	4	5	6	7
Knox	Knox	Knox MUNICIPAL ELECTION 7:00pm Planning	Knox 6:30pm Library Commission	Knox 12:00pm SEDA Board Meeting		
8	9	10	11	12	13	14
		Guevin - telephonic 12:00pm Parks & Rec 6:00pm <u>Regular Assembly Mtg</u>	6:00pm Historic Preservation	12:00pm LEPC		
15	16	17	18	19	20	21
		12:00pm <u>Tree/Landscape</u> 7:00pm <u>Planning</u>	HOLIDAY		Potrzuski	Potrzuski
22	23	24	25	26	27	28
Potrzuski	Potrzuski 12:00pm Health Needs & Human Services Commission	Potrzuski 6:00pm <u>Regular Assembly Mtg</u>	6:00pm Police and Fire Commission	6:00pm Hospital Board Meeting 6:00pm <u>Worksession: Historic Preservation Plan</u>		
29	30	31	1 Nov	2	3	4
			6:30pm Library Commission	12:00pm SEDA Board Meeting		

Fiscal Year 2017

Local Purchase tracking

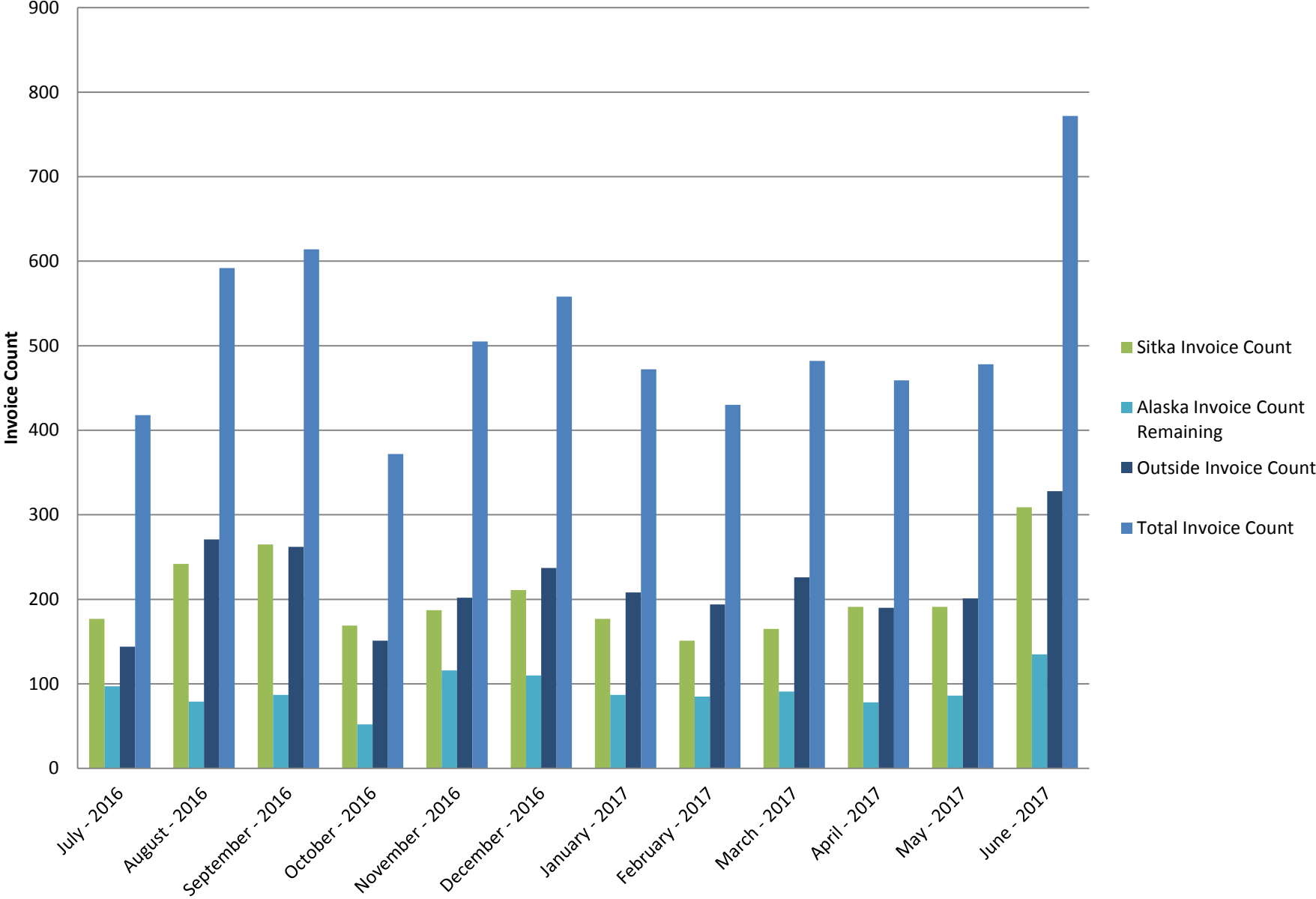
Month	Fiscal Year	Alaska Invoice Count			Alaska Dollar Amt			Total Dollar Amt	% Sitka Count	% Sitka Dollar	
		Sitka Invoice Count	Remaining	Outside Invoice Count	Total Invoice Count	Sitka Dollar Amt	Remaining				Outside Dollar Amt
July - 2016	2017	177	97	144	418	2,090,981	395,907	493,799	2,980,687	42%	70%
August - 2016	2017	242	79	271	592	831,255	686,926	2,266,078	3,784,259	41%	22%
September - 2016	2017	265	87	262	614	1,332,503	1,067,236	2,417,908	4,817,647	43%	28%
October - 2016	2017	169	52	151	372	1,121,855	457,329	585,489	2,164,673	45%	52%
November - 2016	2017	187	116	202	505	1,159,192	2,299,595	1,411,675	4,870,462	37%	24%
December - 2016	2017	211	110	237	558	1,239,260	2,600,810	1,229,286	5,069,356	38%	24%
January - 2017	2017	177	87	208	472	889,106	1,321,641	2,070,583	4,281,330	38%	21%
February - 2017	2017	151	85	194	430	1,593,478	1,082,697	1,013,204	3,689,379	35%	43%
March - 2017	2017	165	91	226	482	470,811	853,564	508,920	1,833,295	34%	26%
April - 2017	2017	191	78	190	459	1,247,465	1,887,442	1,359,467	4,494,374	42%	28%
May - 2017	2017	191	86	201	478	1,178,985	1,695,642	634,986	3,509,613	40%	34%
June - 2017	2017	309	135	328	772	2,032,600	2,617,261	1,985,947	6,635,808	40%	31%
Fiscal Year Total	2017	2435	1103	2614	6152	\$15,187,491.0	16,966,050	\$15,977,342.0	\$48,130,883.0	40%	32%

Notes:

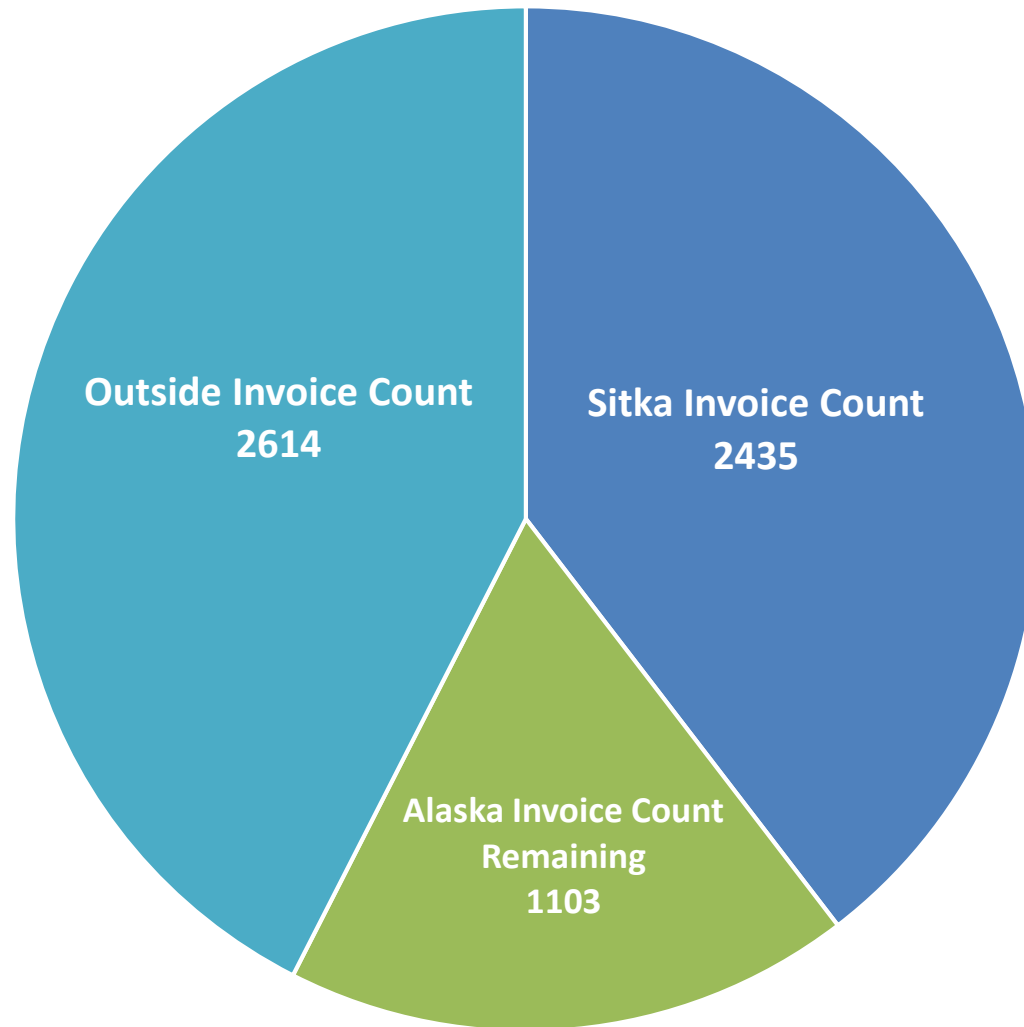
Alaska (Remaining) = Alaska - Sitka

Outside = Total - (Alaska (Remaining) + Sitka)

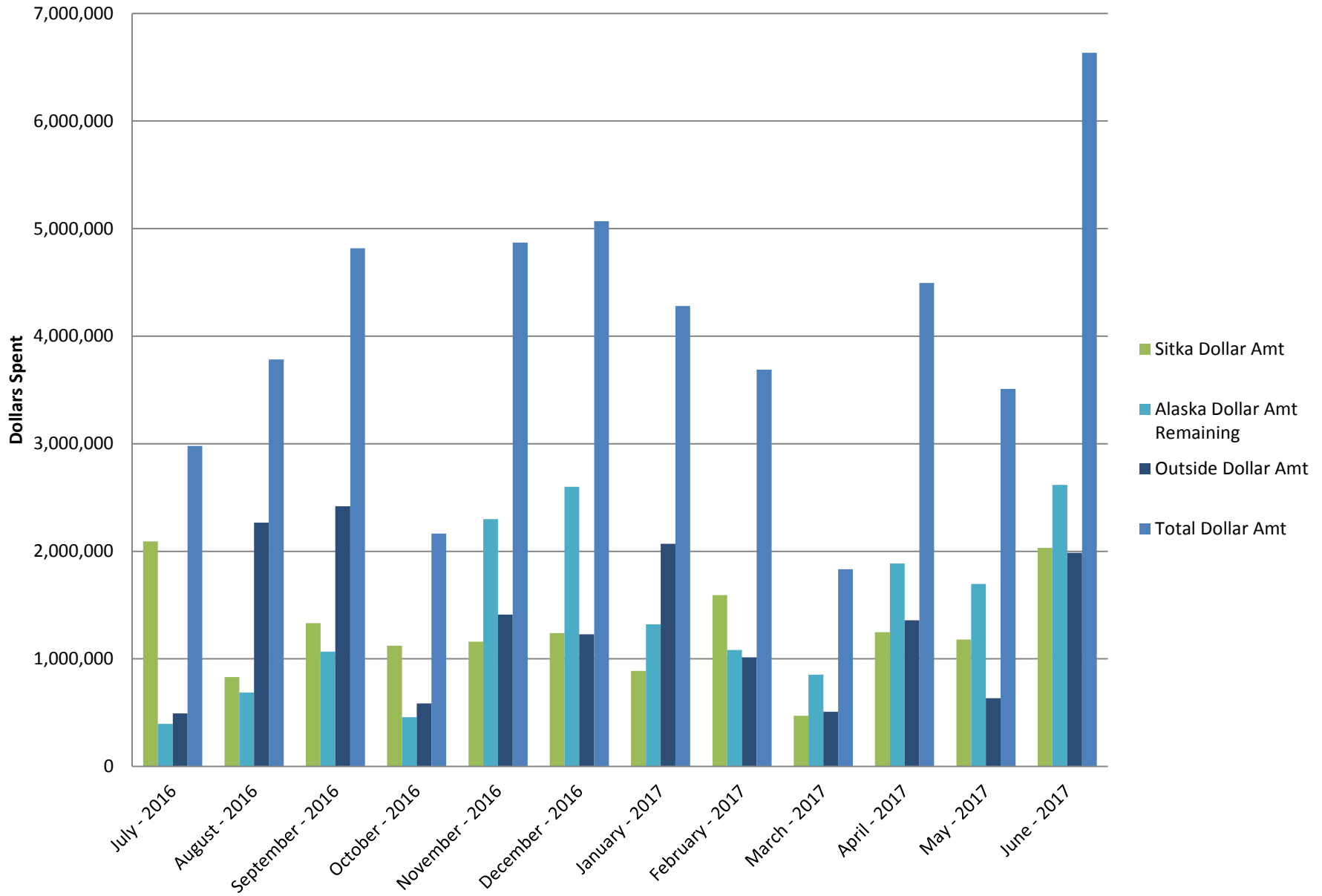
Invoice Count Fiscal Year 2017



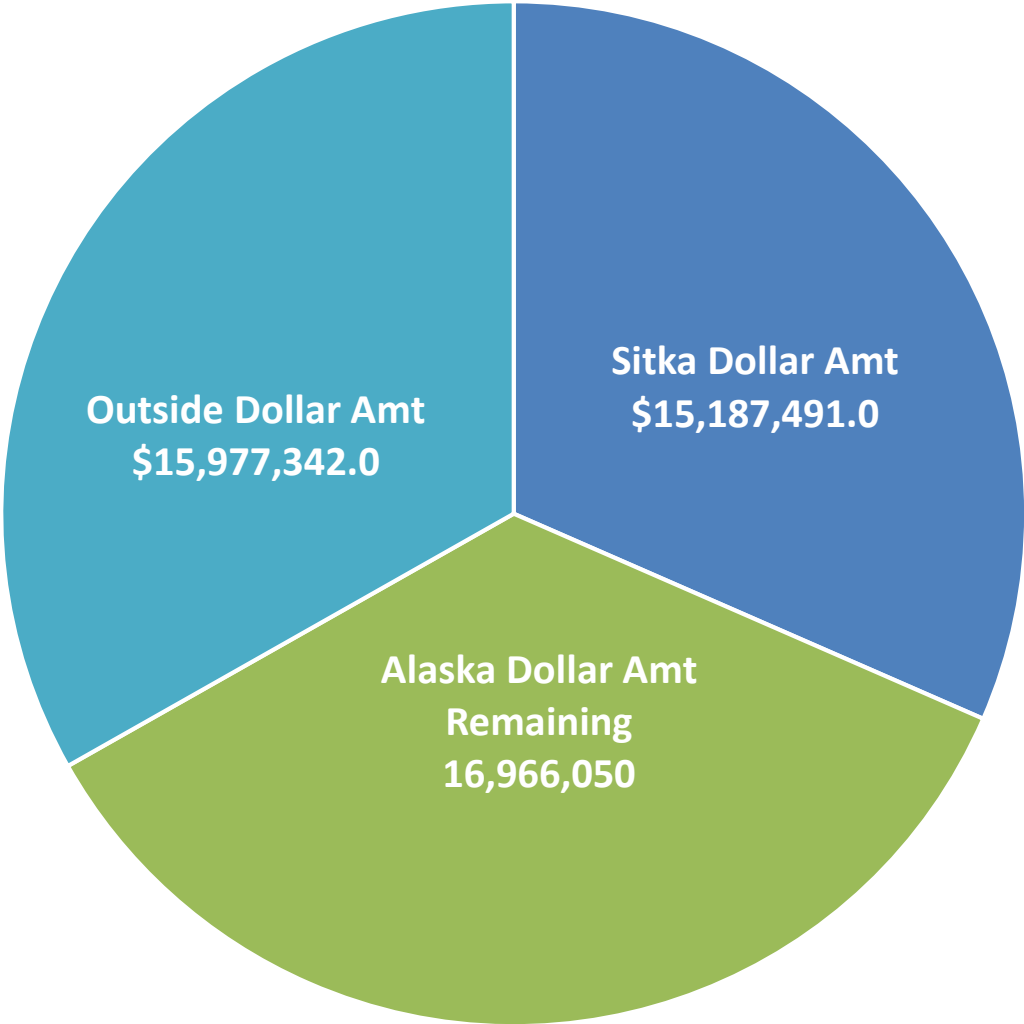
Invoice Count - Total: 6152



Dollars Spent Fiscal Year 2017



Dollars Spent - Total: \$48,130,883.00



PUBLIC WORKS ASSEMBLY UPDATE
WORK COMPLETED THROUGH AUGUST 2017

Harrigan Centennial Hall (HCH) Renewal:

Milestones This Period

- As-built/record drawings completed.
- Hand hewn yellow cedar canoe cradle completed and installed.
- Production in progress for meeting room name signage and original totemic door pull art display.
- Furniture, Fixtures, and Equipment (FF&E) procurement of kitchen equipment and maintenance equipment is in progress. Most items ordered for Kitchen and maintenance equipment. We are still working on outstanding items, like reception desk for Lobby, fixed ceiling camera for Assembly Meeting Room, and other misc. operational/functional items.

Future Milestones

- Complete the FF&E procurement, signage, installation art 'pulls' planks.
- Support operations and address warranty items that occur during the warranty periods.

Background

The project 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 FY11 CPET Head Tax grant, \$1,400,000 Marine Passenger Funds, \$232,620 heat pump grant, and \$66,000 from the Sitka Historical Society for a total project budget/funds of \$16.4 million.

Current Contracts:	MCG Architects	\$1,553,024.00
	McG Constructors/DCI Inc. – Joint Venture	\$13,625,793.64

Airport Terminal Improvements:

Milestones This Period

- Assembly approval to move forward with project to 65% milestone design (first reading).
- Additional work on the PFC application, including the following:
 - Sent the required Airline Consultation Notification Letters and scheduled the required consultation meeting Friday, September 22, 2017. A mandatory 30 day Air Carrier comment period follows the consultation meeting, which must occur prior to FAA review of the PFC application.
 - Sent the required Letter to FAA Requesting Findings for the Sitka PFC Application.

Future Milestones

- Publish the 'Notice and opportunity for public comment' required as part of the PFC Application, which describes the project and the particulars of the PFC funding, with a 30 day (minimum) comment period. The notice will be published in the local paper and posted on the City Web page at the end of September 2017.
- FAA review of the PFC application (allow 120 days), after the required Air Carrier and Public comment periods and the FAA 'Findings' decision is issued.
- If the PFC Application is approved on the anticipated schedule, collection of PFCs should begin March 1, 2018 and end February 28, 2038. The estimated total PFC

revenue of \$4.50 per enplanement, with 77,000 annual enplanements, over 20 years, equals total PFC revenue of \$6,840,000.

- Finalize the additional budget appropriation in September 2017 and add scope to the design contract for design of areas beyond the existing scope and the TSA Baggage Screening Area Design.
- Schedule *Airport Terminal Improvement Financial Planning Work Sessions* with CBS Finance and staff, the Assembly, and the Consultants during the period of time between Alaska Day and mid November 2017.

Background

The Airport Terminal Improvement Project is intended to remedy some of the existing critical problems identified in the Airport Terminal Master Plan 2008-2011, including working conditions in the baggage make-up area and in the TSA baggage screening area, as well as problems with congested passenger queuing, screening, baggage, fish boxes, and waiting areas, or passenger flow. The Airport Terminal Improvements Project is funded through a \$275,000 budget appropriation, FY14 from prior Passenger Facility Charges (PFC) collected for terminal improvements. Currently PFCs are not being collected to fund design and construction of terminal improvements. The Assembly approved a new PFC application on August 22, 2017 which is being initiated.

CBS accepted a TSA design grant in the amount of \$158,569.25 to design specific improvements to the TSA Baggage Screening Area. Other areas impacted by these design changes are ineligible for the TSA design funding and need to be funded by other sources, like funds collected through Passenger Facility Charges.

The preliminary TSA baggage screening layouts impact other adjacent terminal areas/spaces. These limited conceptual design schemes do not address the many problems that exist with passenger flow, queuing and through-put, waiting areas, or the handling of fish boxes (which impact all aspects of the terminal, especially during the visitor season).

Current contracts: MCG Architects \$317,413.13 (2013 to Present)

Sitka Wayfinding Signage

Milestones This Period

- Completed Change Order for Consultant to modify the signage design using the project artwork, reducing the sign scale and simplifying design to reduce unit costs and installation.

Future Milestones

- Work with Chamber and Consultant to modify design and produce bid documents with bid advertisement in December 2017.
- Substantial signage installation anticipated April/May 2018.

Background

Wayfinding signage was identified as one of the key projects in the 2010 Sitka Passenger Fee Fund Implementation Plan. On June 25, 2013 the Assembly approved a request from the Tourism Commission and Destination Sitka Working Group to move the Wayfinding Signage Project forward by funding the project utilizing Commercial Passenger Excise Tax proceeds. The Sitka Convention & Visitors Bureau (SCVB) was tasked to manage the project at that time. Later The Sitka Chamber of Commerce managed the project while the Consultant, Great

Destinations Strategies (GDS), completed the design intent drawings and general specifications. With these complete, the project management has shifted to Public Works to oversee the fabrication and installation of the signage. The project is anticipated to be completed in 2018. The Assembly approved a budget appropriation of \$282,300 from CPET Funds, General capital projects Fund, for the purpose of designing and constructing Wayfaring signs.

Current Contracts: Axia Creative \$26,000.00.

Gary Paxton Industrial Park Dock:

Milestones this Period

- Floating dock cleaning, coating, and anode installation completed in Ketchikan.
- Project is ~70% complete with construction contract expenditures of nearly \$4.9 million to date.

Future Milestones

- Floating dock arrival in Sitka mid-September.
- Receipt of USACE permit anticipated September/October 2017.
- Limited on site construction anticipated to begin September 2017.
- Substantial completion is anticipated in December 2017.

Background

The project is funded by a designated Legislative Grant, administered by the State of Alaska, Dept. of Commerce, Community & Economic Development, and Division of Community & Regional Affairs. The project is administered by Public Works and the GPIP Director, Garry White. The total amount of the grant is \$7.5 million. The Assembly approved establishing a project contingency of \$250,000 utilizing \$125,000 from the Bulk Water Fund and \$125,000 from the GPIP Enterprise Fund on December 13, 2016. A design/build contract was awarded to Turnagain Marine Construction on November 22, 2016. Substantial completion is anticipated in December 2017.

Jeff Davis Street Reconstruction Project:

Milestones This Period

- Physical Completion walk-through inspection completed on August 31. Project is physically complete.

Future Milestones

- Close out construction contract-September 2017.
- Complete striping of crosswalks in-house - September 2017.

Background

The project includes replacement of approximately 50-year old undersized water main with new, large diameter pipe within Jeff Davis Street and replacing the existing storm drainage infrastructure, pavement, curb, gutter and sidewalks. The project will also improve the sewer service to four homes on Jeff Davis Street currently served by a collection main crossing private property. A change order was executed to replace ~220 LF of critical sewer main which had not been anticipated, however had a significant belly (greater than 1 foot) and may have been a future issue that could undermine the new asphalt if not addressed. Funding for the project is provided by the following sources; \$644,000 FY2015 ADEC Grant, \$812,000 FY2014 ADEC Water Loan, \$225,000 from 2016 General Fund and \$110,000 from 2017 General Fund.

Current Contracts: PND Engineers

\$174,303.00

Coastal Excavation

\$1,168,043.80

Landfill and Crescent Lift Station Replacement:

Milestones This Period

- Landfill Lift Station: Contractor began construction of a security fence around the new leachate pond.
- Crescent Lift Station: Lift station is substantially complete and is operational.

Future Milestones

- Landfill Lift Station: Complete security fence- September 2017.
- Crescent Lift Station: Complete landscaping, fence installation, slope stabilization and final clean-up- September 2017.

Background

The project includes replacement of the Landfill Lift Station and force main pipe at the end of Tilson Street and the Crescent Lift Station adjacent to the Sitka Sound Science Center. The pumps and components of both lift stations are inefficient, obsolete and, in the case of the Landfill Lift Station, corroded due to the landfill leachate it is pumping to the wastewater treatment plant. There have also been four force main break within the past two years. Funding for the project is provided by the following sources: Two separate ADEC loans (the Lake, Monastery, Channel and Landfill lift station loan; and a separate Crescent lift station loan) and the Wastewater Enterprise Fund.

Current Contracts:	PND Engineers	\$190,972.10
	CBC Construction	\$339,401.00 – Crescent LS
	Coastal Excavation	\$573,125.79 – Landfill LS

Cross Trail (Granite Creek to Ferry):

Milestones This Period

- U.S. Forest Service conducting field work for environmental permitting.
- Western Federal Lands offered to amend current design grant to include \$1.93 million construction funding, with City responsible for \$192K in matching funds.

Future Milestones

- Public Works to initiate and circulate construction grant offer for Administrator review in September 2017.
- 35 percent design package due in November 2017.
- NEPA environmental permitting to be completed in partnership with the Forest Service by this winter.
- Sitka Trail Works will apply for Corps permit on behalf of the City after USFS wetlands delineation. The Corps permit will be in place by 2018.

Background

The City and Borough of Sitka has been awarded a \$250,000 MAP-21 Federal Lands Access Program (FLAP) Grant for planning, design and permitting of 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. Sitka Trail works is overseeing the work on behalf of CBS via a Memorandum of Agreement.

South Lake – West DeGroff Water, Sewer and Street repairs:

Milestones This Period

- Contractor completed construction of Lake Street sewer main, and began work on installation of Lake Street water main.

Future Milestones

- Substantial completion date of September 8, 2017, to be extended via Change Order due to several factors to include contaminated soil, abandoned asbestos-cement sewer pipe and a water-main break.
- Public Works expects that all water, sewer and storm utilities will be completed for both streets, and that Lake Street will be paved prior to winter. Depending on weather, the progress of utility construction and the availability of paving labor, DeGroff Street paving may be delayed until Spring 2018.

Background

The project includes replacement of aging, failing water, sewer and storm drainage infrastructure in Lake Street from the roundabout to DeGroff Street, and DeGroff Street from Lake Street to Hollywood Way. The project will also replace pavement, curb, gutter and sidewalk, which will be demolished during the utility replacement. Funding for the project is provided by the following sources; \$1,000,000 FY2017 ADEC Grant, \$715,800 FY2015 ADEC Water and Sewer Loans, \$200,000 from FY2017 General Fund, \$50,000 from the 2017 Water Enterprise Fund and \$50,000 from the 2017 Wastewater Enterprise Fund.

Current Contracts: PND Engineers	\$232,526.00
Coastal Excavation	\$1,315,356.00

East DeGroff Water, Sewer and Street repairs:

Milestones This Period

- Received and reviewed the design consultant’s 35% design package, and provided design review comments.

Future Milestones

- Design scheduled for completion in December 2017. Project will be bid over the winter, and a construction contract will be awarded in February 2018. Construction anticipated in Spring and Summer 2018.

Background

The project includes replacement of aging, failing water, sewer and storm drainage infrastructure in DeGroff Street from Hollywood Way to Sawmill Creek Road. The project will replace pavement, curb, gutter and sidewalk as necessary to facilitate the utility replacement. Scope will also include limited utility work in Sawmill Creek Road, ahead of Alaska Department of Transportation project to re-pave SMC in 2019. Funding for the project is provided by the following sources: \$2.1 million from FY2015 ADEC Water and Sewer Loans, \$175,000 from the FY17 Water Enterprise Fund and \$45,000 from the FY17 Wastewater Enterprise Fund and \$300,000 from the FY18 General Fund.

Current Contracts: PND Engineers	\$144,747.00
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Eagle Way (EW) and Old Harbor Mountain Road (OHMR) Utility and Road Upgrades:

Milestones This Period

- Punch list items completed
- Physical Completion attained

Future Milestones

- Final Completion September 2017

Background

The project includes new pavement, storm drainage, water main and services, and a pedestrian pathway within Eagle Way. The project will also include new pavement and storm drain improvements within Old Harbor Mountain Road. Funding for the project consists of a \$1,500,000 State of Alaska Department of Commerce Community and Economic Development Grant.

Current Contracts: DOWL	\$160,888.00
Coastal Excavation	\$939,291.35

GPIP Shoreline Stabilization 2017:

Milestones This Period

- Test pit completed on site to evaluate suitability of existing fill material for re-use.
- Riprap selection, sorting and stockpiling in advance of construction contract completed.
- Bid package development and advertisement August 28, 2017.

Future Milestones.

- Open Bids September 14, 2017
- Begin Construction October 2017
- Complete Construction November 3, 2017

Background

The project includes stabilizing eroding shoreline at the Gary Paxton Industrial Park. The project is funded by the Environmental Fund with an authorized budget of \$250,000.

Current Contracts: Tisher Construction	\$23,800.00
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Sitka 2016-17 Paving Project:

Milestones This Period

- Construction of curb, gutter and sidewalk where required at Kashevaroff Street and the Hospital Emergency Entrance.
- Excavation, backfill and compaction for Kashevaroff Street and the Hospital Emergency Entrance.
- Paving Kashevaroff Street and the Hospital Emergency Entrance.
- Change order to add Hospital Parking Lot paving per Assembly approval August 22, 2017.

Future Milestones

- Demolition of curb, gutter, sidewalk and pavement for Lincoln Street. (Jeff Davis to Sitka National Historical Park)
- Construction of curb, gutter, storm drain, sidewalk, and paving on Lincoln Street.
- Curb, gutter and sidewalk and paving for Hospital Parking Area
- Substantial Completion by September 30, 2017.

Background

The project includes new pavement and ADA curb ramps with curb and gutter, sidewalk and storm drain improvements as necessary. Funding for the project is provided by the following sources:

\$ 2,770,000	General Fund – Sitka Paving 2017
\$ 35,000	Water Fund – Sitka Paving 2017
\$ 85,000	Wastewater Fund – Sitka Paving 2017
\$ 60,171	Hospital Fund for Parking Area
\$ 2,950,171	Total Project Funding

Current Contracts: PND Engineers	\$339,044.00
SECON	\$1,119,131.00

Nelson Logging Road Upgrades:

Milestones This Period

- Corps of Engineers permit obtained.
- Alaska Department of Natural Resources began processing Right Of Way application.

Future Milestones.

- 95% design September 2017.
- All project permits received September 2017.
- Bid project October 2017.
- Construction is anticipated to begin in early 2018.

Background

The project includes replacing both inadequate bridges, realignment at HPR intersection, upgrading Nelson Logging Road and pedestrian amenities as funding allows. The scope may also include road realignment(s) and widening to accommodate two-way traffic. Funding for the project is provided by a \$2,343,000 State of Alaska Department of Commerce Community and Economic Development Grant.

Current Contracts: LEI Engineers & Surveying	\$415,390.00
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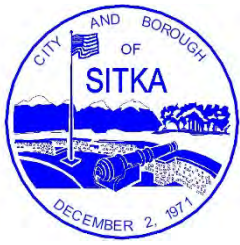
Water

- Water operators worked with PW Streets to replace the 6" water main on O'Cain St. All work was performed in-house including the fusing of the HDPE pipe, trench excavating, service hook-up, back-filling, pressure testing, chlorination, etc.
- The CBS is on a triennial schedule for lead and copper sampling. All 30 residences sampled were below the action levels for lead and copper. Soda ash is added to the water to slightly increase the pH which makes the water less corrosive and therefore less likely to leach lead and copper out of pipes.
- Water operators repaired a leak on a water service on Edgecumbe Drive. The 1" copper service was broken about 1' from the water main.

- The quarterly TTHM/HAA5 sampling was performed. TTHM/HAA5 are disinfection by-products that are formed by organics reacting with chlorine in drinking water. Results were within allowable limits.
- Water and wastewater operators performed a number of water utility locates at various locations around town.
- Water operators repaired a leak on a ¾" water service on Lake St.
- Water operators responded to a no-water complaint at a residence on Lance Drive. Operators found the aspirator to be plugged on the sink faucet.

Wastewater

- Wastewater crews performed a number of CCTV inspections of sewer pipes, at various locations around town. Using the camera to look at sewer lines provides us with the opportunity to analyze the condition of the inside of pipes, locate bellies, defects, etc.
- Fire hydrants were pressure washed and painted.
- The annual mixing zone samples were pulled. These are samples that are taken from a number of locations around the wastewater discharge outfall pipe. The results were within allowable limits.
- Wastewater crews received training on the new Camel truck. This is a truck that is used for jetting and vacuuming sewer lines, storm drains, manholes, etc.
- Wastewater maintenance and electrical staff installed a new sodium hypochlorite generator at the wastewater treatment plant. This unit uses salt, water, and electricity to create hypochlorite. Generating hypochlorite onsite is much more cost effective than shipping liquid sodium hypochlorite in bulk.



City and Borough of Sitka

100 Lincoln Street • Sitka, Alaska 99835

Coast Guard City, USA

Town Hall Meetings on the Future of Healthcare

August 30 and 31, 2017

Executive Summary

The future of healthcare in Sitka has been a major discussion over the last twenty months: Southeast Alaska Regional Health Consortium (SEARHC) and Sitka Community Hospital (SCH) have explored the possibility of a joint venture or merger, ECG Management Consultants has presented options for a combined future vision for healthcare in Sitka, and multiple entities expressed interest in purchasing SCH. Most recently the Assembly directed the Municipal Attorney to work with an outside firm to draft an RFP seeking solutions for our Community Hospital in Sitka. In that discussion the Assembly also requested a Town Hall meeting be held to gather input from residents and hear what Sitkans want for the future of healthcare in our community.

The first town hall meeting was held Wednesday, August 30 at the Alaska Native Brotherhood Hall. The second was held Thursday, August 31 at Harrigan Centennial Hall. Approximately 60 residents were present the first night and over 70 the second night, including employees of both Sitka Community Hospital and SEARHC. The meetings were facilitated by professional facilitator Jan Caulfield in conjunction with City Staff. Participants were asked to join tables and partake in the small group conversations. Both meetings focused around two discussions, first being “what are the five most important factors you want the Assembly to consider as they look ahead to addressing healthcare options for Sitka” and the second “what healthcare opportunity do you want the Assembly to consider and why”. As individuals stated their thoughts and comments, the facilitators highlighted common themes and consensus points. The facilitators then presented their groups responses to the whole.

This summary points to the common themes that were heard throughout both evenings. All the comments received during the town hall meetings as well as other public comments, are attached to this written report.

In response to question #1 what five most important factors you want the Assembly to consider as they look ahead to addressing healthcare options for Sitka, Sitkans said their most important factors are:

1. Financial sustainability – People felt that the City and Sitka Community Hospital must remain financial stable now and well into the future.
2. Local control or a local voice in the governance model- Sitkans noted the importance of an element of local control/governance.
3. High quality services- Quality of healthcare not only through services but also equipment.

4. Access to services- People would like more services and/or specialties available in Sitka so less people have to leave the community to get the healthcare they need.
5. Local economy and/or jobs- People want healthcare to strengthen our local economy and make use of our Sitka workforce.

In addition, during many of the conversations there was discussion over what specific services were needed in Sitka. Those included were drug/alcohol rehabilitation, long term care and assisted living, and expansion of clinical care. Other needed services included OB, cardiology and mental health.

The second question of what healthcare opportunity do you want the Assembly to consider and why seemed to be more difficult for attendees to answer. During this discussion item, facilitators had to continue to bring the groups back to the original question and give clear guidance. The response that was heard by almost every group was to publicly pursue more collaboration opportunities with SEARHC. Many participants felt that there is an opportunity for Sitka Community Hospital to specialize some needed services, again specifically drug/alcohol rehabilitation, longterm care/ nursing home, and clinic care while strengthening SEARHC's presence as a regional healthcare hub. Consensus on consolidation to strengthen and increase services was heard. Multiple people said they wanted to take advantage of the proposed new SEARHC facility. Discussions also circled around the thought that there was a fine line between not duplicating efforts but being able to compliment and assist each other in their missions.

The groups consensus was to have the Assembly discuss collaboration efforts between SEARHC and Sitka Community Hospital, in public, to work together to create a cradle to grave care for all in Sitka. Again attendees noted that each hospital doesn't have to do everything but that there is room for negotiation and compromise.

The second option the attendees would want the Assembly to consider is a management proposal.

Meeting attendees had questions ranging from why is the Assembly doing this, to what exactly is wrong? Consensus to continue to move this process forward was heard throughout the evening as well.

People noted that this is a hard task for the Assembly and that there are no easy answers. People appreciated the chance to share their thoughts and comments, and work together productively to help give the Assembly direction.

TOWN HALL MEETING
August 30, 2017

PUBLIC ATTENDANCE		
NAME	ADDRESS	JOIN THE EMAIL LIST
Paul S. Chulick Jr.		
Jeff Russell		
Kay Turner		
Shoshanna Schmidt		
Matt Hunter		
Loreen Laybourn		
Dave Vastok		
Deanne Bennett		
Lee W. Bennett		
Sharon Sullivan		
John Murray		
Hi Ellingsen		
Jeff Peatee		
Annemaria Lafelme		
Chris		

TOWN HALL MEETING
August 30, 2017

PUBLIC ATTENDANCE		
NAME	ADDRESS	JOIN THE EMAIL LIST

Stephen Foruzzi		
John Sweeney		
Owen Kundig		
John Jones		
Leslie Wynn		
Debra Craig		
William Craig		
John Barioce		
Bob Sam		
Kathy Kyle		
Glen Edg		
Alice Titell		
Amy Sutton		
chael titell		
Maybelle		

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on
et

TOWN HALL MEETING
August 30, 2017

PUBLIC ATTENDANCE		
NAME	ADDRESS	JOIN THE EMAIL LIST
Martha Moses		.com
A Beem		.com
Mary Soltis		
Sally Roessel		
Jean Frank		
Sonya Smith		
Beth Kindig		.com
Patricia A MacPike		
Angelo d Wisniewski		
Josh Wisniewski		

TOWN HALL MEETING
August 30, 2017

PUBLIC ATTENDANCE		
NAME	ADDRESS	JOIN THE EMAIL LIST
B. B. Fallick		
Cynthia Dennis		
Patricia Alexa		
Travis & Patti Hudson		
Patrick Williams		
Bobby Potruski		
KEMAL KNEK		
Rob Allen		
Steve Hartford		
Jean Arnold		
Don Etulain		
Heidi Finkenbinder		
Deb Miller		
DAVE LAM		
Sig Rutter		

TOWN HALL MEETING
August 31, 2017

PUBLIC ATTENDANCE		
NAME	ADDRESS	JOIN THE EMAIL LIST
Pat Alexander		
Kent Hansen		
Marilyn D. Hansel		
Jennifer Haden		
DAVE LAM		
Kay Turner		
Mrs. Teal		
Barbara Stucker		
Joann Torgeson		
Pete Turczak		
Taylor Johnson		
Wang		
Shoshanna Schmidt		
Tara O'Neil		
Ally		

TOWN HALL MEETING
August 31, 2017

PUBLIC ATTENDANCE		
NAME	ADDRESS	JOIN THE EMAIL LIST
Travis Hudson		
Norma Creamer		
Ken Creamer		
Connie Sepe		
Peg Shea		
Mary Soltis		
Steve Hartford		
Terry Hobbs		
ROBERT HATTLE		
Phyllis Jackett		
TeriSSIA Dell		
Doris Ferris		
Henrietta VanMaanen		
Rob Allan		
Shirley Finkenbinder		

TOWN HALL MEETING
August 31, 2017

PUBLIC ATTENDANCE		
NAME	ADDRESS	JOIN THE EMAIL LIST
Deb Miller		
Carin Adickes		
Brad Rowen		
Chris Causey		
Martha Pearson		
Jan Love		
Barbara DeLong		
David Vastola		
Wanda Ludlow		
Ed Ludlow		
Marilyn Rugg Wiser		
Michael Wiser		
Kevin Knox		
Harriet Beland		
Sonja Smith		

Question 1

8/30/17
A Ssembly Should Determine - Is Health Care a Business or Service? AMB

Prefer

- Be Viewed as a Care Service - Not Just A Business
- Receive City Funding Support From City/Community
- Retain local Control - Market it as an Amenity that Supports Growth + Development.

- Must be Sustainable - Long term Planning

- Anticipate - Silver Tsunami -

- Must be Accessible to All - Cradle to Grave Services.

- Opportunity for Both hospitals - Must Coordinate Care / Not Duplicate or Compete which Diminishes Quality of Care.

- Consider Future Demographic Growth - Needs

- Need to capture Medical Travel / Migration to get Services that should/could be provided Here.

- Consider a Care Service - But Support + Recognize Contributions to economy - Good Subs - Secondary Economy.

- Timeliness of Care - Needs to be funded - Present.

QUESTION 1

1 ★ Practical / Realistic Situation

- FINANCIAL
- Small population
- Realistic Services.
- Sustainable.

2 ★ Leadership / Gov. Model

- Look at current Model & New Model
- Govt. should not make healthcare decisions
 - pot decision w/ prof. H.C.P.

3 ★ Local Control

- MAINTAIN it
- guarantee it contractually

4 ★ Sustainable

- sustain. to city
- end to each resident.

How Decision will impact to All sides (e.g. all s'ce; all Hosp; All services).

5 ★ Highest Quality Care

- High qualified & trained professionals & resources to do best jobs.

6 ★ Guarantee / Promise that Health care stays in SITKA

7 ★ Collaboration

- Between Hosp;
- dual services. ; hits sust / services.

10 SERVICES

- TAKE A LOOK AT options - stand, etc. etc.
- EFF. use of Resources. (E.g. NO two MRI's)

8 ★ Accountability

- Patient Rights / care
- THINK ABOUT PATIENT IMPACTS

9 ★ Regional Input: / Fishing Fleet. input?

* QUESTIONS:
0) How do we get the community support. / Assembly support (Dave)

8/30/17
A&B

~~1)~~ Why? Are we doing this?
Support the community
Risk to city
Money
Liability
Remaining uncertainty
- outside management by Providence.

2) Give the community good health care
What is our mission
Different things that could happen to help community
Long term doctors and nurses. Respected in the community.
Midwives and birthing center / Hospice.
Retaining long term

~~3)~~ Coverage of full life Continuity of care.
Birth to death

4) Economic engine to the community.
Pyramid is run out to other business
primary duty of government Schools and Hosp.

~~5)~~ Long term goal so that we can move forward
Can't get doctors and nurses that want to come / no long term guarantee.
Turmoil because of no future

6) Eliminate uncertainty.
Why do we need an RFP.
Is doing better

~~11)~~ competition and choice.

12) location of the facility.
located in the center.

13) View it as an asset.

* 7) RFP brings in options.

~~14)~~ Local Control.

15) Convenience of two facilities

8) Public Vote.

9) Assembly support to make the community Hosp work.

10) New Management to learn to lead. / back to comm. Hosp.

QUESTIONS 1

(Maqan)

8/30/17
ANB

- Accessible

③

- Local providers *

- Accountable to public
(Management)

⑤ - Maximize Scope and Service **
increase services + quality

④ - Local employee base *

② Financial / Affordability

- Stability of healthcare system **

- No duplication - (?) * / Collaboration **
OB

Quality of healthcare - $\frac{OB \text{ * Midwives}}{\text{All Service}}$

Continuity of care

- Awareness

- Aging / Elderly Care (local providers)

Question # 1
5 factors

Phil
(2pgs)
8/30/17
ANB

Services for whole families

- ~~Age~~ grows young & old

Control & self determination
in health care

(ECC)? CAN community survive w/o
taking the city down

A sustainable ~~healthcare~~ system
Hospital

long-term financial viability

Non-duplication of services

A broad range " "

Access to care ✓

is it about financial viability
or is it local control?

✓ More speciality care access
in town

can we integrate services w SEARCH?

Given our resources ~~what~~ ^{how} do we
get best for our community?

The most services for the least money

Reliability, viability & sustainable

~~combine~~ collaborate
with general surgeon & OB/GYN

#1

Question 1

Phil, p. 2
8/30/17 ANB

Serve non-beneficiary patients

Need a cardiologist

All services provided to
All patients

Well-MANAGED

Partner must be a long-term
commitment

concerns about integration of
the work force (if merged)

Job
rotation
IN
Sitka

LOCAL MANAGEMENT -

two providers allow technical &
facility back-up

State of the Art (Acute),

more long-term care for elders

more alternative Medicare options

Affordability

concern about non-competition
(costs) if only one hospital

transparency u cost/service

united community, at the end of the process

4 2 (starts here) (Q#1) Factors summary
8/31/17

Financial Sustainability

Local control / governance

High quality services

Access to services

Wide range of services

Economy / jobs

Megan
Question 1
8/31/17
Cent Hall

- Variety of Specialists / Services
- Healthcare Hub -

- Low turnover - providers be residents *
Sitka employers (young workforce dev)

- Sustainability of Services ①
- Healthcare Hub -

- Longterm Care - elderly * / Assisted living * ③

- Rehab facility - drugs, alcohol *

- Mono poly - Competition - "Collaboration" ②
independent person

Sava
Conversation #1

8/31 Cant.
Hall

Accessibility ✓✓✓ & specialized programs
as uninsured

Capacity/Availability ✓

Efficiency of services

Services for aging population ✓

local control ~ "small town feel" ✓

Wide range of services - eg. rehab,
behavioral/mental health

Sustainability - financially

Quality services - factors - volume (efficiency)
competitive

Possible economic impacts

Sava
Conversation #1

8/31 Cont.
Hal

Accessibility ✓✓✓ & specialized programs
as uninsured

Capacity/Availability ✓

Efficiency of services

Services for aging population ✓

local control ~ "small town feel" ✓

Wide range of services - eg. rehab,
behavioral ~~mental~~ health

Sustainability - financially

Quality services - factors - volume (efficiency)
competitive

Possible economic impacts

Jeff-Question #1
8/31/17

- Should Be
 - Rationale - Affordable - Practical
 - Self-Sustaining
- Also → A Core Service - Not Entirely Reliant on Profit → I.E. Police, Fire

Should → Meet Needs of All Ages

Goal should be well defined before RFP
Should start with RFI - Request for Information

- Improved Governance model - Decision Making Process
- Staffing - Stable - Supported
- Also on "Amenity" to Attract Growth - Business.

Organized

→ Economic Engine - Good Pays Jobs - Supports other employment

→ DESIRE
Collaboration + Cooperation vs. Competition.
↳ Strong Belief that this would resolve the issues and improve CARE.

Jeff. Question #1

8/31/17

- Should Be
 - Rationale - Affordable - Practical
 - Self-Sustaining
- Also → A Core Service - Not Entirely Reliant on Profit → I.E. Police, Fire

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⇒ Economic Engine - Good Pays Jobs - Supports other employment

→ **DesIRE**
Collaboration + Cooperation vs. Competition.
↳ Strong Belief that this would resolve the issues and improve CARE.

Factors

~~Jan~~ Jan
Question #1
8/31/17

① Local hospital / local governance / local control

✓ Employment, jobs

② Services available @ SCH. (Not always ^{able to schedule} @ SEAR ~~HA~~)
- emergency

Financially solvent, sustainable.

- What is the financial problem?

- Why are we having to consider changing?

③ Quality of services. (Superior @ SCH)

④ Choice of physicians, care providers (not HMO model)

We (Sitha) would still be responsible for PERs.

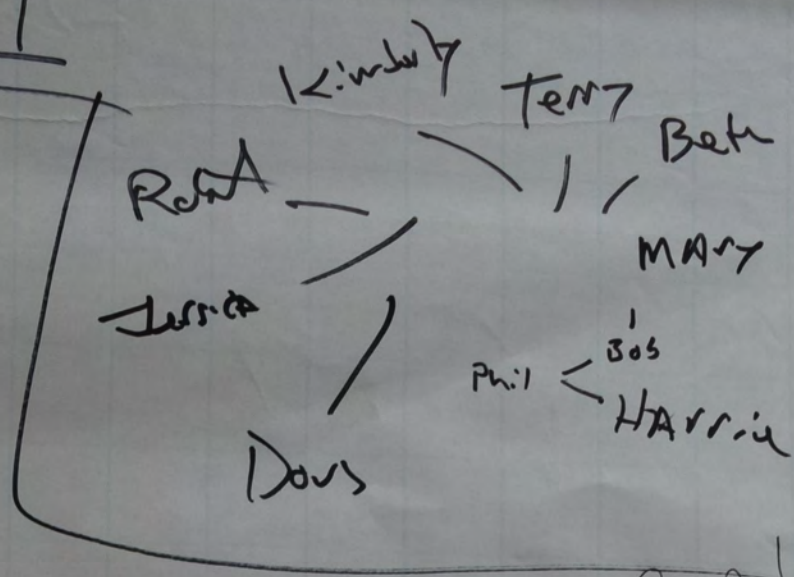
unfunded liabilities.

SCH is

Sound management.

Maintain competition (benefits to this).

Question # 1



Phil P.
8/31/17

Accessible
A new hospital facility

Affordability

long-term function & sustainability

Complete & comprehensive

All services available in one place

Integrated medical services

question SEARCH's finances, to take over from IHS

Prudent stewardship of health care money

Delivery system should be Agile & flexible to handle changes in the health care system.

Compassion, competent treated like family
we're all here together on this island

Efficiency → (Federal funding fluctuating)

~~There is~~ concern about duplication of services
(- CT scanner)

concern about changes with only one hospital
(competition) more collaboration than competition

Concern about cost of "travelers"

Jobs & retains community-based workers
(who have skin in the game)

~~the~~ hospitals have collaborated -
a community hospital in the old days < continuity of care

Question 1

Phil p.2
8/31/17

continuity of ~~Having~~ the same provider
don't have detox, or mental health
lacking addiction services

~~can be~~ Maximize cradle to grave
community care
Not based on economics

*Outlying communities come here SEARCH
builds more houses ~~that~~ what are the numbers

Sitka provide everything that Juneau has
80,000 people catchment area - use the
resources & make this the hub

24/7 surgery

Accommodate & celebrates
the multi-cultural community

Patient Centered Care - ^{safety} care

Balance of Primary & Early Intervention

A true health care system
is a sick care system

concerned about the PERS liability

A great place to work & to be

An appropriate traveler policy ^{level} ~~that~~
retains / develops community based
employees, <doesn't break the bank>

Keep OB & Surgery in Town
At base

• Mission/ENDS/Goal

8/31/
Mike #1

• decision

• RFP

• Philosophy of Organiz. - Eval

⊗ Who decides?

⊕ [C.A or vote] ; processes

↓
or money

⊕

↳ Healthcare Prof. Input.

⊕ what will decision process be.

• Local Control

⊗ Role of Board

• include Healthcare professionals in Leadership of Hosp.

• End Uncertainty - Commit

• morale

• TRUST

• lifelong Care - Cont. of care - Safe Care

• improve health care. → ① Secure long-term Drs.

• AFFORDABILITY ② Need more specifics

• Reduce financial & other Risk

• PERS lish. ③

• Consider Employment - Economics

⊗ INFO/confusion - role; Relat; process

• IMPACTS

• Avoid mill result

QUESTION 2

Hospice Care

Mike
8/30/17
ANB
Sitka

- Braveheart
- End of life care
- multi-coll. w/ community
- uniq. qual. Sitka

Regional Opps - not just SEARHC Reg. locations
 . Pel. Alex. Tan. Ret.

Don't Sell SCH

local control; lifecycle of care; Financial Hurdle
 (36)

Strengthen SCH

support existing mission values

- Coll. w/ Region
- SEARHC / on outside / SCH
- execute Stroudwater Rec. / opps.
- (NO locums).

Drug Rehab; Psych Care

High Risk patients - Social Service Safety Net
 - counseling - Homeless.
 - Housing
 - men's shelter

OB Services / Delivery

Safe Care - Core services
 - emergency surgery

Prof. Health care Providers
 w/ input to manng.

Positive Environment.

- talk action now
- create positive morale now
- negative impacts to current & prospective E's
- reverse neg trend.
- STRONG SUPPORT

Outside management.

MARKET / Focus on Sitka's unique strengths - unique approach
 [not just NAT. STRENGTHS]

QUESTION 2

Longterm care*
mental health
drug treatment

Maeghan
8/30/17
ANB

What's wrong*? Why? What are you trying to accomplish?

Spend tax money efficiently.

~~Merging~~ + Consolidating
Collaboration *

- From birth to death*

keeping local control

- Sustainability

- Take advantage of new hospital facility

→ No outside management, they will still have compete with SEARHC.

Phil

QUESTION 2

#2

Healthcare Opportunities

8/30/17
ANB
Phil

Proceed AS the Community Hospital
w/o AN RFP

until you know
what you want

Nurse - mid-wives
scribes for Dr's → EHR

Assembly

Have A better idea of
what you want before you
write an RFP

The best ^{healthcare} management possible

MANAGEMENT with a health care background

A strong, sustainable business model

NOT A SALE OR A MERGER

continuity of care

A functioning birth center

A collaboration on OB

(w Assembly oversight)

Collaboration w Survey/Clinics

Test the waters in a collaboration

w/ SEARCH in an area that
will succeed & build on that success

What core services CAN we provide

Start with a good foundation

Need more customer & medical understanding
by Administration -
Look at Petersboro Hospital

MORE collaboration

Better
Billing

QUESTION 2

Rather than Complete CARE

8/30/17 AMB
Focus / Coordinate Improved Professional Management.

- Ex. - Child Birth
 - Focus on Best Practice. Birthing Center midwives Etc.
 - Must maintain Surgery + OB Care.
 - Homeopathic - Alternative Medicine
 - Consider - New - Experienced Management + Employee Retention
 - ↳ Improves morale - Viability
 - ↳ maintain Local control
- Expand Services through Coordination
 - Ex. ↳ One Hospital - Hospital Care - Home-Center
 - ↳ Another Does - preventative care Etc.
- Coordinate Care - Efficiencies
 - ↳ maintain OB with midwife care model
 - ↳ Double patient output with Scribes for physicians / Electronic Records
- SEEK opportunity to provide
 - ↳ Addiction care, Rehabilitation, Mental Health Care.

QUESTION 2

(Dave)
8/30/17
ANB

- ① Community Clinic → outpatient
then move long care. (370)
- ② Partner with a larger facility
Harbor View / Swedish / SEARAC
collaboration
- ③ Regional Hub for outlying communities
- ④ Job opport. (nontravelers)
- ⑤ Urgency on, no or lack of speedy decision
to save the hospital.
- ⑥ Community Clinic and long term care in the facility. SCH
- ⑦ Opportunity to market our services
"Strat our stuff"

Maegon
Q.2
8/31/17

Management - 4/1/1 (2)

RFI - Narrow focus - how are we going to pay for it?
Evaluate any RFP by medical professionals + businesses owners

Collaboration - Independent Collaborator

Keep own missions but also collaborate

"Reinstitute Collaboration"

in public w/SEARHC

+ SCH

(1)

Informed votes

specific services

I.O.B

Representative group

Let's move Forward!!

Conversation #2
Sam

- look outside vested interest
wide range of population served
- JCH — rethink how its governed, break away from politics
separate from City be a stand alone entity
- ^{find ~~the~~ existing models} ~ non profit — ? possible millage rate contribution
- Is there a way to put JCH on SEARHC books? ~ management service
- Status quo: no RFP Challenge: current situation
- Collaboration
- eliminate duplication of services
- Merger
challenge: - public buy in
- misinformation loss of local control
- concern over
- New, updated facility (one) pro: elimination of services
- Joint venture btwn JCH/SEARHC
e.g. service - cardiac contribute, split profits
- JCH - clinic/UTC → other services SEARHC
concern however, JCH would lose critical access status

Options to Consider / Opportunities

Jeff
Q #2
8/31/17

- Maintain a full-Competent Hospital Board

Identify New Markets

- Perform A Care Needs Assessment.
- Develop some "MARGUS" Services that have Regional DRAIN
 - * Birthing Center
 - * Regional Psychiatric Center
 - * Assisted living - Elder Day Care
 - * 24/7 Surgical Team - Trauma Care Etc.

Sustainable - Continuity of care - Efficiencies

- Reduce # of Traveling Physicians + Traveling Management
- Contributes to Errors / Expensive - Homes - Care Etc. -
- Regional Services to Communities - Tele Health - Compete with SEARHE
 - ↳ Hire Funding / Financial Liaisons - For Patients
- Scribes - Physicians / Nurses could see more patients
- Organizational / Management Reviews - Balance staffing with emphasis on care

Provide

Mission Statement

- * - Emphasis on Safe + Competent Care - Decisions are made with this philosophy as the DRIVER - Not Per Just DATA - I.E. Need So Many Births To Year be considered Safe.

RFP for A Professional Hospital Management Team / yet
maintain local control

Options to consider

Jan 8/31/17

Collaboration - ~~more~~ providers working together in a larger group to share information, provide services -

↓
one ER

one obstetrics dept.

centralize/consolidate primary care

obstetrics

SCH - lead toward midwifery

SEARHC - surgery

one LTC

primary care

urgent care (SEARHC)

Concerns - not confident w/ can get service @ SEARHC

Can only collaborate if both are high quality and there is access to svcs.

would need firm SEARHC agreement.

- Go slowly - don't make decisions that can't be undone.
- not combine the 2 Hospitals

consolidate
strengthen
to
increase
services

each hospital
doesn't have to
do everything.

room for
negotiation &
compromise.

Community needs to list the services
we need. + who can do it best.

Jan
②

Q.2

8/31/17

= maximize our choices on who we can go to for services.

- who provide which services / right-size.

■ Pursue the RFP to see what options are out there.

■ But, no everyone is ready for change. (not favor RFP)

= Sale of SCH not practical - must cover PERS unfunded liability.

- Increase dedicated sales tax or 1 mil prop. tax increase (up to 7) for SCH budget

- Federal \$ for SEARHC - (40% of their budget) when they face budget cuts, where would they cut?
(Relates to collaboration.)

Core Services

Educ./Info - CORE Service / Factors mile 8/31
 End opportunity (#2)
 Should have to consider in decision

- long-term care Senior Service living facility
 - Current - Future need w/ Population
- Birthing Alt. (Birth center; midwives; etc.)
- Hosp. settings - Alternative Medicine - Chiro; Accup. Healing Arts
- Oncology / Infusion - home Advant.; regional; reduce TRAVEL COST
 opp.
- Home Health
- Wellness Center - Wellness Focus - Outreach
 - prevention
- Behavior / Substance Abuse
 - Integrated pain. Manag. w/ sub. Abuse
 - PSYCH
 - ↳ \$, needs, (NO Application. For position)

TOP MANAGEMENT MODEL

- new model - or - improved.
- Leadership Model to meet community goal/needs.

- BB
- self-sustaining (job tax).
 - unique Sitka FACTORS
 - Reduce Redundancy
- MARKET / \$

BALANCE between Speciality / Service &

- primary care
- Outpatient
- medical Home
- ER
- Clinic Model
- OB/Surgery

Collaboration ???

- contracts -
- decisions - FACTOR.
- Focus on avoid redundancy.

Recruitment

- need quality Family Practice Doctors
- remove uncertainty
- recruit together (BOTH).
- wait/rotate - Res. more resources

Jan (3)

Quarter 2

8/31/17

lg. medical institutions are
headqtr'd outside

= importance of quality care -
refer to where that can be provided.

Accountability.

= Computer technology to
assist w/ diagnosis (searches)

consortium of small hospitals in region to
share admin. / mgt costs ~~mode~~

- SCH possibly provide billing services for other institutions,
for admin. fee
- stronger SCH mgt. + governance
- Fill vacancy on SCH Bd.
- Try to keep continuity on SCH Bd.
- Need a SCH Hospital Plan.

- what svcs. we provide
- right size

- budget planning

Stroudwater Rept.
is not a Hospital Plan.

Question #2

Phil 8/31/17

Anne Marie

Boys

Phil - Harriet

Dave

Lisa

Dou

Consortium for Billing
for other community hospitals

List of duplicate services

which ~~ones~~ services are duplicate } fact finding

Clarify policy on OB/GYN } fact finding

What are we as a community
willing to pay? } financial picture

We need to grow into a bigger ^{health care} provider

More cancer care

A cardiology ~~service~~ service

Bring ^{more} outlying patients here } orthopedics

One hospital that supports all
the jobs in the community

← quit saying "them and us" →

How many patients come here
from S.E. villages } ?

News on the new hospital
Need, to come from C. Clemant.

"Them" is "us"

Keep care & health care in Sitka & \$'s

Establish Trust

More outreach to low-income population
on ~~the hospital~~ issue & their needs
health care

lot of people don't
understand the issue

Phil 8.2
8/21/17
Q#2

Base your decision on good information

People are emotional about their health care

~~Politics & trust issues have divided
the two hospital staffs~~

Build a basis in fact

more collegial / collaboration is good

long term care

true collaboration is difficult
if you are ~~competitors~~ competitors

work toward one hospital
for job stability, accessibility

Address trust & history
between the two hospitals

Regional care for S.E. peoples



City and Borough of Sitka

100 Lincoln Street
Ph: 747-1808

Sitka, Alaska 99835
Fax: 747-7403

PUBLIC COMMENT FORM

Compliment

Comment

Complaint

Date: _____

Name: _____

Address: _____

Phone: _____

Statement:

Please remember how important prevention is in health care.

Prevention has taken a back seat to treatment for a long time, however the system is changing - let's change w/ it.

Note: This will be reviewed by the Administrator and forwarded to the appropriate Department for a response.

For Office Use Only	Referred to: _____
	Department: _____
	Signed by: _____

Response/date provided (forward to Administrator): _____

Five Factors for Assembly to Consider?

- Affordability of healthcare
- ↓ CRISIS that continue (historically looking back)
- do NOT let the city go bankrupt bc of the hospital
 - ↳ (want need H₂O, sewer, garbage, infrastructure, EMS fire to cont)
- accurate + timely billing for services
- collaboration + communication between facilities + providers
- long-term function / sustainable
- NOT-duplication
- Self funded by revenue like Bartlett in Juleau (w/ 2.5% ^{from} tobacco tax)
 - ↳ keep providers to ↓ cost of travelers and \$\$\$ leaving town
 - ↳ competition waste ad \$ + fighting over providers

What Healthcare opportunities do you want the assembly to consider? why?

Pain Management - comprehensive / biopsychosocial
 emotional, social, psy - pain psychologist / counseling
 neuropsych / behavioral health, PT, OT etc
 to ↓ pain med abuse ⇒ 2° ↓ drug abuse / addiction
 of PCPs

Easy access - emergent slots on schedule so we don't have to go to ER or wait for Sat urgent care

Mental Health

Substance abuse programs

} things the US does not do well

biopsysoc; consider all treatments
 mind-body, mindfulness etc

Transparent Costs - know billed cost ahead of time (when possible)
 to allow pts to make choices about where they go for care (AK, Sitka, lower 48)

Continue with PCP MDs that are classic family practice = good
 Visiting specialists - cardiology, derm etc.
 ↳ treat all aspects of whole person
 ↳ DON'T overly subspecialize
 ↳ pts get bounced around

Metrol Home

we are lucky to have this

0



City and Borough of Sitka

100 Lincoln Street
Ph: 747-1808

Sitka, Alaska 99835
Fax: 747-7403

PUBLIC COMMENT FORM

Compliment

Comment

Complaint

Date: 8-31-17

Name: _____

Address: _____

Phone: _____

Statement:

WE NEED A FUNCTIONAL
ELECTRONIC HEALTH RECORD AT SCH

Note: This will be reviewed by the Administrator and forwarded to the appropriate Department for a response.

For Office Use Only	Referred to: _____
	Department: _____
	Signed by: _____
Response/date provided (forward to Administrator): _____ _____	



City and Borough of Sitka

100 Lincoln Street
Ph: 747-1808

Sitka, Alaska 99835
Fax: 747-7403

PUBLIC COMMENT FORM

Compliment

Comment

Complaint

Date: 8/31/2017

Name: _____

Address: _____

Phone: _____

Statement: Please remember both hospitals have
distinct missions for their service. We will need
to find ways to make sure both missions are being
met when pursuing merger or collaboration

Note: This will be reviewed by the Administrator and forwarded to the appropriate Department for a response.

For Office Use Only	Referred to: _____
	Department: _____
	Signed by: _____

Response/date provided (forward to Administrator): _____

My name is Harriet Miyasato Beleal and I am here today to give my testimony about the possible merger of Sitka Community Hospital and Searhc Hospital. I am 1/2 Tlingit Indian and 1/2 Japanese.

I speak against the merger as I am a beneficiary of the Searhc hospital as an Alaska Native and have not been consulted about this merger. I believe as an Alaska native, I should have been able to vote on this issue.

My rights to the Searhc hospital is a Congressional act of U.S. Congress when, back in the 1770's, the first president of United States, when dealing with the first American Indians, in exchange for one billion acres of land, made President George Washington promise the American Indians and Alaskan natives "Health, Education and Welfare". Health is our Indian hospitals, education is our right to scholarships, grants, ect. and welfare is the welfare of our native peoples. As the indigious and aboriginal peoples of the land, this is an U.S. Congressional act of Congress. My children and grandchildren and great-grandchildren of which I have twenty-two great-grandchildren, 14 grandchildren and six children.

It was very wrong to exclude us from all the talks between Sitka Communnity Hospital and the Searhc Hospital. Searhc has a board of directors who should have had a big say into these talks which have been going on for over a year and a half. Just being able to "read" it in the newspapers is not enough., Our constitutional rights have been violated and no due process ^{was} happened for us.
ANSB / ARS 5, - SEARHC

Historically, it's an old story and one that is not in our best interests because we had no say in all of it. There should have been public meetings on this issue and open to the public. I strongly object to the method used and I say, STOP , NOW AND LISTEN TO US, THE ORIGINAL PEOPLES OF ALASKA.

Signed,

Harriet Miyasato Beleal

Harriet Miyasato Beleal

[Redacted]

Sitka, Alaska 99835

[Redacted]

March 21, 2017

I would like to make a motion or ask one of the assembly members to someone to hold a public town meeting on the Searhc/SCH merger, ~~the~~

(possibly)



City and Borough of Sitka

100 Lincoln Street
Ph: 747-1808

Sitka, Alaska 99835
Fax: 747-7403

PUBLIC COMMENT FORM

Compliment

Comment

Complaint

Date: 8/30/17

Name: _____

Address: _____

Phone: _____

Statement: attached

Note: This will be reviewed by the Administrator and forwarded to the appropriate Department for a response.

For Office Use Only	Referred to: _____
	Department: _____
	Signed by: _____

Response/date provided (forward to Administrator): _____ _____

Sitka Healthcare Needs/Goals

Travis Hudson
August 30, 2017

A self-sustaining community hospital.

Community and City dedicated to supporting the community hospital – there is no reason Sitka cannot have an excellent community hospital.

A community hospital mission dedicated to patient-centered care and life-cycle core services.

Community hospital management that is experienced and knowledgeable in providing excellent community healthcare.

Recognition of Sitka's uniqueness in establishing core health services... managing by guidelines derived from national statistics is not appropriate.

A community hospital that fosters excellent staff morale and retention.

An efficiently managed community hospital with minimal dependence on traveler staff.

Maintain competition

Sitka Community Hospital - Financial Requirements of Divesting Option

Travis Hudson
August 30, 2017

I support a stand-alone community hospital but if SCH is to be sold the financial requirements of such a sale include:

- The unfunded pension liabilities are completely covered by the purchaser.
- A viable, long-term plan for the SCH physical plant is in place as part of the sale.
- SCH staff are guaranteed comparable jobs based in Sitka.
- Conditions are established that protect private jobs and businesses such as open and competitive bidding for contracts and use of private sources of services such as pharmacy, maintenance, and food services.
- The divesting process should depend upon open bidding and discussion with all potential buyers.

Delivered to CBSitka
8/31/17

I want availability of specialty providers in Sitka, which might be available through cooperation with Searhc. ~~or through telemedicine.~~

Examples: a family member sees a psychiatrist at Searhc, because the only other psychiatrist available in Sitka works for Sitka counseling, is only here monthly, and is limited to prescribing medications only (no counseling)

Example:
No dermatologist is ever available in Sitka, not even on a visiting provider basis. Another family member is having to travel to Virginia Mason in Seattle just to get a suspicious skin spot looked at. This could possibly be addressed by telemedicine if we had a process in place.

I want good administrative and customer service / BILLING service

such as I have experienced at Sitka Community Hospital, and NOT at Searhc.

Example 1: I needed to inquire about my bill at Searhc. I called the number on my bill, and when I was finally able to talk to someone, they could tell me nothing. After I requested an ~~an~~ itemized printout of the charges (my bill showed only a lump sum dollar amount without even service dates) the person on the phone reluctantly said they would "figure out" how to send me one. It ~~is~~ still has not arrived

5 months ~~later~~ later.

~~Example 2: I called~~
Example 2: I called Searhc Dental several times to see if a dental surgeon was available thru Searhc in Sitka. It took 4 calls to reach anyone. (The person was knowledgeable + friendly once I did reach them, however)

(In contrast, SCH's bills are detailed, and ~~I~~ I can talk to someone on the phone OR in person + get my questions answered.



CITY AND BOROUGH OF SITKA

Legislation Details

File #: 17-160 Version: 1 Name:

Type: Item Status: AGENDA READY

File created: 9/19/2017 In control: City and Borough Assembly

On agenda: 9/26/2017 Final action:

Title: Approve the minutes of the September 12 and 14 Assembly meetings

Sponsors:

Indexes:

Code sections:

Attachments: [Consent and Minutes.pdf](#)

Date	Ver.	Action By	Action	Result
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CONSENT AGENDA

POSSIBLE MOTION

**I MOVE TO APPROVE THE CONSENT AGENDA
CONSISTING OF ITEM A**

I wish to remove Item(s) _____

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



CITY AND BOROUGH OF SITKA

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

Minutes - Draft

City and Borough Assembly

*Mayor Matthew Hunter
Deputy Mayor Bob Potrzuski
Vice-Deputy Mayor Steven Eisenbeisz
Tristan Guevin, Kevin Knox
Aaron Bean, and Aaron Swanson*

*Municipal Administrator: Keith Brady
Municipal Attorney: Brian Hanson
Municipal Clerk: Sara Peterson*

Tuesday, September 12, 2017

6:00 PM

Assembly Chambers

WORK SESSION 5:00 PM

17-149 Smart Growth America - *Planning Department*

Staff of Smart Growth America presented to the Assembly.

REGULAR MEETING

I. CALL TO ORDER

II. FLAG SALUTE

III. ROLL CALL

Present: 6 - Swanson, Eisenbeisz, Potrzuski, Hunter, Knox, and Bean

Absent: 1 - Guevin

IV. CORRESPONDENCE/AGENDA CHANGES

Mayor Hunter welcomed Municipal Administrator, Keith Brady. He also extended thanks to Interim Administrator, Phil Messina.

17-159 Reminders, Calendars and General 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 (five minute time limit)**17-152** Recap of the August Healthcare Town Hall Meetings - Maegan Bosak

Community Affairs Director, Maegan Bosak, reported on the August Town Hall Meetings. She noted a written report would be included in the Correspondence section of the September 26 Assembly packet.

VII. PERSONS TO BE HEARD

Alene Henning thanked the Police Department for enforcement of the law prohibiting cell phone use while driving. Henning also noted the hardships, on businesses and citizens, created by the Lake Street improvement project.

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

Administrator - Brady thanked those who had assisted with the September 4 landslide and thanked Public Works staff for their response to a sewer line break on Japonski Island.

Attorney - Hanson thanked Interim Administrator Phil Messina for his service.

Liaison Representatives - Eisenbeisz reported on the recent Sitka Community Hospital Board meetings and work session.

Clerk - Peterson announced Absentee/Advanced Voting would be held weekdays from 9am to 5pm at City Hall beginning September 18 through October 2.

Other - Garry White, Director of the Gary Paxton Industrial Park, reported the dock had arrived and the project was on schedule.

IX. CONSENT AGENDA

A motion was made by Swanson that the Consent Agenda consisting of items A & B be APPROVED.

Yes: 6 - Swanson, Eisenbeisz, Potrzuski, Hunter, Knox, and Bean

Absent: 1 - Guevin

A 17-153 Approve the minutes of the August 19 and 22 Assembly meetings

This item was APPROVED ON THE CONSENT AGENDA.

B RES 17-19 Supporting the Sitka Trail Works, Inc. grant application to the State of Alaska

Recreational Trails Program for repairs to the Sea Lion Cove Trail

This item was **APPROVED ON THE CONSENT AGENDA.**

X. BOARD, COMMISSION, COMMITTEE APPOINTMENTS

- C 17-154** Appoint Ken Creamer to an unexpired term on the Port and Harbors Commission
Knox thanked former Port and Harbor Commission member Ken Creamer for reapplying.

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

Yes: 6 - Swanson, Eisenbeisz, Potrzuski, Hunter, Knox, and Bean

Absent: 1 - Guevin

XI. UNFINISHED BUSINESS:

- D ORD 17-29S** Adjusting the FY18 Budget (*Sitka Airport Terminal Improvements Project*)

A motion was made by Potrzuski that this Ordinance be APPROVED on SECOND AND FINAL READING. The motion PASSED by the following vote.

Yes: 4 - Eisenbeisz, Potrzuski, Hunter, and Knox

No: 2 - Swanson, and Bean

Absent: 1 - Guevin

- E ORD 17-30** Adjusting the FY17/FY18 Budgets (*Solid Waste Fund, Harbor Fund, Management Information Systems Fund, Public Works - Recreation Department*)

Potrzuski and Bean explained there had been a budgeting error. With regards to the Harbor Fund, Hunter noted there had been a shift in solid waste collection costs from citizens to the Municipality. Bean reminded the cost of transporting garbage off the island was approximately \$2 million each year. To reduce off island transportation costs, he suggested exploring the idea of a modern incinerator at the Gary Paxton Industrial Park site.

A motion was made by Potrzuski that this Ordinance be APPROVED on SECOND AND FINAL READING. The motion PASSED by the following vote.

Yes: 6 - Swanson, Eisenbeisz, Potrzuski, Hunter, Knox, and Bean

Absent: 1 - Guevin

- F ORD 17-31** Adjusting the FY18 Budget (*O'Connell Lightering Facility Repair Project*)

Harbormaster, Stan Eliason, stated he was researching yacht rates to help determine what the market could bear. Eliason stated the dock was mobilized May through September. He estimated approximately 90 bookings were possible at a minimum of \$1,000 each booking.

A motion was made by Swanson that this Ordinance be APPROVED on SECOND AND FINAL READING. The motion PASSED by the following vote.

Yes: 6 - Swanson, Eisenbeisz, Potrzuski, Hunter, Knox, and Bean

Absent: 1 - Guevin

XII. NEW BUSINESS:

G 17-155

Approve a 20-year purchase agreement between the City and Borough of Sitka and Eckert Fine Beverages for the export of bulk water

Richard Wein wondered how the branding and Sitka would be protected. Helen Craig reminded of the importance of keeping the industries separated at the Industrial Park - e.g. marijuana, bulk water.

In answer to a question regarding a contract provision to protect Sitka from a drought, Garry White, Director of the Gary Paxton Industrial Park, reminded the Municipal Administrator could temporarily suspend raw water deliveries. While a contract term of 20 years was typical, White noted there were required benchmarks of Eckert Fine Beverages.

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

Yes: 6 - Swanson, Eisenbeisz, Potrzuski, Hunter, Knox, and Bean

Absent: 1 - Guevin

H 17-156

Approve a 20-year purchase agreement between the City and Borough of Sitka and Arctic Blue Waters Inc. for the export of bulk water

Richard Wein spoke to the branding and protection of Sitka. Helen Craig thanked the Assembly for their work and keeping water in the dam.

Eisenbeisz expressed caution. He noted the City had been dealing with this company for quite some time and there hadn't been water shipments. Gary Paxton Industrial Park Director, Garry White, reminded bulk water was a tough business. He spoke to the tighter requirements of the contract. Fred Paley of Arctic Blue Waters, stated he had been in the business for over 20 years. He added the company may have been premature when they approached the City in 1995 for a bulk water license. At that time their focus was on China. Paley noted the company had a business partner in Fairbanks and the funding behind them to aggressively market bulk water.

In response to questions of risk to the City, Garry White stated he was confident the contract protected the City. Brian Hanson, Municipal Attorney, reiterated the goal of the contract was to reduce risk. He and White discouraged the Assembly from adding provisions related to branding. White added when water was exported, the City would take their own samples for testing.

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

Yes: 5 - Swanson, Potrzuski, Hunter, Knox, and Bean

No: 1 - Eisenbeisz

Absent: 1 - Guevin

I 17-157

Presentation by Alaska Department of Transportation and Public Facilities of the Sawmill Creek Road Resurfacing and Pedestrian Improvements Project followed by approval of Option 1 or Option 2 (Project website: http://dot.alaska.gov/sereg/projects/sitka_sawmill_rd/index.shtml)

Department of Transportation (DOT) officials presented an overview of the two options for the Sitka Sawmill Creek Road resurfacing and pedestrian improvements project and timeline. Option 1: work would remain within the limits of the existing ROW, relocate power poles out of the right of way (ROW) 13.5' driving lanes - widened for vehicle and bicycle use, 8' parking lanes on both sides of Sawmill Creek Road, and Americans with Disabilities Act (ADA) upgrades to the sidewalk and curb ramps. Option 2: work would remain within the limits of the existing ROW, relocate power poles out of the ROW, eliminate parking from the south side of Sawmill Creek Road, 5' wide bike lanes on each side of Sawmill Creek Road, 7.5' wide sidewalk on the south side of Samwill Creek Road, driving lane widths would be reduced from 12' to 11', and ADA upgrades to the sidewalk and curb ramps.

Some Assembly members expressed concern of reducing the driving lane from 12 feet to 11 feet. Swanson, a commercial truck driver, shared the road was already narrow on the corner by the Sitka National Cemetery. DOT said they would take that information into consideration and shared that wider traffic lanes often brought higher rates of speed. Regarding pole realignments, DOT stated the poles would need to be relocated outside of the right of way and easements would need to be obtained from private property owners. Hunter inquired about the possibility of adding rumble strips near the fog line for bicycle safety. Bean mentioned the reduction of parking along Sawmill Creek Road in the downtown area.

DOT noted they had received recommendations from the Public Works Department and looked forward to working with staff on the creative ideas offered.

Lynne Brandon and Doug Osborne spoke in support of Option 2.

A motion was made by Potrzuski to APPROVE Option 2 of the Sitka Sawmill Creek Road Resurfacing and Pedestrian Improvements Project with consideration of the City and Borough of Sitka's recommendations. The motion PASSED by the following vote.

Yes: 5 - Eisenbeisz, Potrzuski, Hunter, Knox, and Bean

No: 1 - Swanson

Absent: 1 - Guevin

J RES 17-18

Urging the US Government to utilize any and all powers under the Boundary Waters Treaty to ensure that Alaska resources are not harmed by upstream development in the Alaska/British Columbia (BC) Transboundary Region (*first and final reading*)

Cosponsors Knox and Bean spoke to the importance of the resolution. Jill Weitz of Salmon Beyond Borders, addressed the Assembly. Weitz stated Salmon Beyond Borders was a campaign driven by commercial and sport fishing groups, business owners, tour operators and concerned citizens. The campaign urged the US government to utilize powers under the boundary waters treaty to ensure that Alaska

resources were not harmed by upstream development in the Alaska/British Columbia transboundary region.

Pat Alexander spoke in support of the resolution noting mining, while important, did not belong next to fishing streams.

A motion was made by Knox that this Resolution be APPROVED on FIRST AND FINAL READING. The motion PASSED by the following vote.

Yes: 6 - Swanson, Eisenbeisz, Potrzuski, Hunter, Knox, and Bean

Absent: 1 - Guevin

K 17-158 Decision on whether to allow sales tax free day(s) following the Thanksgiving holiday and set date(s)

As a downtown business owner, Eisenbeisz wondered if he should be recused from the discussion. Mayor Hunter ruled he did not need to recuse himself.

Knox wondered of the reason for the fuel exclusion and offered other items that could be excluded. Hunter, while not opposed to excluding items, wondered where to ultimately draw the line. Attorney Hanson drew attention to section 4.09.020(B) of Sitka General Code. He reminded the code was written to exclude fuel sales and any sale which was a part of a continuing obligation of the buyer to pay the seller over time, from sales tax free days.

Assembly members commented that sales tax free days encouraged citizens to buy local.

Richard Wein spoke in support of the sales tax free days.

A motion was made by Knox to authorize November 24 and November 25 as Sales Tax Free days for 2017 noting the sales tax free days will not be applicable to any sale of fuel, nor affect any sale which is part of a continuing obligation of the buyer to pay the seller over time. The motion PASSED by the following vote.

Yes: 6 - Swanson, Eisenbeisz, Potrzuski, Hunter, Knox, and Bean

Absent: 1 - Guevin

L ORD 17-32 Adjusting the FY18 Budget (*Solid Waste Fund - Operations*) 1st reading

Chief Finance and Administrative Officer, Jay Sweeney, stated the budget adjustment was needed in order to account for a budgeting error. He emphasized it was not an accounting error and no public funds were improperly spent. Sweeney noted operating expenses in the FY18 Budget were not adjusted to recognize the increased costs associated with the new solid waste contracts.

A motion was made by Potrzuski that this Ordinance be APPROVED on FIRST READING. The motion PASSED by the following vote.

Yes: 6 - Swanson, Eisenbeisz, Potrzuski, Hunter, Knox, and Bean

Absent: 1 - Guevin

XIII. PERSONS TO BE HEARD:

None.

XIV. EXECUTIVE SESSION

- M 17-150** Update from legal counsel regarding the defense of the litigation arising out of the August 18, 2015 landslide events

A motion was made by Potrzuski to go into Executive Session to receive and discuss an update from legal counsel, David Bruce, regarding the defense of the litigation arising out of the August 18, 2015 landslide events. The motion PASSED by a unanimous voice vote.

The Assembly was in Executive Session from 9:15pm to 10:05pm.

A motion was made by Bean to reconvene as the Assembly in regular session. The motion PASSED by a unanimous voice vote.

Mayor Hunter stated the Assembly had received an update from David Bruce regarding the defense of the litigation arising out of the August 18, 2015 landslide events.

XV. ADJOURNMENT

A motion was made by Swanson to ADJOURN. Hearing no objections, the meeting ADJOURNED at 10:09pm.

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 Matthew Hunter
Deputy Mayor Bob Potrzuski
Vice-Deputy Mayor Steven Eisenbeisz
Tristan Guevin, Kevin Knox
Aaron Bean, and Aaron Swanson

Municipal Administrator: Keith Brady
Municipal Attorney: Brian Hanson
Municipal Clerk: Sara Peterson

Thursday, September 14, 2017

6:00 PM

Assembly Chambers

SPECIAL MEETING

I. CALL TO ORDER

II. FLAG SALUTE

III. ROLL CALL

Present: 6 - Swanson, Eisenbeisz, Potrzuski, Hunter, Knox, and Bean

Absent: 1 - Guevin

IV. CORRESPONDENCE/AGENDA CHANGES

None.

V. PERSONS TO BE HEARD

None.

VI. NEW BUSINESS:

A 17-151 Award FY18 General Fund Non-Profit Grants

A representative of the Sitka Maritime Heritage Society stated their grant had been placed in the incorrect category. It was clarified the grant had in fact been placed in the correct category - Cultural & Educational Services.

Auriella Hughes thanked the Assembly for the grant opportunity.

A motion was made by Swanson to award the following FY18 General Fund Non-Profit Grants in the category of Human Services:

- Brave Heart Volunteers \$9,729**
- Sitka Counseling and Prevention Services \$4,638**
- Southeast Alaska Independent Living \$7,529**
- Salvation Army Alaska Sitka Corp \$4,771**

The motion PASSED by the following vote.

Yes: 6 - Swanson, Eisenbeisz, Potrzuski, Hunter, Knox, and Bean

Absent: 1 - Guevin

A motion was made by Potrzuski to award the following FY18 General Fund Non-Profit Grants in the category of Cultural & Educational Services:

- Alaska Arts Southeast (Sitka Fine Arts Camp) \$2,250**
- Betty Eliason Child Care Center \$1,083**
- Greater Sitka Arts Council \$2,333**
- Sitka Maritime Heritage Society \$1,167**
- The Island Institute Inc. \$2,333**

The motion PASSED by the following vote.

Yes: 6 - Swanson, Eisenbeisz, Potrzuski, Hunter, Knox, and Bean

Absent: 1 - Guevin

It was mentioned the Sitka Community Land Trust (SCLT) had requested \$10,000; however, did not receive any funding. In order for an applicant to receive funding, a majority of the Assembly needed to recommend some level of funding. Only 3 members (Hunter, Potrzuski, and Bean) had allocated funding to the SCLT. Assembly members who had allocated funds to the SCLT would be allowed to redistribute their allocation to other applicants within the category. The reallocation could not result in any applicant receiving more funding that they had originally requested.

Potrzuski commented on the importance of the SCLT and the need for affordable housing in Sitka. Eisenbeisz offered that while affordable housing was important, the City had given (sale of \$1 - reference Ordinance 2015-56) the SCLT the land at the Old City Shops location to support their venture. Knox and Swanson agreed. Hunter stated local support would go a long way in helping the SCLT to receive outside funding - e.g. Rasmuson Foundation.

John Stein spoke in support of the SCLT.

A motion was made by Bean to award the following FY18 General Fund Non-Profit Grants in the category of Community Development:

- Sitka Trail Works \$6,250**

Swanson changed his allocation so that SCLT would have a majority recommending funding: SCLT \$3,000 and Sitka Trail Works \$7,000.

A motion to AMEND was made by Potrzuski to change the allocation amounts to: \$3,417 SCLT and \$5,750 Sitka Trail Works. The motion to AMEND PASSED by

the following vote.

Yes: 4 - Swanson, Potrzuski, Hunter, and Knox

No: 2 - Eisenbeisz, and Bean

Absent: 1 - Guevin

Bean changed his allocation amounts: SCLT \$0 and Sitka Trail Works \$10,000.

A motion to AMEND was made by Eisenbeisz to change the allocation amounts to: \$0 SCLT and \$6,583 for Sitka Trail Works. The motion to AMEND PASSED by the following vote.

Yes: 5 - Swanson, Eisenbeisz, Hunter, Knox, and Bean

No: 1 - Potrzuski

Absent: 1 - Guevin

Given that there was not a majority of members in favor of funding for the SCLT, Potrzuski chose to move a portion of his SCLT allocation to Sitka Trail Works to allow them to receive the maximum amount of their request; \$7,000.

The main motion as amended (an award of \$7,000 to Sitka Trail Works) PASSED by the following vote.

Yes: 6 - Swanson, Eisenbeisz, Potrzuski, Hunter, Knox, and Bean

Absent: 1 - Guevin

VII. PERSONS TO BE HEARD:

Lynne Brandon thanked the Assembly for their support.

VIII. EXECUTIVE SESSION

None.

IX. ADJOURNMENT

A motion was made by Swanson to ADJOURN. Hearing no objections, the meeting adjourned at 6:32pm.

ATTEST: _____
Sara Peterson, CMC
Municipal Clerk



CITY AND BOROUGH OF SITKA

Legislation Details

File #: 17-162 Version: 1 Name:

Type: Item Status: AGENDA READY

File created: 9/20/2017 In control: City and Borough Assembly

On agenda: 9/26/2017 Final action:

Title: Appoint 1) Max Rule to a three-year term on the Investment Committee in the category of alternate, and, 2) Michael Sanders to a three-year term on the Local Emergency Planning Committee in category 2

Sponsors:

Indexes:

Code sections:

Attachments: [Motion appointments.pdf](#)
[Rule.pdf](#)
[Sanders.pdf](#)

Date	Ver.	Action By	Action	Result
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POSSIBLE MOTION

I MOVE TO appoint 1) Max Rule to a three-year term on the Investment Committee in the category of alternate, and, 2) Michael Sanders to a three-year term on the Local Emergency Planning Committee in category 2*.

*Category 2: Law Enforcement, Civil Defense, Fire Fighting, First Aid, Local Environmental/Hospital, and Transportation Personnel.



Application for Appointment to Boards, Committees, and Commissions City and Borough of Sitka

Board/Commission/Committee: **INVESTMENT COMMITTEE**

Name: **Maxwell Rule**

Daytime Phone: **(907) 747-3459**

Address: **110 Donna Drive, Sitka AK**

Evening Phone: **(907) 738-3239**

Email Address: **maxrule@me.com**

Fax Number: **(907) 747-7952**

Length of Residence in Sitka: **13 years, 2 months**

Registered to vote in Sitka? Yes No

Employer: **Hames Corporation**

Organizations you belong to or participate in:

Please see attached additional information.

Explain your main reason for applying:

Please see attached additional information.

What background, experience or credentials will you bring to the board, commission, or committee membership?

Please see attached additional information.

Please disclose any potential conflicts of interest that may arise from your appointment. These may include but are not limited to:

- A substantial financial interest of \$1000 annually that could be influenced by your appointment.
- An immediate family member employed within the scope of this appointment.

None



Please attach a letter of interest, outline, or resume which includes your education, work, and volunteer experience that will enhance your membership.

(To be considered, your application must be complete AND be accompanied by one of the above supporting documents.)

Date: 9/13/2017 Signature: 

Your complete application and resume should be returned to the Municipal Clerk's Office by noon on the Wednesday prior to an advertised Assembly meeting.

Please note: all information submitted will be made public and published online. Appointments are normally made during open session of an Assembly meeting, however, Assembly members may vote to discuss applicant(s) in closed executive session. In this case, do you wish to be present when your application is discussed? ___ Yes No

Return to:

Melissa Henshaw, Deputy Clerk/Records Specialist, 100 Lincoln Street
Fax: 907-747-7403 Email: melissa.henshaw@cityofsitka.org

**MAXWELL S. RULE, CPA
110 Donna Drive
Sitka, AK 99835
(907) 738-3239**

INVESTMENT COMMITTEE - ADDITIONAL INFORMATION

Organizations you belong to or participate in:

- Alaska Raptor Center – Board member
- Northwest Grocers Association – Board member
- Washington Society of Certified Public Accountants
- American Institute of Certified Public Accountants
- City and Borough of Sitka Citizens Task Force – Past Co-chair/Committee member
- Centennial Hall Building Committee – Past Committee member
- Centennial Hall Parking Lot Redevelopment Committee – Past Committee member
- Sitka Trailworks – Past President and Board member

Explain your main reason for applying:

As a finance professional and local businessman, I have a continued interest in the financial affairs of the City and the ability to offer my expertise in volunteer City commissions, committees and boards with the community's best's interest in mind.

What background, experience or credentials will bring to the board, commission, or committee membership?

Besides the fact I deeply care for our community, its affordability and quality of life; I have an extensive background in business management, finance and accounting that spans over 30 years. My professional career includes work in public, governmental, private, and non-profit accounting, business ownership and retail management and operations.

I have an excellent understanding of governmental accounting and finances through my experiences early in my career as an auditor for a regional CPA firm and employment as the Accounting Manager for the City of Ketchikan.

Most recently, I also volunteered as Co-chair and committee member with the Citizens Task Force as well as played an instrumental role on two projects related to the redevelopment of Centennial Hall.

Maxwell S. Rule

President, Chief Operating Officer and Chief Financial Officer at Hames Corporation

maxrule@me.com

Summary

I am a highly energetic and motivated professional financial and business manager with a diverse business background encompassing public and private accounting, business ownership and project management.

Experience

President, Chief Operating Officer and Chief Financial Officer

December 2016 - Present

Board Member

May 2015 - Present

Northwest Grocers was formed in 2004, to assist independent grocers operate more efficiently and economically. NWG is directed by a board of retail members and staffed with professionals in all disciplines of retail grocery operations. The staff is well trained, passionate, and experienced, speaking and acting with one voice, committed to optimize the group's strength and size. www.northwestgrocers.com

Chief Financial Officer

1992 - Present

The company is in the retail supermarket, neighborhood market, and convenience store business in Sitka, Alaska.

Board Member

November 2013 - Present

Growing from a backyard, volunteer-run operation, the Alaska Raptor Center has become Alaska's foremost bald eagle hospital and educational center, as well as one of the state's premier visitor attractions.

The Alaska Raptor Center provides medical treatment to 100-200 injured bald eagles and other birds each year with the goal to release them back into the wild. Some, however, are injured so severely they could not survive in the wild even after rehabilitation. These birds may join our Raptors-in-Residence, providing excitement and education for more than 36,000 annual visitors and for the 15,000 schoolchildren we reach through the Adopt-A-Raptor program and Classroom Presentations around the country.

The Alaska Raptor Center's 17-acre campus borders the Tongass National Forest, a temperate coastal rainforest, and the Indian River in Sitka, Alaska, and features award-winning natural habitats for our 19 Raptors-in-Residence.

The Alaska Raptor Center is a 501 (c)(3) not-for-profit organization.

Chief Financial Officer

March 1994 - Present

Vice President

November 2007 - October 2014 (7 years)

The company owned and operated Silver Basin, a retail gift store in Sitka, Alaska. The store was sold in October, 2014 to Hames Corporation.

Chairman of the Board at Alaska Pacific Bank

May 2012 - April 2014 (2 years)

Alaska Pacific Bank is a federally chartered savings bank headquartered in Juneau, Alaska. It is the sole subsidiary of Alaska Pacific Bancshares, Inc. The company had \$172.1 million in assets as of December 31, 2011. Alaska Pacific Bank offers a full range of banking services to individuals and businesses through its offices in Juneau, Ketchikan, and Sitka, Alaska. The bank merged with Northrim Bank in April, 2014 in a transaction valued at approximately \$14 million at which time, as part of the transaction, my chairmanship expired.

Board Member at Alaska Pacific Bank

June 2008 - April 2014 (5 years 11 months)

Alaska Pacific Bank is a federally chartered savings bank headquartered in Juneau, Alaska. It is the sole subsidiary of Alaska Pacific Bancshares, Inc. The company had \$172.1 million in assets as of December 31, 2011. Alaska Pacific Bank offers a full range of banking services to individuals and businesses through its offices in Juneau, Ketchikan, and Sitka, Alaska. The bank merged with Northrim Bank in April, 2014 in a transaction valued at approximately \$14 million at which time, as part of the transaction, my board position expired.

Board Member

2004 - 2011 (8 years)

Sitka Trail Works is a non-profit organization which relies on grants and membership donations to create and maintain it's efforts in the Sitka area of Southeast Alaska on trail projects located on Baranof, Kruzof and Chichagof Islands.

Accounting Manager

1991 - 1992 (2 years)

CPA

1985 - 1991 (7 years)

Education

The University of Montana - School of Business

BS, Accounting and Finance, 1980 - 1985

Honors and Awards

Ventana Research Business Innovation Award

Maxwell S. Rule

President, Chief Operating Officer and Chief Financial Officer at Hames Corporation

maxrule@me.com



[Contact Maxwell S. on LinkedIn](#)

Maxwell S. Rule Personal Biography

Maxwell S. Rule is President/COO/CFO at Hames Corporation, a third generation owned grocery retailer with operations in Southeast Alaska.



His accounting, finance and retail experience has spanned 30+ years and includes work in public, governmental, private, and non-profit accounting, business ownership and retail management and operations.

Mr. Rule is a Certified Public Accountant, Chartered Global Management Accountant, member of the American Institute of CPAs and the Washington Society of CPAs.

As an executive at Hames Corporation, a position he has held for 25 years, Mr. Rule is responsible for financial reporting, strategic planning, budgeting, project management, IT, and human resources. He serves at the direction of the Chairman/CEO and is a decision maker in all matters related to the operations of the company. Hames Corporation operates under several trade names, including Sea Mart Quality Foods, Market Center, Watson Point Liquors, Cascade Convenience Center and Silver Basin.

Mr. Rule's past board membership has included both for profit entities and non-profits. As Chairman of the Board, in 2014 he led the sale and merger of Alaska Pacific Bank to Northrim Bank, both publicly traded companies. Mr. Rule was awarded a 2014 *Ventana Research Business Innovation Award*. These awards identify business and IT leaders who are using technologies and applying best practices to provide the best possible outcomes in productivity, performance and support of an organization's goals and objectives. Mr. Rule's non-profit service includes the Alaska Raptor Center, Sitka Trial Works and various boards and commissions with the City and Borough of Sitka.

Originally from Montana, Mr. Rule is proud to call Sitka, Alaska home where he enjoys the outdoors including sport and commercial fishing, boating, hiking, backpacking, running and cycling. He and his wife of 30 years, Carol Sue have two children; Matthew, 26 and Andy, 18.

www.linkedin.com/in/maxwellrule/



INVESTMENT COMMITTEE

NAME	CONTACT NUMBERS	TERM STARTS	EXPIRES	CATEGORY
MICHAEL REIF PO Box 2346	738-6016 reifmike55@gmail.com	10/14/14	11/26/16 11/22/19	CHAIR
JERE CHRISTNER 1201 Georgeson Loop	738-4053 toss@ak.net	1/14/14	1/14/17 1/10/20	VICE-CHAIR
BERT STEDMAN 1806 Sawmill Creek Rd.	747-8393 w 747-8905 h 747-8620 fax In Juneau: 907-465-3873 h 907-465-3922 business Bstedman@gci.net	6/10/03 6/14/05 6/24/08 6/28/11 6/24/14 6/27/17	6/10/05 6/14/08 6/24/11 6/28/14 6/24/17 6/27/20	
VACANT				ALTERNATE
Jay Sweeney 100 Lincoln Street	747-1836 w jay.sweeney@cityofsitka.org			Finance Director/ Secretary
Keith Brady 100 Lincoln Street	747-1808 w keith.brady@cityofsitka.org			Municipal Administrator – Ex Officio
Tristan Guevin PO Box 6235	738-5415 assemblyguevin@cityofsitka.org			Assembly Liaison

Four members from public one serving as an alternate voting member for three-year terms.

Established by Ordinance 01-1651

Revised: September 14, 2017

CITY AND BOROUGH OF SITKA

ORDINANCE NO. 2015-28

**AN ORDINANCE OF THE CITY AND BOROUGH OF SITKA, ALASKA
AMENDING SITKA GENERAL CODE TITLE 2 ADMINISTRATION,
CHAPTER 2.62 SITKA INVESTMENT COMMITTEE SECTION 2.62.010
ESTABLISHED-MEMBERSHIP-TERMS TO ADD A MEMBERSHIP
CATEGORY ENTITLED "ALTERNATE VOTING MEMBER"**

1. **CLASSIFICATION.** This ordinance is of a permanent nature and is intended to become a part of the Sitka General Code.
2. **SEVERABILITY.** If any provision of this ordinance or any application to any person or circumstance is held invalid, the remainder of this ordinance and application to any person or circumstances shall not be affected.
3. **PURPOSE.** The purpose of this ordinance is to add a membership category entitled "alternate member" to the Sitka Investment Committee. The Committee member shall be appointed by the Assembly and serve a three year term. Currently the Committee consists of three members and at times has had difficulty obtaining a quorum. Adding a fourth voting member that will fill in for an existing member in his or her absence should address the issue.
4. **ENACTMENT.** NOW, THEREFORE, BE IT ENACTED by the Assembly of the City and Borough of Sitka that Chapter 2.62.010 of the Sitka General Code is amended to read as follows:

**Title 2
Administration
Chapter 2.62
Sitka Investment Committee**

Section 2.62.010 Established – Membership – Terms.

There shall be established a committee to be known as the Sitka investment committee which shall consist of ~~three~~ four members with one member serving as an alternate voting member who shall serve terms of for three years terms. The city and borough finance director shall be an ex officio member of this committee. All committee members shall be appointed by the assembly. ~~and the first Sitka investment committee members shall be appointed and serve terms as follows:~~

- ~~A. One member for a term of three years;~~
- ~~B. One member for a term of two years;~~


~~C. One member for a term of one year.~~

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

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


Mim McConnell, Mayor

ATTEST:


Sara Peterson, CMC
Municipal Clerk

1st reading 4/28/15
2nd reading 5/12/15

September 13, 2017

The Honorable Mayor
And Assembly Members
Of the City and Borough of Sitka, Alaska
100 Lincoln Street
Sitka, AK 99835

Dear Sirs,

Please consider my application for a position on the Local Emergency Planning Committee (LEPC). I am the new Safety Officer for SEARHC and coordinate Emergency Preparedness for Mt. Edgecombe Hospital and all of our clinics, throughout Southeast Alaska. While I am new to SEARHC, and to Alaska, I am not new to Emergency Management and believe that I would be a value to the committee.

I have been with SEARHC for three months and, before that, I was the Manager of Safety and Emergency Management / Safety Officer for a large hospital in Austin, Texas. I served in that position for two and a half years, was involved in Emergency Management there for eleven years, and was employed there for fifteen years total. During that time, I was a member of CATRAC, our regional healthcare coalition, and trained and worked with various local, state, and federal agencies on emergency planning and response.

I served in the Texas National Guard and the Navy Reserves, for ten years. My enlistment time included one tour of duty in Iraq, attached to the Second Marine Expeditionary Force, in 2005 – 2006.

I also served a three year term as City Councilman in Lockhart, Texas. Lockhart is a home ruled city, with a population over 12,000, and with a budget of over \$40 million. So, I have some idea of what it's like in your seat.

Besides being a new citizen of the great City and Borough of Sitka, Alaska, I have also become a member of the Sitka Elks Lodge and the Sitka Veterans Association and am involved with the Greater Sitka Arts Council, as a cast member in an upcoming play. I absolutely love it here.

Thank you all so much for your time.
Respectfully,

Michael Sanders, CHSP
Safety Officer
SEARHC Safety & Security
Direct: [907.966.8802](tel:907.966.8802)
msanders@searhc.org
222 Tongass St, Sitka, AK 99835 | searhc.org

State of Alaska
LOCAL EMERGENCY PLANNING COMMITTEE
INDIVIDUAL APPLICATION FORM FOR MEMBERSHIP ON LEPC

LEPC name: Sitka Local Emergency Planning Committee

Applicant name: MICHAEL SANDERS

Mailing address: PO BOX 226, SITKA, AK 99835

Residence address: 5211 HPR #9, SITKA, AK 99835

Day phone: ^{CEU} (907) 738-2442 Home Phone (optional): (907) 623-0400

Where employed: SEARHC Job title: SAFETY OFFICER

LEPC category/seat that applicant seeks: 2. HOSPITAL

Categories: 1) Elected local officials, 2) Law Enforcement, Civil Defense, Fire Fighting, First Aid, Local Env/Hospital, and Transportation Personnel, 3) Media/Broadcast, 4) Community Groups, 5) Owners/Operators of Facilities, 6) Members of the Public, 7) LEPC Information Coordinator/SERC liaison

New applicant Renewal _____ Regular member _____ Alternate member _____

Qualifications for this category: _____

11 YEARS OF HOSPITAL EMERGENCY MANAGEMENT EXPERIENCE

10 YEARS OF MILITARY SERVICE

3 YEAR TERM AS CITY COUNCILMAN - LOUTHAKI, TX

Organizations in which applicant participates (that are pertinent to the application): _____

Please provide enough information to demonstrate an applicant's eligibility or suitability for a particular seat on the LEPC. For the Public At Large position, please state whether an applicant qualifies for any other category on the LEPC.

Please note: all information submitted will be made public and published online. Appointments are normally made during open session of an Assembly meeting, however, Assembly members may vote to discuss applicant(s) in closed executive session. In this case, do you wish to be present when your application is discussed? Yes No

I hereby certify that the above information is correct and that I have not misrepresented myself.



Signature

9-13-17

Date

→ To be considered, your application must be complete AND be accompanied by either a letter of interest or resume. Return to:

Melissa Henshaw, Deputy Clerk
100 Lincoln Street
Fax: 907-747-7403
Email: melissa.henshaw@cityofsitka.org



LOCAL EMERGENCY PLANNING COMMITTEE

NAME	CONTACT NUMBERS	TERM STARTS	EXPIRES	CATEGORY	
DAVE MILLER, CHAIR	747-1860	dave.miller@cityofsitka.org	Permanent	Fire Chief*	2
GEORGE BENNETT JR. 225 Tongass Drive	966-8916	gbennett@searhc.org	3/28/17	3/28/20	2
SHANNON FREITAS 222 Tongass Drive	966-8511	shannonf@searhc.org	3/28/17	3/28/20	2
KEN FATE 115 Somer Drive	747-5877 w 747-7410 h	ken@kcaw.org	2/13/07, 2/9/10, 2/12/13 2/23/16	2/13/10, 2/9/13, 2/12/16 2/23/19	3
DONNA CALLISTINI 106 Naomi Kanosh Lane	747-7107 w 747-5494	donna.callistini@yahoo.com	10/26/10 11/12/13	10/26/13 11/12/16	3
GAYLE HAMMONS 210 Kruzof Street	738-3028 c	kghammons@gmail.com	7/28/15	7/28/18	3
ANNABEL LUND PO Box 1616	623-0996 h	alund1123@yahoo.com	4/13/10 4/23/13 4/12/16	4/13/13 4/23/16 4/12/19	4
CAROL BERGE 315 Wachussetts Street	747-3636 w 738-3433	phoenix_fire957@yahoo.com	8/14/12 8/11/15	8/14/15 8/11/18	4
TRISH WHITE 117 Granite Creek Road	747-8006X202 w; 747-5976 h	trish@whitesalaska.com	3/10/09, 3/13/12 3/24/15	3/10/12, 3/15/15 3/24/18	5
CHARLES HOWLETT 209 Moller Ave.	747-0303 w 738-4440 c	bmet@sitkahospital.org	3/9/10, 6/11/13 6/28/16	3/9/13, 6/11/16 6/28/19	5
SCOTT WAGNER 304 Nicole Drive	747-3791 h 738-2729 c	scott_wagner@nsraa.org	11/12/13 12/27/16	11/12/16 12/27/19	5
MARY ANN HALL 2037 Halibut Point Road	747-7265		8/23/11 8/12/14 8/8/17	8/23/14 8/12/17 8/8/20	6
AUBREY VAUGHAN 315 Seward Street	361-774-1234	ellenvaughan68@gmail.com	10/11/16	10/11/19	6
ROSE MILLER 120 Katlian Street	723-2225		6/13/17	6/13/20	6
JEFF ANKERFELT	747-3245	jeffa@sitkapd.com	Permanent	Acting Police Chief*	2
LANCE EWERS	747-3245	lance@sitkapd.com	Permanent	Law Enforcement*	2
CRAIG WARREN	747-3233	craig.warren@cityofsitka.org	Permanent	LEPC Coordinator*	7
BOB POTRZUSKI	738-3261	assemblypotrzuski@cityofsitka.org	Non-Voting	Assembly Liaison	1
Gail Johansen Peterson 3511 Halibut Point Road	747-7646	scribeinkservices@gmail.com		Secretary	

*The police and fire chiefs and the LEPC Coordinator are permanent appointments; whoever is serving in that capacity will be appointed to the commission.

Minimum of seven members, 3-year terms; Established by Resolution 89-406; Amended by Resolution 89-441; Further amended by Resolution 99-727

Meeting: Second Thursday, noon – Fire Hall

Categories as follows: 1) Elected local officials 2) Law Enforcement, Civil Defense, Fire Fighting, First Aid, Local Environmental/Hospital, and Transportation Personnel

3) Media/ Broadcast 4) Community Groups 5) Owners/Operators of Facilities 6) Members of the Public 7) LEPC Information Coordinator/ SERC liaison

Quorum Requirement: At least one member from four different categories must be present.

Revised: August 9, 2017



CITY AND BOROUGH OF SITKA

Legislation Details

File #: ORD 17-32 Version: 1 Name:
Type: Ordinance Status: AGENDA READY
File created: 9/6/2017 In control: City and Borough Assembly
On agenda: 9/26/2017 Final action:
Title: Adjusting the FY18 Budget (Solid Waste Fund - Operations)
Sponsors:
Indexes:
Code sections:
Attachments: [Motion Memo and Ord 2017-32.pdf](#)

Date	Ver.	Action By	Action	Result
9/12/2017	1	City and Borough Assembly		

POSSIBLE MOTION

I MOVE TO approve Ordinance 2017-32 on
second and final reading.

Memo

Through: Phil Messina, Interim Administrator
Michael Harmon, Public Works Director

To: Assembly of the City and Borough of Sitka

From: Jay Sweeney, Chief Finance and Administrative Officer

Date: August 29, 2017

Re: Supplemental Budget Appropriation Solid Waste Fund

A budgeting error in the FY2018 Solid Waste Fund operating appropriation has been identified and needs to be corrected through passage of a supplemental appropriations ordinance. Correction of the error will have no impact on actual solid waste collection costs or revenue.

Discussion:

1. The operating expenses in the FY18 Budget were not adjusted to recognize the increased costs associated with the new solid waste contracts. Much like the FY17 Budget, if this is not adjusted it will reflect a significant overrun at year end. The actual operating expenses is projected to be approximately \$928,800 higher than the current budget.
2. It is very important to point out that the error identified is a budgeting error. The error is not an accounting error and no public funds were improperly spent. The increased cost of the new contracts was outlined when they were adopted by the Assembly. Likewise, when the contract was awarded the rate increases included the new contract cost.
3. Administration also believes the anticipated revenue is underestimated by \$431,000. Adjusting the revenue projections will more accurately estimate the working capital.

Recommendation:

Administration recommends that the Assembly approve an ordinance increasing the operating appropriation for FY2018 for the Solid Waste Fund by \$928,800, and increase budgeted revenue estimates by \$431,000.

**City and Borough of Sitka
Solid Waste Disposal Fund
FY2018 Projected Budget Shortfall Analysis**

	FY2017 <u>Actual</u>	FY2018 <u>Budget</u>	FY2018 Projected <u>Actual</u>	Excess (<u>Shortfall</u>)
<u>Revenue</u>				
User Fees	\$ 3,500,257	\$ 3,264,370	\$ 3,640,538	\$ 376,168
Transfer Station Tipping Fees	\$ 365,573	\$ 418,000	\$ 406,702	\$ (11,298)
Recycling Commodity Revenue	\$ 118,677	\$ 84,100	\$ 150,000	\$ 65,900
Other	<u>\$ 27,491</u>	<u>\$ 35,625</u>	<u>\$ 35,625</u>	<u>\$ -</u>
	\$ 4,011,998	\$ 3,802,095	\$ 4,232,865	\$ 430,770
<u>Costs</u>				
Collection Costs	1,055,988.00	707,723.00	1,056,000.00	(348,277.00)
Waste Shipping	1,695,148.00	1,472,900.00	1,695,200.00	(222,300.00)
Transfer Station Operation	181,215.00	3,600.00	353,050.00	(349,450.00)
Scrap Shipping	479,000.00	375,000.00	479,000.00	(104,000.00)
Recycling Shipping	64,869.00	-	64,869.00	(64,869.00)
All Other	<u>870,116.00</u>	<u>1,062,843.00</u>	<u>902,760.00</u>	<u>160,083.00</u>
Totals:	<u>4,346,336.00</u>	<u>3,622,066.00</u>	<u>4,550,879.00</u>	<u>(928,813.00)</u>
Additional Appropriation Needed:				\$ 928,813
Additional Revenue Which Can Be Budgeted For:				\$ 430,770
FY2018 Projected Cash Surplus (Deficit)				
		Revenues:	\$ 4,232,865.00	
		Cash Outlays:	<u>\$ 4,550,879.00</u>	
				\$ (318,014.00)
Working Capital as of 6/30/2017				<u>\$ 125,600.00</u>

CITY AND BOROUGH OF SITKA

ORDINANCE NO. 2017-32
AN ORDINANCE OF THE CITY AND BOROUGH OF SITKA
ADJUSTING THE FY18 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 FY18 budgets for known changes.

4. ENACTMENT. The Assembly of the City and Borough of Sitka hereby adjusts the FY18 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, 2017 and ending June 30, 2018 is hereby adjusted as follows:

Table with 1 column and 4 rows. Row 1: FISCAL YEAR 2018 EXPENDITURE BUDGETS. Row 2: CAPITAL PROJECTS. Row 3: Solid Waste Fund - Operations: A budgeting error has been discovered in the FY18 operating budget for the Solid Waste Fund, wherein appropriations for contractual costs are too low and will not fully cover projected costs. The error stems from an oversight in not including the costs of new solid waste disposal contracts in FY18 appropriations. Revenue estimates were also under-projected for FY18, mitigating the budgeting error. The overall FY18 expenditure appropriation for the Solid Waste Fund is hereby increased by \$928,800, with the contracted and purchased service budget for collection costs increased by \$348,000, for off-island shipping by \$222,000, for transfer station operations increased by \$358,800. Budgeted revenue projections are also increased as follows: collection fees increased by \$376,000 and recycling scrap revenue increased by \$55,000.

EXPLANATION

Necessary revisions in the FY 2018 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 26th Day of September, 2017.

ATTEST:

Matthew Hunter, Mayor

Sara Peterson, CMC
Municipal Clerk

1st reading 9/12/17
2nd reading 9/26/17



CITY AND BOROUGH OF SITKA

Legislation Details

File #: RES 17-20 Version: 1 Name:

Type: Resolution Status: AGENDA READY

File created: 9/20/2017 In control: City and Borough Assembly

On agenda: 9/26/2017 Final action:

Title: Supporting adoption of the second Monday in October as Indigenous Peoples' Day (1st and final reading)

Sponsors:

Indexes:

Code sections:

Attachments: [Motion and Res 2017-20.pdf](#)
[Tribal Council Resolution for Indigenous Peoples day.pdf](#)

Date	Ver.	Action By	Action	Result
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POSSIBLE MOTION

I MOVE TO approve Resolution 2017-20 on
first and final reading.

**CITY AND BOROUGH OF SITKA
RESOLUTION NO. 2017-20**

**A RESOLUTION OF THE CITY AND BOROUGH OF SITKA SUPPORTING ADOPTION OF THE
SECOND MONDAY IN OCTOBER AS INDIGENOUS PEOPLES' DAY**

WHEREAS, the City and Borough of Sitka recognizes that the Indigenous Peoples of the lands that would later become known as the Americas have occupied these lands since time immemorial; and

WHEREAS, the City recognizes the fact that Sitka is built upon the homelands and villages of the Tlingit people, who have occupied this land they called Sheet'ka since time immemorial, and without whom the building of the City would not have been possible; and

WHEREAS, the City values the many contributions made to our community through Indigenous Peoples' knowledge, labor, technology, science, philosophy, arts and the deep cultural contribution that has substantially shaped the character of the City and Borough of Sitka; and

WHEREAS, the City and Borough of Sitka has a responsibility to oppose the systematic racism towards Indigenous people in the United States and the City and Borough of Sitka, which perpetuates high rates of poverty and income inequality, exacerbating disproportionate health, education, and social crises; and

WHEREAS, the City strives to promote the closing of the equity gap for Indigenous Peoples through policies and practices that reflect the experiences of Indigenous Peoples, ensure greater access and opportunity, and honor our community's indigenous roots, history, and contributions.

NOW, THEREFORE, BE IT RESOLVED that the Assembly of City and Borough of Sitka declares the second Monday in October as Indigenous Peoples' Day in the City and Borough of Sitka, firmly commits to continue its efforts to promote the well-being and growth of Sitka's Alaska Native, American Indian and Indigenous community, and encourages other businesses, organizations, and public institutions to recognize Indigenous Peoples' Day.

PASSED, APPROVED, AND ADOPTED by the Assembly of the City and Borough of Sitka, Alaska, on this 26th day of September, 2017.

Matthew Hunter, Mayor

ATTEST:

Sara Peterson, CMC
Municipal Clerk

1st and final reading 09/26/17



Sitka Tribe of Alaska
456 Katlian Street
Sitka, Alaska 99835

Main: 907-747-3207
Fax: 907-747-4915

Tribal Council Resolution 2017-143

REAFFIRMING OUR RECOGNITION, COMMENDING THE STATE OF ALASKA FOR ADOPTING HB78 AND ENCOURAGING THE CITY OF SITKA'S ASSEMBLY TO ADOPT A RESOLUTION DECLARING THE SECOND MONDAY IN OCTOBER AS INDIGENOUS PEOPLES DAY

WHEREAS, Sitka Tribe of Alaska is the federally recognized tribal government for more than 4,400 enrolled tribal citizens in Sitka, Alaska, organized under the Indian Reorganization Act of 1934 as amended; and

WHEREAS, Sitka Tribe of Alaska is responsible for the health, safety, welfare, and cultural preservation of its tribal citizens and their use of the Sitka Tribe traditional territory; and

WHEREAS, Sitka Tribe of Alaska's traditional territory reflects the lands and waters historically and presently the stewardship responsibility of the Sheet'ka K̄wáan and as such are composed of the western side of Baranof Island, the greater reaches of Peril Strait, southwestern portions of Chichagof Island and the myriad of islands as well as the waters between these locations; and

WHEREAS, Article VII Section 9(1)(h) of the Constitution of Sitka Tribe of Alaska specifically directs the Sitka Tribal Council "to protect and preserve the Tribal property, wildlife, and natural resources within those areas under the jurisdiction of the Tribe"; and

WHEREAS, Sitka Tribe of Alaska has recognized the second Monday in October as Indigenous Peoples Day pursuant to a resolution adopted in 2015 since the State of Alaska and the towns within Alaska are built upon the homelands and villages of the Tlingit people, who have occupied this land called Sheet'ka since time immemorial; and

WHEREAS, Sitka Tribe of Alaska would like to commend the State of Alaska for adopting HB 78 in June 2017, establishing the second Monday of October each year as Indigenous Peoples Day and that law becomes effective September 22, 2017; and

WHEREAS, Sitka Tribe of Alaska would like to encourage the City of Sitka Assembly to approve the Resolution at their September 26, 2017 Assembly meeting being brought forward by Assembly members Kevin Knox and Tristan Guevin, which would also establish the second Monday of October each year as Indigenous Peoples Day and that resolution commits to oppose systematic racism towards Indigenous people in the United States and the City and Borough of Sitka.

NOW THEREFORE BE IT RESOLVED, that the Tribal Council of Sitka Tribe of Alaska hereby reaffirms its recognition of the second Monday in October as Indigenous Peoples Day and firmly commits to continue its efforts to promote the well-being and growth of Sitka's Alaska Native, American Indian and Indigenous community, and encourages other businesses, organizations, and public institutions to recognize Indigenous Peoples Day.

CERTIFICATION

The foregoing resolution was adopted at a duly convened meeting of the Tribal Council of Sitka Tribe of Alaska, held on September 20, 2017, and at which a quorum was present, by a vote of _____ IN FAVOR, _____ AGAINST, _____ ABSTAINING, and _____ ABSENT.

KathyHope Erickson, Tribal Chairman

Attest:

Clara Gray, Tribal Secretary

Tribal Council Resolution 2017-143

REAFFIRMING OUR RECOGNITION, COMMENDING THE STATE OF ALASKA FOR ADOPTING HB78 AND ENCOURAGING THE CITY OF SITKA'S ASSEMBLY TO ADOPT A RESOLUTION DECLARING THE SECOND MONDAY IN OCTOBER AS INDIGENOUS PEOPLES DAY



CITY AND BOROUGH OF SITKA

Legislation Details

File #: ORD 17-33 Version: 1 Name:

Type: Ordinance Status: AGENDA READY

File created: 9/20/2017 In control: City and Borough Assembly

On agenda: 9/26/2017 Final action:

Title: Amending Sitka General Code Title 4 "Revenue and Finance" by adding a new Chapter 4.27 "Excise Tax on Marijuana and Marijuana Products" (1st reading)

Sponsors:

Indexes:

Code sections:

Attachments: [Motion Ord 2017-33.pdf](#)
[Memo Marijuana Excise Tax.pdf](#)
[Ord 2017-33.pdf](#)
[Excerpt Health Needs and Human Services Commission.pdf](#)

Date	Ver.	Action By	Action	Result
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POSSIBLE MOTION

I MOVE TO approve Ordinance 2017-33 on
first reading.



City and Borough of Sitka

100 Lincoln Street • Sitka, Alaska 99835

MEMORANDUM

To: Mayor Hunter and Assembly Members
Keith Brady, Municipal Administrator

From: Kevin Knox, Tristan Guevin and Bob Potrzuski

Date: September 21, 2017

Subject: Approval of the Marijuana Excise Tax (Ordinance 2017-33)

Most larger Alaska cities with marijuana growers and retail establishments are collecting targeted taxes on marijuana cultivation and sales. Anchorage, Juneau, Fairbanks, North Pole and Ketchikan are just a few that leverage sales or excise taxes.

Reasoning for the tax:

Obviously revenue generation is a large driver for any tax. Special taxation on products like marijuana, alcohol and cigarettes are often very well supported by voters and communities looking to distribute taxation away from necessary and critical needs and services.

Like that of alcohol and tobacco, it is widely thought that the price of marijuana will have the greatest impact of youth rates of use. Youth are the most price sensitive demographic in the purchasing spectrum when it comes to products like this. The US Surgeon General and the Center for Disease Control have countless quantitative surveys that outline best practices for alcohol, sugar sweetened beverages and tobacco pricing, though at this time there isn't hard data on marijuana, there is little doubt from many of the same researchers that marijuana will be any different.

Reasoning for an excise tax in Sitka rather than an increase in sales tax:

At this time Sitka's sales tax is already collected at the maximum allowable. The only way for an increase on just marijuana would be to have another tax levied at a higher rate.

Dedicating Revenue:

The ordinance contains a provision to dedicate revenue to the Sitka School District's Student Activity and Health Equity Fund. The Sitka Health Summit Coalition, Sitka School District, Sitka Tribe of Alaska and the Children's Health Fund Action Group have collaborated over the past several years to develop the idea of the Fund.

Sitka has some significant inequities, with great disparity evident in income, opportunity and health outcomes along class and racial lines. Overall, 10% of Sitka's children live in poverty and 36% qualify for free or reduced lunch programs.

The cost of extracurricular and after school activities is high and growing. For a single child to participate in one season of a typical club, sport or other organized healthy activity in Sitka, a family must be able to pay up to several hundred dollars in registration, uniform, travel, and other fees. This financial burden is in addition to the challenge of providing youth with the necessary gear, snacks and transportation needed for full participation in activities. For families with limited resources, these barriers are often insurmountable and kids – often those with the most need for healthy, safe activities - are missing out on opportunities to exercise, play, build new skills, and gain exposure to positive peer and adult mentors. The SSD Student Activity and Health Equity Fund will be designed to help close this opportunity gap by funding student participation in activities that improve health and wellbeing. The goal of the SSD Student Activity and Health Equity Fund working group is to create and administer the funds with an equity lens, thereby building a more just and healthy Sitka.

The Fund will be a collaborative undertaking. The Sitka School District's Activities Director will manage the program and Sitka School District will distribute the funds. The Sitka School District is an ideal partner since they can use the application process that students use to be eligible for free and reduced school lunches.

Community partners formed the Children Health Fund Workgroup: Sitka Counseling and Prevention Services, Sitka Tribe of Alaska, Sitka Community Hospital and the Sitka Conservation Society. That workgroup will continue to advise the SSD in evaluating and managing the fund so that it continues to grow both from CBS contributions and leveraged funding opportunities like the RWJF Action Acceleration Grant, Rotary and other private donors. To date the Fund has been granted \$10,000 from RWJF and received commitments from individual donors. Part of the recent grant funds will be used to hire a professional evaluator to examine and report on the implementation and results.

The Sitka Health Summit Coalition will leverage learnings from the Roadmaps to Health coaching program to insure that the fund is appropriately designed to sustainably achieve its equity and health goals. The program is being piloted at Sitka High School with plans to scale up and grow district wide.

2017-2018 Sitka School Districts Student Activity and Health Equity Fund Project Goals are:

- 1.) Raise \$10,000 for the implementation part of Children's Health Fund by December 31st
- 2.) Create a fair and equitable distribution system for the funds.
- 3.) Increase SHS student enrollment in free and reduced school lunch program and get Title One designation for Sitka High School by May 2018.
- 4.) Increase the number of nutritious team meals that are provided to student in the 2017-2018 school year.

CITY AND BOROUGH OF SITKA
ORDINANCE NO. 2017-33

AN ORDINANCE OF THE CITY AND BOROUGH OF SITKA AMENDING SITKA GENERAL
CODE TITLE 4 "REVENUE AND FINANCE" BY ADDING A NEW CHAPTER 4.27 "EXCISE
TAX ON MARIJUANA AND MARIJUANA PRODUCTS"

1. **CLASSIFICATION.** 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.
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 amend the SGC Title 4 "Revenue and Finance" by adding a Chapter 4.27 to provide for an excise tax on marijuana and marijuana products.
4. **ENACTMENT.** NOW, THEREFORE, BE IT ENACTED by the Assembly of the City and Borough of Sitka that the Sitka General Code Title 4 "Revenue and Finance" amended as follows to add Chapter 4.27 "Excise Tax on Marijuana and Marijuana Products" (new language underlined; deleted language stricken):

* * *

Chapter 4.27
EXCISE TAX ON MARIJUANA AND MARIJUANA PRODUCTS

Sections:

- 4.27.010 Applicability, purpose and authority.
- 4.27.020 Definitions.
- 4.27.030 Excise tax on marijuana.
- 4.27.040 Exemptions.
- 4.27.050 Permit required – Issuance.
- 4.27.060 Expiration of permits.
- 4.27.070 Ownership change to be reported.
- 4.27.080 Transfer of permit.
- 4.27.090 Refund or credit of tax.
- 4.27.100 Display of permit – Surrender of permit – Suspension or revocation of permit.
- 4.27.110 Tax returns.
- 4.27.120 Involuntary returns.
- 4.27.130 Amended tax returns.
- 4.27.140 Application of payments.
- 4.27.150 Prohibited acts and penalties.
- 4.27.160 Interest on unpaid tax.
- 4.27.170 Civil fraud.
- 4.27.180 Tax lien.

- 50 4.27.190 Taxpayer, permittee, or other person remedies.
- 51 4.27.200 Inspection and maintenance of documents and records.
- 52 4.27.210 Administrative regulations.
- 53 4.27.220 Confidential and nonconfidential tax information.
- 54 4.27.230 Use of Proceeds.

55 **4.27.010 Applicability, purpose and authority.**

56 A. Applicability. Unless provided otherwise, this chapter shall apply to the taxation of all
57 marijuana cultivated within the city and borough for commercial or retail sale purposes,
58 including marijuana cultivated by a standard marijuana cultivation facility and a limited
59 marijuana cultivation facility.

60 B. Purpose. The purpose of this section is to provide for the levy of an excise tax on
61 marijuana cultivated within the city and borough by any marijuana cultivation facility, and
62 the enforcement of such tax.

63 C. Authority. This chapter and the regulations related to marijuana establishments
64 herein are adopted pursuant to the authority granted by AS 17.38.100 and 29.35.010(6).

65 **4.27.020 Definitions.**

66 A. "Flower and bud" means the hairy, sticky, or crystal-covered parts of mature female
67 marijuana plants generally harvested for their high potency content;

68 B. "Marijuana" has the meaning given in AS 17.38.900;

69 C. "Marijuana cultivation facility" has the meaning given in AS 17.38.900 and includes
70 both a standard marijuana cultivation facility and a limited marijuana cultivation facility
71 as licensed under 3 AAC 306.400;

72 D. "Marijuana product manufacturing facility" has the meaning given in AS 17.38.900;

73 E. "Marijuana testing facility" has the meaning given in AS 17.38.900;

74 F. "Ownership change" means:

75 1. If the licensee is a partnership, including a limited partnership, any change in
76 the identity of the partners, or in the ownership percentages held by any partners;

77 2. If the licensee is a limited liability company, any change in the identity of the
78 members, or in the ownership percentage held by any member; or

79 3. If the licensee is a corporation, any sale of corporate stocks to a person not
80 currently an owner, or any change of the percentage ownership of an existing
81 shareholder;

82 G. "Retail marijuana store" has the meaning given in AS 17.38.900;

83 H. "Transfer" means the exchange of marijuana, as defined under AS 17.38.900, with or
84 without consideration, or by barter, between marijuana establishments, or within
85 marijuana establishments possessing multiple permits, for commercial purposes.

86 **4.27.030 Excise tax on marijuana.**

87 A. Tax to Be Paid. The city and borough hereby levies an excise tax on the flower and
88 bud of all marijuana cultivated in any facility licensed pursuant to 3 AAC 306.400,
89 including standard marijuana cultivation facilities, and limited marijuana cultivation
90 facilities as follows:

91 **B. Marijuana Excise Tax.**

92 1. Any part of the flower and bud of nonexempt marijuana transferred from a
93 marijuana cultivation facility shall be taxed at \$20.00 per ounce.

94 2. A marijuana cultivation facility that is also licensed as a marijuana product
95 manufacturing facility must pay tax on the flower and bud of all nonexempt
96 marijuana transferred from the cultivation facility to the product manufacturing
97 facility for the month in which the marijuana was transferred.

98 3. A marijuana cultivation facility that is also licensed as a retail marijuana store
99 must pay tax on the flower and bud of all nonexempt marijuana transferred from
100 the cultivation facility to the retail marijuana store for the month in which the
101 flower and bud of the marijuana was transferred.

102 **4.27.040 Exemptions.**

103 A. The tax imposed under this chapter does not apply to marijuana if the state of Alaska
104 prohibits the levying of this tax under AS 17.38.

105 B. Transfers to a licensed marijuana testing facility are exempt from the excise tax on
106 marijuana.

107 **4.27.050 Permit required – Issuance.**

108 A. Except as otherwise provided by AS 17.38.020, no marijuana cultivation facility may
109 plant, propagate, cultivate, harvest, trim, dry, cure, package, or transfer marijuana
110 without registering and being issued a permit under this chapter.

111 B. The city and borough Finance Department, upon application, shall issue a permit to
112 each marijuana cultivation facility. The application must include the following
113 information:

114 1. The applicant's name and address;

- 115 2. The name under which the marijuana cultivation facility will operate;
116 3. A copy of the applicant's city and borough business license and state
117 marijuana establishment license; and
118 4. Such other information that is indicated on the city and borough's application
119 form.

120 C. The Finance Department may refuse to issue a permit if there is reasonable cause to
121 believe that the applicant has willfully withheld information requested to determine the
122 applicant's eligibility to receive a permit, or if there is reasonable cause to believe that
123 information submitted in the application is false or misleading and is not made in good
124 faith, or if the applicant has any past due amounts owed to the city and borough.

125 D. A permit required by this chapter is in addition to any license required by law.

126 E. A permit issued under this chapter shall include:

- 127 1. The name and address of the permittee;
128 2. The type of business to be conducted;
129 3. The address at which the business is conducted; and
130 4. A permit number.

131 **4.27.060 Expiration of permits.**

132 A. Permits issued under this chapter shall expire upon notice in writing by permittee to
133 the city and borough or upon ownership change.

134 B. A person whose permit is lost, stolen, or defaced shall immediately file an application
135 with the Finance Department for reissuance of the permit.

136 **4.27.070 Ownership change to be reported.**

137 If any change in a permitted establishment will result in a change in the controlling
138 interest of the permit, the permittee shall notify the Finance Department not less than
139 seven days before the effective date of the ownership change.

140 **4.27.080 Transfer of permit.**

141 A permit under this chapter is not transferrable, but instead expires upon the effective
142 date of an ownership change. Not less than seven days before the effective date of an
143 ownership change, the permittee shall provide written notice to the Finance Department
144 of the same, which must include the name, address, type of organization, and

145 jurisdiction of organization of the transferee, and surrender the permit to the Finance
146 Department. The new owner may apply for a permit under this chapter.

147 **4.27.090 Refund or credit of tax.**

148 A. If a remittance by a permittee exceeds the amount due, and the Finance Department,
149 on audit of the account in question, is satisfied that this is the case, the Finance
150 Department shall, upon written request of the permittee, refund the excess to the
151 permittee without interest.

152 B. Any claim for refund filed more than one year after the due date of the tax is forever
153 barred.

154 C. A permittee may claim a credit for excise tax paid for marijuana that is returned to the
155 permittee. The credit must be claimed for the month in which the marijuana was
156 returned. The permittee must provide proof acceptable to the Finance Department that
157 the tax had been previously paid and was refunded to the purchaser.

158 **4.27.100 Display of permit – Surrender of permit – Suspension or revocation of**
159 **permit.**

160 A. A permit issued under this chapter shall be prominently displayed at the permittee's
161 place of business.

162 B. A permittee shall surrender a permit within 10 days after:

163 1. A revocation of permit;

164 2. A cessation of business;

165 3. A change of ownership; or

166 4. A change of a place of business.

167 C. The Finance Department may suspend or revoke a permit issued under this chapter:

168 1. If any money that is owed to the city and borough is more than 30 days past
169 due;

170 2. For violation of this chapter or a regulation of the city and borough adopted
171 pursuant to this chapter; or

172 3. If a permittee ceases to act in the capacity for which the permit was issued.

173 D. No marijuana cultivation facility whose permit is suspended or revoked shall plant,
174 propagate, cultivate, harvest, trim, dry, cure, or package marijuana for transfer during

175 the suspension or revocation. No disciplinary proceeding or action is barred or abated
176 by the expiration, transfer, surrender, suspension, or revocation of a permit issued
177 under this chapter.

178 E. The city and borough Clerk will inform the Alaska Marijuana Control Board of a
179 permittee's failure to pay tax due or to file a return as required by this chapter, and will
180 initiate permit suspension or revocation proceedings by filing an accusation as provided
181 in AS 17.38.090.

182 **4.27.110 Tax returns.**

183 A. On or before 4:00 p.m. on the last day of each calendar month or the first business
184 day thereafter if the last calendar day of any month is a Saturday, Sunday, or a city and
185 borough observed holiday, a permittee shall submit to the Finance Department a tax
186 return for prior month transactions, upon forms provided by the Finance Department, for
187 each permit, and submit payment for the taxes due as prescribed by the Finance
188 Department.

189 1. The return shall be signed under penalty of perjury by the permittee or agent
190 and shall include:

191 a. A copy of the tax return for the preceding month submitted by the
192 permittee to the Alaska Department of Revenue in accordance with 15
193 AAC 61.010;

194 b. The name and address of the permittee;

195 c. The name and address of the person filing the return, if different from
196 the permittee;

197 d. The number of the applicable permit issued under this chapter;

198 e. The name under which the marijuana cultivation facility is being
199 operated;

200 f. A report setting forth the total amount of flower and bud transferred from
201 the marijuana cultivation facility in ounces, with fractional ounces
202 calculated to the third decimal place, for the preceding month;

203 g. The amount of tax due; and

204 h. Such other information and supporting documentation which may be
205 required by the Finance Department.

206 B. A marijuana cultivation facility permitted under this chapter shall file a tax return each
207 month, even if it did not cultivate or transfer any marijuana in the city and borough
208 during the preceding month.

209 C. The taxes imposed under this chapter and the return required by this section must be
210 received by the Finance Department, as provided in subsection A of this section;
211 except, if mailed they will be considered received if postmarked on or before the last
212 day.

213 D. A separate tax return must be filed for each location when a taxpayer is operating in
214 several locations within the city and borough.

215 **4.27.120 Involuntary returns.**

216 If a permittee fails to file a return as required by this chapter, or when the Finance
217 Department finds that a return is not supported by the records to be maintained
218 pursuant to this chapter, the Finance Department may prepare and file a return on
219 behalf of the permittee. Involuntary returns filed under this section may be premised
220 upon any information that is available to the Finance Department, including, among
221 other things, a copy of the materials the applicant submitted to the Alaska Department
222 of Revenue in accordance with 15 AAC 61.010, and comparative data for similar
223 businesses. A permittee for whom an involuntary return is filed under this section shall
224 be subject to liability for the tax stated in the return, as well as subject to the penalties
225 and interest provided for in this chapter. A return prepared by the Finance Department
226 is prima facie, good and sufficient for all legal purposes. However, nothing prevents the
227 permittee from presenting evidence on appeal to rebut the presumed sufficiency of a
228 return prepared by the Finance Department, nor does the presumption of sufficiency
229 alter the parties' respective burdens of proof once the permittee has presented evidence
230 to rebut that presumption.

231 **4.27.130 Amended tax returns.**

232 A. Any tax return filed hereunder may be amended by the permittee within one year
233 after the due date of the tax return being amended. No amendment by the permittee
234 shall be allowed after this one-year period.

235 B. Any tax return prepared and filed by the Finance Department on behalf of the
236 permittee may be amended by the permittee within one year of the date filed by the
237 Finance Department. No amendment by the permittee shall be allowed after this one-
238 year period.

239 **4.27.140 Application of payments.**

240 Any payment submitted to the Finance Department for any taxes, penalties, interest, or
241 cost due under any provision of this chapter or any return or any finding or
242 determination by the Finance Department under this chapter shall be credited to the

243 monthly tax period for which it was remitted, first to the payment of costs and then to
244 penalties, interest, and taxes in that order.

245 **4.27.150 Prohibited acts and penalties.**

246 A. No person shall operate a marijuana cultivation facility within the city and borough
247 without complying with the provisions of this chapter.

248 B. A penalty of five percent of the taxes due shall be incurred automatically when a
249 person fails to pay the full amount of the tax due under this chapter within seven
250 calendar days following its due date. An additional penalty of five percent of the taxes
251 due shall be incurred automatically when a person fails to file a tax return by the end of
252 the month. Taxes more than one month late will be assessed an additional five percent
253 per month for each subsequent month, or part of a month, with the total penalty not to
254 exceed twenty-five percent.

255 1. The penalty shall be computed on the unpaid balance of the tax liability as
256 determined by the Finance Department.

257 2. Notice of the penalties incurred and to be incurred shall be given to the person
258 responsible for payment of the taxes or for filing the return or report when such
259 tax payment or return or report is delinquent for seven calendar days after its due
260 date.

261 3. The penalties provided for in this section shall be in addition to all other
262 penalties and interest under this chapter.

263 C. If a properly filed amended return reduces the total tax liability or the tax required to
264 be paid, or the deterrment reduces the tax liability, the related penalty will be reduced
265 accordingly. If a properly filed amended return increases the total tax liability or the tax
266 required to be paid, the related penalty will be increased accordingly.

267 D. All penalties and remedies enumerated in this chapter are cumulative.

268 E. For good cause shown, the Municipal Administrator may waive or reduce all or part
269 of any penalty imposed under this subsection.

270 **4.27.160 Interest on unpaid tax.**

271 In addition to any penalties imposed by this chapter, interest at the rate of twelve
272 percent per annum shall be charged on the unpaid balance of delinquent taxes.

273 **4.27.170 Civil fraud.**

274 A. A civil fraud penalty may be assessed against a permittee in addition to a penalty for
275 failure to file or failure to pay.

276 B. If it is determined by the Finance Department that a tax deficiency or part of a tax
277 deficiency is due to fraud, then a penalty will be added to the tax. The penalty is fifty
278 percent of the deficiency due or \$500.00, whichever is greater. The penalty is computed
279 on the total amount of the deficiency due.

280 C. Fraud is the intentional misrepresentation of a material fact with the intent to evade
281 payment of tax which the permittee is believed to owe. The permittee, if an individual, or
282 the agent or representative of the permittee if an entity, (the "person") must have had
283 knowledge of its falsity and intended that it be acted upon or accepted as the truth.

284 D. To establish civil fraud, the Finance Department must prove by clear and convincing
285 evidence that:

286 1. The tax liability was understated; and

287 2. The understatement was the result of an intent to evade tax.

288 E. An intent to evade tax may be demonstrated by any relevant evidence, including but
289 not limited to the following:

290 1. The person has provided false explanations regarding understated or omitted
291 amounts of marijuana cultivated or transferred;

292 2. The person has provided falsified or incomplete source documents;

293 3. The person has not justified an omission or understatement of a significant
294 amount of marijuana cultivated or transferred; or

295 4. The person has substantially overstated a deduction and has failed to justify
296 the overstatement.

297 **4.27.180 Tax lien.**

298 A. If any permittee who is liable to pay a tax or permit fee under this chapter neglects or
299 refuses to pay the tax or permit fee after demand, the amount, including interest,
300 additional amounts, or assessable penalty together with costs, is a lien in favor of the
301 city and borough upon all property and rights to property, real or personal, belonging to
302 that permittee.

303 B. The lien imposed by this section arises upon delinquency and continues until the
304 amount is paid or a judgment against the permittee arising out of the liability is satisfied.

305 C. A lien arising out of a tax due under this chapter, including the penalties and interest
306 on the tax, shall be prior, paramount, and superior to all other liens, mortgages,
307 hypothecation, conveyances, and assignments, upon all real and personal property of

308 the permittee liable for the tax and upon all the real and personal property used with the
309 permission of the owner to carry on the business which is subject to the tax.

310 D. The lien on personal and real property may be enforced in a manner similar to that
311 provided by AS 29.45.300 through 29.45.480 for enforcement of real and personal
312 property tax liens.

313 **4.27.190 Taxpayer, permittee, or other person remedies.**

314 A. Any permittee aggrieved by any action of the Finance Department in issuing,
315 suspending, revoking, or refusing to issue any permit under this chapter or in fixing the
316 amount of taxes, penalties, interest, or costs under this chapter may apply to the
317 Finance Department and request a hearing within 30 days from the date the Finance
318 Department mails the notice of the action in question. Upon timely application under this
319 subsection, the Municipal Administrator shall hold a hearing to determine whether a
320 correction is warranted. Hearings before the Municipal Administrator under this
321 subsection may, at the option of the Municipal Administrator, be conducted by an
322 administrative hearing officer designated by the Municipal Administrator. The hearing
323 officer shall conduct the hearing and prepare findings and conclusions. These findings
324 and conclusions must be forwarded to the Municipal Administrator for adoption,
325 rejection, or modification and issuance of a final order or decision by the Municipal
326 Administrator. An application for a hearing must notify the Finance Department of the
327 specific action complained of and amount of tax, interest, cost, or penalty contested and
328 the reason it is contested. After receipt of a written decision by the Municipal
329 Administrator, a permittee may appeal to the Superior Court of the First Judicial District
330 at Sitka in accordance with the Alaska Appellate Court rules. The permittee shall be
331 given access to the department's file in the matter for preparation of the appeal.

332 B. A request for appeal is filed on the date it is personally delivered or when delivered to
333 the Finance Department considered by the United States Postal Service, the date of the
334 postmark stamped on the properly addressed envelope in which the request is mailed. If
335 the due date falls on Saturday, Sunday, or a city and borough observed holiday, the due
336 date is the first business day thereafter. A current mailing address must be provided to
337 the Finance Department with the request for appeal, and any change in mailing address
338 after the request for appeal is filed must be reported to the Finance Department.

339 C. If the notice to the permittee pursuant to subsection of this section shows an amount
340 due, the uncontested portion of the amount due must be paid within 30 days after the
341 date of the notice. If the uncontested amount is not paid within 30 days, collection action
342 will be taken on that amount even if the permittee has filed a request for appeal.
343 Payment of the total amount due may be made any time before the hearing. If the
344 Finance Department has reason to believe that collection of the total amount due might
345 jeopardize by delay, immediate payment of the total amount will be demanded and the
346 Finance Department may pursue any collection remedies provided by law. Payment in
347 full does not affect the permittee's right to a hearing.

348 D. If a permittee requests a hearing and fails to appear at the hearing, the Municipal
349 Administrator or hearing officer may issue a decision without taking evidence from that
350 permittee, unless that permittee shows reasonable cause for failure to appear within
351 seven days after the date scheduled for the hearing.

352 E. Taxes, licenses fees, penalties and interest declared to be due in the final
353 administrative decision must be paid within 30 days after the date of the decision, or a
354 bond must be filed with the court in accordance with the Alaska Court Rules of
355 Appellate Procedures.

356 **4.27.200 Inspection and maintenance of documents and records.**

357 A. Marijuana cultivation facilities shall keep complete and accurate records to support
358 the information to be included in the monthly tax returns required by this chapter,
359 including information regarding transfers. The records must include an accounting that
360 inventories live plants, trimmings, and any dried product on the first and last day of each
361 month including an invoice, sales receipt or other record memorializing the transfer of
362 marijuana from a marijuana cultivation facility, which must separately state the amount
363 of tax due after the sale or transfer.

364 B. Any person selling marijuana at a retail marijuana store who cannot produce records
365 showing taxes were paid on any marijuana in their possession are secondarily liable for
366 the unpaid tax on marijuana.

367 C. Permittees subject to the chapter shall keep such other documents and records as
368 the Finance Department prescribes.

369 D. The Finance Department may, during business hours, enter the business premises
370 of a permittee under this chapter, so far as it may be necessary for the purpose of
371 examining such products and the related business records.

372 **4.27.210 Administrative regulations.**

373 The Finance Department may adopt policies and procedures providing for the
374 application and interpretation of this chapter and provide forms for reporting and
375 collecting the tax imposed by this chapter.

376 **4.27.220 Confidential and nonconfidential tax information.**

377 A. The following information is publicly available information:

378 1. Names and addresses of business owners who filed tax returns under this
379 chapter:

380
381 2. Whether a business is registered to collect taxes under this chapter in the city
382 and borough;
383

384 3. Whether a business is current in filing tax returns and in remitting tax due
385 under this chapter, and the number of returns not filed; and
386

387 4. Names of those businesses which have received an exemption from the city
388 and borough relating to taxes due under this chapter.
389

390 B. The city and borough may permit any authorized representative of any federal, state
391 or other local government agency to inspect and copy any tax returns filed and reports
392 prepared under this chapter, if the other governmental agency provides substantially
393 similar access to the city and borough and if the city and borough determines that other
394 governmental agency provides adequate safeguards for the confidentiality of the tax
395 returns and reports.
396

397 C. Except as otherwise provided in this section, tax forms and their contents shall be
398 confidential and shall not be disclosed by the Finance Department except:

399 1. In connection with efforts by the city and borough to collect the tax:

400
401 2. In response to a subpoena issued by a court, state agency or governmental
402 board or commission;

403
404 3. In connection with legislative inquiry specifically authorized by the assembly;

405
406 4. In connection with the city and borough audits for purposes of verifying city
407 and borough accounting practices; or

408
409 5. In compilation of statistics and studies by the Finance Department for public
410 distribution, so long as information from individual businesses is not identifiable
411 as to source.
412

413 **4.27.230 Use of Proceeds**

414 Proceeds from the collection of marijuana excise taxes shall be deposited into the
415 Activity and Health Fund of the Sitka School District. The purpose of this fund is to
416 provide funding for co-curricular activities within the Sitka School District. The Sitka
417 School District, at its sole discretion, shall fund co-curricular activities with these
418 proceeds as it deems appropriate.
419

420 * * *

421
422 **5. EFFECTIVE DATE.** This ordinance shall become effective the day after the date of its
423 passage.
424

425 **PASSED, APPROVED, AND ADOPTED** by the Assembly of the City and Borough of Sitka,
426 Alaska this 10th day of October, 2017.
427

428

429

430

431

ATTEST:

432

433

434

Sara Peterson, CMC

435

Municipal Clerk

436

437

1st reading 9/26/17

438

2nd reading 10/10/17

Matthew Hunter, Mayor

Health Needs and Human Services Commission Minutes

September 14, 2017 12:00 p.m.

Harrigan Centennial Hall

Commission Members: Doug Osborne, Loyd Platson, Jeff Arndt,
Clara Gray, Barbara Kendall, Melissa Viator, Anthony Treas
Tristan Guevin (Assembly Liaison)

I. CALL TO ORDER

Chair Osborne called the meeting to order at approximately 12:02 p.m.

II. ROLL CALL

Present: Doug Osborne, Loyd Platson, Jeff Arndt, Clara Gray, Barbara Kendall, Anthony Treas
Absent: Melissa Viator (excused)

J. Marijuana Excise Tax Ordinance – *agenda item moved from new business*

Assembly Member, Kevin Knox, introduced the ordinance and stated he would like it to go for first reading at the Assembly meeting on September 26. He spoke to the generated funds for children activities, targeting funding around school co-curricular activities. He stated that the Assembly had authority to implement an excise tax, however in order to increase sales tax, it would have to go to a public vote. Discussion occurred on funding, support of, how the sugar sweetened beverage tax would have a greater overall impact of health on the community and would bring in more funding, negative effects, and prevention.

M – Arndt/S – Kendall moved that the Health Needs and Human Services Commission supports the marijuana excise tax ordinance and recommends the funds collected go to co-curricular youth activities. Motion passed with the following five members voting in favor: Osborne, Arndt, Gray, Kendall, Treas.

IX. ADJOURNMENT

K. Agenda items for the next meeting

No new agenda items were added.

M – Gray/S – Treas moved to adjourn the meeting. Seeing no objection, the meeting adjourned at 1:30 p.m.

Attest:
Melissa Henshaw, Deputy Clerk



CITY AND BOROUGH OF SITKA

Legislation Details

File #: 17-161 Version: 1 Name:

Type: Item Status: AGENDA READY

File created: 9/20/2017 In control: City and Borough Assembly

On agenda: 9/26/2017 Final action:

Title: Discussion/Direction of the Sitka Community Land Trust's request of \$62,000 for contaminated soil remediation costs at 1306 Halibut Point Road (possible executive session)

Sponsors:

Indexes:

Code sections:

Attachments: [Motion and Sitka Community Land Trust request.pdf](#)

Date	Ver.	Action By	Action	Result
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Step 1

Discussion/Direction of the Sitka Community Land Trust's request of \$62,000 for contaminated soil remediation costs at 1306 Halibut Point Road.
(possible executive session)

Step 2

If the Assembly desires to go into executive session, the following motion is in order:

EXECUTIVE SESSION

I MOVE to go into Executive Session, pursuant to Sitka General Code 2.04.020.D.4, to communicate with the Municipal Attorney concerning a legal matter affecting the Municipality with respect to the land conveyed by the Municipality to the Sitka Community Land Trust.

Step 3

I MOVE to reconvene as the Assembly in regular session.



PO Box 6461
329 Harbor Drive, Suite 212
Sitka, AK 99835
EIN: 35-229210

P/F: 907-747-2860
C: 907-738-2888
www.sitkaclt.org
sitkaclt@gmail.com

SITKA COMMUNITY LAND TRUST | COMMUNITY-SUPPORTED, SUSTAINABLE, AFFORDABLE HOME OWNERSHIP

TO: Mayor Matthew Hunter and the CBS Assembly

FROM: Sitka Community Land Trust

DATE: September 9, 2017

RE: Funding Support for Contaminated Soil Remediation at 1306 Halibut Point Road

The Sitka Community Land Trust (SCLT) requests funding support of **\$62,000** toward the cost of contaminated soil remediation at 1306 Halibut Point Road, known commonly as the Old City Shops.

Contaminated Soil Costs

Current extra contractor work	\$9,000
Future extra contractor work	\$7,000
12" clean fill over site	\$15,000
Nortech environmental engineering	\$36,100
DEC costs assigned us	\$250
120 cu yds soil disposal	\$36,000
	<hr/>
	\$103,350

SCLT has arranged for the sale of a parcel of land to the Pet's Choice Clinic for a parking lot on the East end of 1306 HPR. This would generate \$41,000. We are asking the Assembly to grant us the remaining \$62,000.

Background

The Old City Shops property was contaminated by a variety of industrial uses by the City and other government entities over many decades. The public devoted the site to affordable housing by referendum in 2006. In December of 2006 and in April of 2007 the City undertook cleanup work to prepare the site for affordable housing development. A report by Carson Dorn describes this cleanup and in its conclusion states:

"The cleanup work conducted at the former municipal shops area is adequate to protect public health and environment. Therefore, no further environmental cleanup is proposed."

The Alaska Department of Environmental Conservation, in January of 2008, reviewed the site and the Carson Dorn report and wrote this determination:

"The investigation and cleanup of the Former Municipal Shops Property has met the substantive requirements specified in 18 Alaska Administrative Code (AAC) 75, Article 3 No further remedial action is required and the property is cleared for redevelopment" (p.6)

City staff reported that the test wells left for a few years after the cleanup did not show oil sheen. Other City staff, involved in the actual material removal and cleanup, said the site was clean and that drainage was a bigger issue than contaminated soil. Still other staff noted that, in doing utility work through the Mill Street easement, modest amounts of contaminants were exhumed.

In order to receive 1306 HPR, the SCLT was required to sign a clause assuming responsibility for "all risk" for any further contaminants discovered. In good faith that the site was remediated per the DEC findings in 2008, the SCLT proceeded with accepting the donation and the associated risk. However, the ADEC does not recognize such waivers of environmental responsibility.

In digging trenches for the water and sewer lines in June of 2017 we uncovered contaminated soil. We notified the City and the ADEC. We hired an environmental engineering firm, Nortech, to help us through the environmental and regulatory issues. The material dug up has been declared safe to go back in the ground around the sewer lines and new, clean fill around the water lines. There is approximately 120 yards of material which must be shipped off-site for treatment.

The four environmental engineers involved – two with the ADEC and two from Nortech – all agree that the site is an appropriate site for housing and does not represent a human health hazard. There will remain some petroleum materials on this site buried four to six feet below the surface.

Conclusion

The Sitka Community Land Trust needs the help of the City to provide affordable housing on this site. Thank you for your careful consideration of our request.



CITY AND BOROUGH OF SITKA

Legislation Details

File #: 17-163 Version: 1 Name:

Type: Item Status: AGENDA READY

File created: 9/20/2017 In control: City and Borough Assembly

On agenda: 9/26/2017 Final action:

Title: Discussion/Direction/Decision of the Administrator's annual recommended transfer to the Public Infrastructure Sinking Fund

Sponsors:

Indexes:

Code sections:

Attachments: [Steps for Public Infrastructure Sinking Fund.pdf](#)
[SGC 4.45.pdf](#)

Date	Ver.	Action By	Action	Result
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Step 1

Discussion~Direction~Decision of the Administrator's Annual Recommended Transfer to the Public Infrastructure Sinking Fund.

An amount of \$1,100,000 is available for potential transfer. The Assembly must decide what action, if any, to take.

Step 2

POSSIBLE OPTIONS

- Transfer \$0
- Transfer \$1,100,000 to the Public Infrastructure Sinking Fund.
- Transfer an amount other than \$1,100,000 to the Public Infrastructure Sinking Fund.
- Transfer \$_____ to the Public Infrastructure Sinking Fund and/or _____, _____, _____ Funds.
- Transfer \$_____ to the Public Infrastructure Sinking Fund and/or restrict \$_____ within the General Fund for _____, _____, _____ purpose.

Step 3

Make a motion based on the Assembly's discussion.

I MOVE TO _____.



City and Borough of Sitka

100 Lincoln Street • Sitka, Alaska 99835

MEMORANDUM

To: Mayor Hunter and Assembly Members
Keith Brady, Municipal Administrator

From: Jay Sweeney, Chief Finance and Administrative Officer

Date: September 18, 2017

Subject: Administrator's Annual Recommended Transfer to the Public Infrastructure Sinking Fund

Issue:

The Administrator is presenting his annual recommendation concerning a transfer to the Public Infrastructure Sinking Fund, per the Sitka General Code. The Assembly must decide what action, if any, to take.

Facts:

1. Per SGC 4.45.020, Determination of the required balance of the public infrastructure sinking fund, the following analysis must be accomplished annually:

"Within ninety days after the start of each fiscal year, the administrator shall prepare an analysis of the general fund balance with an accompanying recommendation as to an amount of the general fund balance available for potential transfer to the public infrastructure sinking fund. This analysis shall first take into account any portions of the general fund restricted by Chapter 4.44A before recommending any further amounts for potential transfer to the public infrastructure sinking fund. (Ord. 12-30 § 4 (part), 2012.)."

2. Per 4.45.030, Assembly action, actions resulting from the Administrator's recommendation and incumbent responsibilities are as follows:

"Within sixty days after presentation of the annual analysis by the administrator, the amount determined by the administrator shall automatically be transferred to the public infrastructure sinking fund, unless a super majority of the assembly votes to change the recommended amount. (Ord. 12-30 § 4 (part), 2012.)"

Discussion:

1. In accordance with SGC 4.45.020, the attached analysis of the amount of the General Fund balance has been prepared, and it indicates that an amount of \$1,100,000 is available for potential transfer to the Public Infrastructure Sinking Fund. The Assembly must decide what action, if any, to take in regards to the balance.
2. If the Assembly either (1) decides to transfer an amount other than \$1,100,000 to the Public Infrastructure Sinking Fund, or (2) propose some other appropriation, it should do so via a motion.

Administration will then introduce a supplemental appropriation ordinance at a subsequent meeting to accomplish the required appropriation. Likewise, if the Assembly decides not to transfer any funds at all to the Public Infrastructure Sinking Fund, it should also do so via a motion; however, no follow-on supplemental appropriation will be introduced (as there will be none).

3. The Assembly could also discuss the motion and take no action, or, postpone the matter and take action later. Per the Sitka General Code, however, the recommended transfer would be automatic if no action were taken within 60 days. Per SGC 4.45.050, the Assembly could transfer the funds back to the General Fund at a later date if they were transferred automatically, but a super majority vote of the Assembly would be required to do so.
4. It is critically important to note that the transfer of funds into the Public Infrastructure Sinking Fund is not the same thing as authority to spend such funds. An additional future appropriation would be required to expend any funds in the Public Infrastructure Sinking Fund. SGC 4.45.040 sets forth the authorized uses for which funds in the Public Infrastructure Sinking Fund can be appropriated; the same code section also states that expenditure of such funds will be recommended by the Administrator in his/her annual budget.
5. The reason for, and source of, the surplus funds being considered for transfer was frugality in the execution (spending) of the FY2017 General Fund budget. 97% of the total General Fund expenditure appropriation was spent while the Municipality achieved 101% of its anticipated revenue for the fiscal year.

Analysis of Alternatives (Pros and Cons):

1. It is a known fact that the Municipality has a large amount of deferred maintenance for general governmental infrastructure, and, that the amount is increasing annually. The concept of codifying the annual transfer recommendation from the General Fund into the Public Infrastructure Sinking Fund was to ensure that consideration of funding deferred maintenance was accomplished first before any other potential uses of General Fund surpluses were suggested. Enacting the Administrator's recommendation ensures that deferred maintenance is attended to first when extra funds are identified.
2. A ramification of the transfer, however, is that it potentially limits Assembly options for use of such funds if unanticipated requirements arise. It is still possible, however, to transfer funds back to the General Fund with a super majority vote; this provision was put into place to ensure the funds were not completely locked up in case of a pressing need (but were still hard to get at in case a split Assembly wanted to spend the funds on a discretionary purpose).
3. A consequence of any decision to transfer funds out of the General Fund to the Public Infrastructure Sinking Fund is that such a transfer will be treated as a transfer expenditure for purposes of the execution of the FY2018 General Fund budget. When examining the General Fund budget in the context of just one singular year, the transfer expenditure would have the effect of adding to the annual budget deficit for FY2018. This accounting consequence has been confusing and bedeviling in past years. When examined, however, over the course of multiple years, the proposed transfer is the movement and physical segregation of an increase in the undesignated, available fund balance in the General Fund to a separate fund in which expenditures of funds are limited for specific purposes. The same limitation could be accomplished by restriction of the fund balance within the General Fund; however, the physical movement to, and segregation in, a separate fund gives greater visibility to the restriction of purpose for which the funds can be spent.

Recommendation:

Administration recommends that the amount of \$1,100,000 be transferred to the Public Infrastructure Sinking Fund IAW SGC 4.45.020, and, that the Administrator prepare a budget ordinance to accomplish the transfer.

Chapter 4.45

LONG-TERM INFRASTRUCTURE SINKING FUND FOR THE REPAIR AND REPLACEMENT OF GENERAL FUND MUNICIPAL BUILDINGS, STREETS, SIDEWALKS, PARKING LOTS, AND PARKS

Sections:

- 4.45.010 Establishment of the public infrastructure sinking fund.
- 4.45.020 Determination of the required balance of the public infrastructure sinking fund.
- 4.45.030 Assembly action.
- 4.45.040 Use of the sinking fund.
- 4.45.050 Emergency transfer of the sinking fund.

4.45.010 Establishment of the public infrastructure sinking fund.

There shall hereby be created, within the fund structure of the city and borough of Sitka, a sinking fund for the repair and replacement of general fund municipal buildings, streets, sidewalks, parking lots, and parks to be hereafter called the public infrastructure sinking fund. (Ord. 12-30 § 4 (part), 2012.)

4.45.020 Determination of the required balance of the public infrastructure sinking fund.

Within ninety days after the start of each fiscal year, the administrator shall prepare an analysis of the general fund balance with an accompanying recommendation as to an amount of the general fund balance available for potential transfer to the public infrastructure sinking fund. This analysis shall first take into account any portions of the general fund restricted by Chapter [4.44A](#) before recommending any further amounts for potential transfer to the public infrastructure sinking fund. (Ord. 12-30 § 4 (part), 2012.)

4.45.030 Assembly action.

Within sixty days after presentation of the annual analysis by the administrator, the amount determined by the administrator shall automatically be transferred to the public infrastructure sinking fund, unless a super majority of the assembly votes to change the recommended amount. (Ord. 12-30 § 4 (part), 2012.)

4.45.040 Use of the sinking fund.

The assembly shall annually appropriate an amount from the public infrastructure sinking fund to be used exclusively for the repair and replacement of general fund municipal buildings, streets, sidewalks, parking lots, and parks as recommended by the administrator in his annual budget. (Ord. 12-30 § 4 (part), 2012.)

4.45.050 Emergency transfer of the sinking fund.

The assembly shall have the authority to transfer any portion of the public infrastructure sinking fund to the general fund in the case of an emergency threatening public health, safety, or welfare which requires use of public funds. Such a transfer shall require an approval of a super majority of the assembly. (Ord. 12-30 § 4 (part), 2012.)



CITY AND BOROUGH OF SITKA

Legislation Details

File #: 17-164 Version: 1 Name:

Type: Item Status: AGENDA READY

File created: 9/20/2017 In control: City and Borough Assembly

On agenda: 9/26/2017 Final action:

Title: Adopt the Chief Finance and Administrative Officer's interpretation of the term "sales unit" as set forth in Sitka General Code 4.09.100 (N), and, further clarify the term "sale unit" as it pertains to the provision of services and bundled invoices

Sponsors:

Indexes:

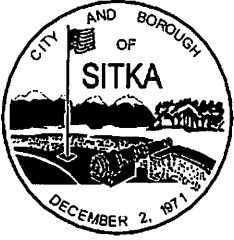
Code sections:

Attachments: [CFAO interpretation.pdf](#)

Date	Ver.	Action By	Action	Result
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POSSIBLE MOTION

I MOVE TO adopt the Chief Finance and Administrative Officer's interpretation of the term "sales unit" as set forth in Sitka General Code 4.09.100 (N), and, further clarify the term "sale unit" as it pertains to the provision of services and bundled invoices.



City and Borough of Sitka

100 Lincoln Street • Sitka, Alaska 99835

MEMORANDUM

To: Mayor Hunter and Assembly Members
Keith Brady, Municipal Administrator

From: Jay Sweeney, Chief Finance and Administrative Officer

Date: September 20, 2017

Subject: Adopt Sales Tax Interpretation 17-02

1. Issue:

The Finance Director has made a sales tax regulatory interpretation which must, per the Sitka General Code (SGC), be brought to the Assembly for adoption or rejection. The interpretation pertains to what, exactly, constitutes a "sale unit", as set forth in SGC 4.09.100 (N), and, to further clarify the term "sale unit" as it pertains to the provision of services and bundled invoices.

2. Facts:

- A. SGC 4.09.400, Rules and Regulations, provides authority to the Finance Director to interpret the meaning and applicability of sales tax regulations to specific situations requiring an interpretation and decision. The interpretation and decision rendered are subsequently required to be submitted to the Assembly for adoption or rejection.

The SGC citation is as follows:

4.09.400 Rules and regulations

The finance director shall from time to time cause to be promulgated rules and regulations as are necessary and advisable to provide for the application and interpretation of this chapter and to submit them to the assembly for its adoption or rejection, and to cause to be provided methods and forms for reporting and collecting the tax in accordance with this chapter and regulations. (Ord. 03-1758 § 4(B), 2004.)

- B. In response to questions raised as to the meaning of the term "sales unit" as set forth in sales tax exemption N, Over (SGC 4.09.100 N), Over Three Thousand Dollars on Sales and Rents of Tangible Personal Property and on Sales of Services, and Over Three Thousand Dollars in Rent or Lease of Real Property on a Monthly Basis (*note: will change to \$12,000 on October 1, 2017*), described in the attached Interpretation, I have interpreted the meaning and intent of the Sitka General Code to be the following:

- a. Extra services that are provided in addition to those initially agreed upon at the time of the provision of the original services, or, that are invoiced on a cost plus materials basis, constitute a separate sales unit and are to be taxed as a separate sale. *An example would be an agreement for roof shingle replacement entered into after gutter cleaning services were performed, but are all invoiced on the same sales invoice.*
- b. Each instance in which tangible property, which is sold and invoiced on one sales slip, but which is delivered or for which ownership changes hands over the course of more than one day, constitutes a separate sales unit and shall be taxed as a separate sale. *An example is the sale of a large quantity of rock, invoiced on one single invoice, but which is delivered over the course of weeks/months.*
- c. Each single rental of commercial property for a period not to exceed 30 days shall constitute a separate sales unit, even if governed by a long-term lease or rental contract and invoiced on a single invoice. *An example is an annual lease of commercial property invoiced on one single invoice.*

3. Discussion:

- A. In conjunction with the increase of the taxable sales transaction limit to \$12,000 (effective October 1, 2017), the Finance Department has received several inquiries as to what comprises a "sales unit" for purposes of determining what portions of a sales transaction are taxable and exempt. In providing answers to these questions, the Finance Director has had to interpret the meaning of the term "sales unit" as set forth in SGC 4.09.100 (N).
- B. In order to reduce the total amount of a transaction including tax to customers and thereby create a value proposition and competitive edge, some sellers will occasionally try to find interpretative loopholes in the SGC which allow for some element of the total sales price to become tax exempt. When instances of these interpretative loopholes arise, they require additional interpretation as to the intent of the code. The definition of the term "sales unit" is one such loophole.
- C. The interpretive issues surrounding the term "sales unit" have taken different turns, but they all share one element in common: seeking to bundle multiple sales, performances of services, and rentals of real property into one single invoice for the purposes of having some portion of the total sale exempt from taxation (due to the "sales unit" being in excess of the taxable transaction limit).
- D. Historically, when questions as to of the application of sales tax code to individual seller circumstances arise, two common themes are found:
 - a. The seller needs an immediate answer and can't wait until the matter is presented to the Assembly at its next meeting, which could be as much as three weeks in the future. For this reason, the Finance Director was afforded

the ability to make interpretations as set forth in SGC 4.09.400.

- b. Extremely fine parsing of ***Exactly*** what is meant by a term or phrase is discussed. Even when code is carefully crafted, circumstances consistently arise wherein some unanticipated meaning or understanding surfaces. Such is the case with SGC 4.09.100 (N) 1, wherein the code states “...***although this exemption does not apply if any portion of the invoice or sales slip refers to more than one business day...***” This section of the code seemingly deals with the issue of bundling over time; however, a question has been raised as to whether the intent is to limit transactions in which no time limit is specified on the invoice or sales slip, yet delivery is made over a lengthy period of time. An example would be the sale of rock in which the sales slip says simply 1,000 yards of crushed D-1, but, which is negotiated to be delivered over the period of months and such negotiation is not specifically indicated on the sales slip. This transaction could, under some interpretation and parsing, be read to mean that, since the sales slip did not specifically refer to more than one business day, the entire sale is one sales unit and, therefore, subject to the taxable transaction limit. Hence, precise additional interpretation is required

- E. If the Assembly does not adopt the recommended interpretation or set forth an alternative interpretation, the precise meaning of the term “sales unit”, in certain contexts, will remain vague and undefined. This will result in additional staff time in the future spent revisiting this same issue, and, potential non-collection of sales taxes.

4. **Analysis of Alternatives (Pros/Cons):**

- A. Adoption of the Finance Director’s interpretation will clarify the meaning of a portion of the sales tax code interpretation which has been vague and, therefore, has led to questions, confusion, and possible loss of legitimate sales tax revenues. No additional staff time of expenditure will be required to adopt the recommended alternative.
- B. Rejection of the Finance Director’s interpretation will lead to continued vagueness and uncertainty as to the meaning of the term “sales unit”, unless the Assembly adopts a different interpretation.
- C. Adoption of a different interpretation of the term “sales unit” on the fly, without adequate research and contemplation, could lead to additional vagaries as to intent and meaning, causing the issue to potentially return to the Assembly again.

5. **Recommendation:** Administration recommends that the Assembly adopt the Finance Director’s Sales Tax Interpretation 17-02.